

## Entrepreneurship in Public Institutions

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**ABSTRACT:** The theory of public administration has recently been divided into three branches. The three branches are the theory of public administration, the new theory of public management, and the theory of postmodern public administration. Each of these three branches study public administration from a different perspective. These types of theories are some of the ways in which an administrator can understand them and can exercise their duties as a public administrator. The theory cannot simply be derived from empirical observation of facts; it must be constructed using value judgments that direct our empirical observations and then guide the interpretation of these observations. Values are essential for the construction of theories of public administration, as they take into account the significant ethical principles and philosophies of a culture that provides a theoretical and practical basis.

**KEYWORDS:** management, public sector, private sector, entrepreneurship, economy

This article's main objective is to highlight that the theory of public administration is a mixture of history, organizational theory, social theory, political theory and scientific studies based on the meanings, structures and functions of the public service in all its forms. Public administration theorists such as Max Weber have expressed the importance of values in the development of public administration theory (Chevallier 1987, 94). The theories of public administration are put into practice or taken into account by several distinct strategies: Parallel, Transfer or Collaboration, known as the practice of theoretical differences. This practice is used to transfer knowledge between practitioners and researchers (Ionescu 1997, 82). The new public management is an integral part of the massive intrusion of freemarket values into the public space, which threatens to exclude all political values. It is worth noting that, in this sense, the new public management is the radical opposite of the notion of migration of political values in private space, in the interest of a future democratizing society. However, the new theory of public management fails to address policy issues in a meaningful way. This theory concerns the public administration from the roots of capitalism and is drawn from the perspective of global capitalism (Iordan 2003, 47). Intentionally or not, the new public administration served the interests of the elites, especially the pro-government elites, degraded the government's ability to address the public interest, and served as a vehicle for raising the apolitical governance of free trade and other supranational organizations, which have fully embraced the political philosophy of economic rationalism and the new managerialism. Even when we understand the theory of postmodern public administration, it is important to differentiate between postmodern theory and postmodern epoch, presumably and to differentiate postmodernism (theory / philosophy) from postmodernism. Postmodern public administration refers to the internal functioning of any existing government entity. The idea of public administration is broad enough to encompass all government positions that affect the public. The difference between the private sector and the public sector is the budgetary process and the ideology,

which gave rise to a meeting of interest. The following elements are commonly considered key structural aspects of a public procurement system: an appropriate legislative framework, supported by regulations that address procedural issues that are not normally covered by primary legislation, an adequate institutional and administrative infrastructure, an effective review and accountability regime, an efficient sanctions regime, and adequate human, financial and technological resources to support all elements of the system (Vararu 1928, 91).

The defense of the public service and the fear of questioning are recurring themes in the political debate. The difficulty lies in the fact that the field of application of this concept varies over time and depends on the population and the political power. In addition, the term public service means two different elements: a mission, which is an activity of general interest, presumably and an organizational structure, directly or indirectly, to support these activities of general interest by public people (state, local authorities, public institutions) or private, but under the control of a public person (Hintea and Mora 2003, 33).

Although the private sector is indeed more efficient and effective than the public sector in providing those services, the public sector should consider adopting the principles of the private sector. However, there are fundamental differences between the goals of the private sector and the public sector, and an investigation is not necessary before deciding on the adoption of the principles of the private sector or outsourcing. The formal comparisons between the practices, the principles and the efficiency of the public and private sector began in 1976. The researchers found that the objectives and roles of the private and public sectors differed considerably for each other. The private sector is more efficient in the areas of risk tolerance, procurement, marketing, technology and innovation (Tosterud 1999). Specifically, because the content of the decision is so different between the public and private sectors, in the sense that the decisions in the public sector are open, transparent, organized in comparison with the company, support, they are also different.

### **Entrepreneurship results (companies appearing in public institutions)**

Supporting sustainable change in society requires an association of actors, and this is the place in which the public entrepreneur can play an unconventional and mobilizing role. The work in the sector is not a natural function of the government or the civil servants, but the infrastructure and incentives tend to constrain it. Public entrepreneurs will have to play a particularly important role in the developing world, where there is underdevelopment or undermining the inability of states to act through corruption. In developed countries, the role of the public entrepreneur will be crucial in further unlocking the potential of citizens in the design and co-provision of public services. A critical function of the public entrepreneur is to find new ways to finance public service and development interventions. This could mean partnering with budgets, searching public-private partnerships, using digital technology or experimenting with new models of social finance and tax investments (Leitao and Baptista 2009, 22). Public entrepreneurs are part of a system, rather than an organization or a department. While social entrepreneurs are people outside the government, public entrepreneurs act within the government and, within them, are a mixture of two different roles: that of a civil servant and that of a public servant (Shane and Venkataraman 2000, 217-226). As the challenges for public services and society become more acute and complex, a concept rooted in the 1960s is increasingly revised, as public leaders try to implement entrepreneurship and innovation in traditional government structures and processes.

The concept of entrepreneurship is often confused with the term small business or used interchangeably with that term. While most entrepreneurial businesses start as

small businesses, not all small businesses are entrepreneurial, in the strict sense of the term. Many companies are operations with the sole owner or have a small number of employees and many of these small companies offer an existing product, process or service and do not aim for economical growth. But, entrepreneurial enterprises offer a product, a process or an innovative service, and the entrepreneur usually has the goal of enlarging the company by adding employees, in terms of international sales, process that is funded by venture capital investments and investments (Thompson 2002, 412-431). Successful entrepreneurs have the ability to lead a business in a positive direction by planning wisely, adapting to changing environments, and understanding their own strengths and weaknesses. An entrepreneurial resource is any good owned by a company that has the skills to create economical values. The economical value that creates both tangible and intangible sources is considered to be an entrepreneurial resource. The economical value of these generates activities or services through the mobilization of entrepreneurs. Entrepreneurial resources can be divided into two fundamental categories: tangible and intangible resources. Communication is essential in the role of entrepreneurship, as it allows leaders to convince potential investors, partners and employees about the feasibility of an adventure. Entrepreneurs need to practice efficient communication both within the company and with external partners and investors in order to launch and develop a business that will allow it to survive. An entrepreneur needs a communication system to link company staff and make them available to companies and external clients.

The concept of entrepreneurship in the public sector has emerged recently in the main literature of entrepreneurship, as defined by the process of creating values for citizens by bringing together public and private opportunities. Public entrepreneurs are persons who carry out activities intended for the initiation, maintenance or aggregation of one or more of the organizations in the public sector and provide a practical description of the company. The emergence of the entrepreneurial phenomenon in the public sector has generated an interesting debate in the literature on the democratic accountability of public managers and politicians. The differences between the private sector and the public sector do not allow the adoption of the entrepreneurial model for public organizations. Entrepreneurship includes anti-democracy characteristics, such as a strong dependence on domination and coercion, a preference for revolutionary change, and a lack of respect for tradition. In the management literature on entrepreneurship, community entrepreneurs are seen as local facilitators of entrepreneurship events (Parlagi 2004, 104). Community entrepreneurs have worked at the local community level to create a context for self-employed entrepreneurs to inspire them to start their own business and help them through their extensive networks. Both community and virtual entrepreneurs have a goal of regional development and coordinate their activities within the broader local community, as opposed to a relatively notion, but in a more restricted way, of a politic and public entrepreneurs who have a (public) goal of organizational performance, a similar manner that corporate entrepreneurs exercise for and within a corporation. There are similarities between public sector entrepreneurship and large corporation entrepreneurship, as both types of organizations have formalized hierarchies, established stakeholder groups with competing requirements, deeply rooted cultures and procedures to guide operations, a desire for power and security, and rigid systems of financial controls, budgeting and employee rewards. In addition, managers in both types of organizations have increased job security, less personal responsibilities, and access to a resource base.

### **Success factors**

The similarities and differences between the two have been elaborated and analyzed on the basis of certain concepts of the organization which include objectives, goods and services, resources, structure and design of the organization, the organization, making decisions, the culture of the organization. The reason why these concepts are applied to the detriment of others is the fact that these concepts are fundamental to the analysis of the organization and have a greater applicability to understand the characteristics of the public and private organizations in a systematic way.

Researchers suggest that the private sector and public organizations differ significantly in their objectives or achievement of objectives. (Amo and Kolvereid 2005, 7-19). One of the interesting anomalies about the comparison between the public sector and that of private organizations is the complexity of the objectives and the ambiguity. Private organizations aim for a single profit. Public organizations, on the other hand, have vague, intangible and multiple goals. Public organizations are exposed to much more external oversight and responsibility, and their goals are often in conflict or are confronted. At present, the private sector is progressing faster, because it promotes quality, not quantity. All in all, there are some obvious areas where the goals of public and private organizations can align. For example, many public corporations / institutions are projected to make a profit and make a contribution to the country's economic development, to support other organizations for resources (Sadler 2000, 25-43). The goods and services of private organizations depend on the market situation and follow the mechanism of demand and supply. Private companies are owned by entrepreneurs or shareholders who own property and resources and receive direct monetary benefits. The involvement of the private sector in state ownership or the provision of public services is a global trend. The fundamental differences between the public and private sectors are centered around the ambiguous objectives of the public sector and the large number of stakeholders, which is due to a lack of focus and clear decision-making processes, the resource used to consult the various stakeholders. The studies compared the differences between the public and private sectors in terms of decision-making, performance management, staff performance, motivations, risk tolerance, procurement, marketing, technology and innovation. Although the applicants may agree that the private sector is more efficient or more effective, in a number of areas, there are fundamental differences between objectives and the operating environment, which affects the ability of the public sector to apply private sector principles.

### **Difficulties and challenges (legislation / mentality)**

Entrepreneurship within the organization is common to the public sector. However, internal entrepreneurship exists in all types of organizations in the public sector, depending on time, location and situation. On the other hand, the public sector operates in circumstances that differ fundamentally from that of the private sector in various fields. Public entrepreneurs run their own private companies or government (Khan, Munir and Willmott 2007, 1055-1077). In both cases, they borrow from the skills, strategies and private entrepreneurial skills and adapts the best practices in contexts with a high level of involvement and public and political interests and control. Public sector entrepreneurship is defined as the promulgation of innovative initiatives in the field of public policy that generates greater economic prosperity through the transformation of a more economical and stable status-quo into one more conducive to economical units engaged in creative activities in the face of uncertainty. In today's economy, entrepreneurship in the public sector is undergoing this transformation primarily by increasing the efficiency of knowledge networks; in addition,

by increasing the heterogeneity of the experiential links between the economic units and by the inability of these economical units to exploit such diversity. Through policy initiatives embedded in public sector entrepreneurship, there will be more developments in new technologies and, as a result, more innovations across the economy. The public sector, with a wide range of organizations, plays a key role in our society. Regardless of whether these organizations in the public sector should or should not promote entrepreneurial management in order to fulfill their legal mandate, it is an ongoing debate between researchers and practitioners. Entrepreneurial managers can create public value by analyzing public needs and implementing creative ideas. Unlike the private sector, innovation and the means to improve organizational performance do not come naturally to the public sector. Common incentives in the private sector, such as profit sharing, are not available to employees in the public sector. While the possibility of privatizing a public service function may be an incentive to improve services, the government is usually in a monopolistic position, so that insufficient support is necessary for a high level of service performance. The professional training of the civil servant is a way of European integration and a key concept for this millennium; in this context, European integration is seen as a dynamic process of forming competent structures for integration at the level of civil society. Vocational training institutions and structures demand a new existence from the state and the local community.

Vocational training was added to the last constitutional revision. Currently, special emphasis is placed on training programs for trainers, as these are the ones that allow the creation of officials capable of training specialists, in relation to the present and future requirements of the citizens. A systematic and acceptable training project (Rotaru 2011, 5-10) is necessary to provide concrete and complete information as well as convincing arguments in order to be implemented.

## **Conclusions**

Innovation and entrepreneurship are necessary in society and in economics, in institutions and in business, because innovation and entrepreneurship are done step by step, they are not planned, they are necessary.

Innovation and entrepreneurship do not produce the desired effects, they are more pragmatic than dogmatic and rather modest rather than grandiose, they promise to keep the flexibility and the new in the company, business, industry, economy or in public service. They got it what Jefferson hoped to get it too in every generation, without bloodshed, wars, economic catastrophes, but with an aim, a direction and under control.

We need an entrepreneurial society in which innovation and entrepreneurship are normal and run smoothly. In this way, management has become a body specific to all contemporary institutions and an integrative element of its organization, so innovation and entrepreneurship must become an activity that support life in organizations, in economy, in society.

This work can be done with the help of people who are passionate about innovation and entrepreneurship and make it a normal work and a new phenomenon, a daily activity applied in their work from the organizations in which they take part.

The priority when it comes to government and public policy measures is to define what will not work. Planning is a term incompatible with an economy and an entrepreneurial society. Innovation must have an aim, and entrepreneurship must be admired. But innovation needs to be decentralized, ad hoc, autonomous, specific, and economically sound. Opportunities for innovation do not come at once with the storm, but with the murmur of the breeze.

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