Public Entrepreneurship and Delivering Public Services Effectively: A Study in Public Organizations in Galle District, Sri Lanka

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Abstract

This research study argues that entrepreneurship in delivery of services remains a potential avenue as an alternative option to resolve incompetent government performances in Sri Lanka. The purpose of this study was to find out the factors affecting the attitudes of Administrative Employees to promote “Public Entrepreneurship” within the public sector organizations in Galle District, Sri Lanka. The research design/methodology was a quantitative survey approach using structured questionnaire amongst eighty seven officials attached to the Sri Lankan Administrative Service in the public sector organizations in Galle District. With the findings of the study the correlation and regression analysis results suggested that public manager’s managerial skills (human and conceptual skills), managerial autonomy, and performance based reward systems are positively associated with entrepreneurship in the delivery of service in public sector organizations. Based on the research findings, the study proposes managerial and administrative reforms to ensure entrepreneurship behaviour in the public sector organizations in Sri Lanka. The study was limited to the Galle District in Sri Lanka and the originality of the research was the identification of a positive relationship between performance based reward system and public entrepreneurial orientation throughout the research which was not relating as so in the general context in Sri Lanka.

Key words: Public entrepreneurship, Effective public Service, Managerial skills, Managerial autonomy, Performance based reward system
1. Introduction

Almost all the countries in the world provide services for the well-being of their people through their public sector. Therefore the services provided, and especially the effectiveness and efficiency of the services, are primarily based on the effective operation of the public sector. According to the existing context, most of the services provided by the public sector have been recognized and proven to be non-effective and less efficient, especially in developing countries. In order to overcome this situation, government officials have given more attention to restructure and reform the existing service procedures. Entrepreneurship is presented as one option to the perennial problem of failure of the public services. Critical failures while being so indispensable led many researchers into conducting more researches on the concept of “Public Entrepreneurship”; public sector entrepreneurship is the process of creating value for citizens by bringing together unique combinations of public and/or private resources to exploit opportunities (Morris and Jones, 1999, p. 74). In order to address this issue it has been identified that conversion of the public managerial attitudes towards entrepreneurial way, can be an effective utilization rather than reforming the public services through traditional methods In relation to the Sri Lankan economy, as it is considerably based on public services, the efficiency of the sector is recognized as indispensable to the growth and development of the country. The orientation towards the concept entrepreneurship in relation to attitudes and behavior of the managerial level positions in Sri Lankan Administrative Service had been researched within the field and therefore the major purpose of this research is to focus on productive utilization of the concept entrepreneurship and to identify the factors influencing in order to promote public entrepreneurship within public sector organizations in the Galle District, Sri Lanka.

2. Aims and Objectives

Scholars, who conducted in-depth studies regarding incompetent government performance, have introduced public entrepreneurship as a third option for coping with such inadequacy (Osborne and Gaebler, 1992). As the first attempt to study about this particular area a focused research has been done by Bogaards (1997) related to the Indian Civil Service. Similar kind to the application of the concept to the Sri Lankan context was first done by Fernando (2005). Relating to the purposes of the researchers, this study will also help to develop another proposition to ensure that application of public entrepreneurship has a strong possibility to improve the effectiveness of public service through the investigation of attitudes and behaviors of administrative officials. The aim of the study is basically concerned of identifying the major factors which influence the concept through an in depth study of the attitudes and behaviors of administrative officials towards public entrepreneurship. Therefore, it is vital to analyze this emerging concept to identify and practice effective procedures to reform the public sector service level through the changes of current policies and procedures.

The research objectives are as follows:

- To identify a positive relationship between leadership skills and public entrepreneurship.
- To identify a positive relationship between managerial autonomy and public entrepreneurship.
- To identify a positive relationship between performances based reward system and public entrepreneurship.

So the study will have considerable significance to develop an effective solution to the gap discussed in the study which will be filled. Further it is hoped that the outcomes will contribute to change the existing procedures and structures established within the public sector organizations in return moving forward with entrepreneurial characteristics in order to upgrade the quality assurance of the services specifically in the Galle District.
3. Structure of the Study
The study was carried out under main five sections. Section one, discusses the background of the study relating to public entrepreneurship, the background of the problem with the support of existing literature, the problem statement and the specific research question, major hypotheses of the study which are expected to be tested along the research, and the specific objectives relating to public entrepreneurship which have been developed through the research problem. Further, the importance of the study is mentioned by explaining the expected theoretical and practical contribution to test whether the existing models support the outcomes relating to the attitudes of administrative officials in public sector organizations in the Galle District. Section two elaborates the existing literature within the research area. The section is divided into sub topics which mainly focus on bureaucracy, public service in Sri Lanka, Administrative service, private and public sectors entrepreneurship, differences among private and public sector and its effect to the concept, related and supporting theories and the barriers to entrepreneurship in public sector especially in developing countries. Based on this section the independent and dependent variables are proven and the conceptualization has been done. Section three presents the conceptualization and the methodology of the study. Basically it covers the development of the theoretical model. The section indicates each and every variable and dimension with the literature support. Based on these hypotheses have been drawn which will be expected to be tested in the study. Section four discusses data presentation and analysis of the study. Section five discusses the research findings. The conclusion regarding the test results and the recommendations for future research needs. Throughout the section the tested model is compared contrasted and evaluated with the existing literature and there is a discussion of how this research can contribute to the concept of public entrepreneurship and to public value creation in the Galle District.

4. Literature Review
Public Sector organizations face changing environment and it increases the need for upgrading and establishment of public value in public sector to provide an effective, efficient and sustainable service to the citizens of a country. It is expected to have developed coping up and strategic capacities in confronting new found challenges in the proposed parameters. Many scholars argued and researched about the various methods of enhancing the performance of public sector and the term “Entrepreneurship” has weighed a considerable concern in that context. As existing literature relating to the concept entrepreneurship is mostly focused on private sector organizational performance, and has been extensively studied, such research in the public sector is rare. As many scholars and practitioners argued public sector organizations should become more entrepreneurial oriented to respond to the dynamics in the environment and to act as a productive service provider. This research study is mainly focused on entrepreneurship in public sector especially in bureaucracy. The entire literature review was developed with a thorough explanation about several areas relating to public administration, public service in Sri Lanka, development of the concept of entrepreneurship. The areas were bureaucracy, new public management, public service in Sri Lanka, main categories of public service, evolution of Sri Lanka administrative service, private sector corporate entrepreneurship, entrepreneurial orientation, justification for entrepreneurship in the public sector, limitations to entrepreneurship in the public sector. The empirical researches previously conducted by the researchers regarding the field of entrepreneurship determine the factors and developed the concept not only focusing to the private sector but also to the public sector. As the major focus on this study is to identify the relativity of the concept to the public sector officials in administrative service, the developed models were used to categorize and identify the
major antecedents. Literature was flowed by identifying the exact meanings of entrepreneurship, public sector, entrepreneurial individuals, teams, process and orientation. Literature stream clearly focused on how the Sri Lanka Administrative Service evolved starting from bureaucracy, new public management and public service in Sri Lanka and ends with the limitations that can recognize when practicing entrepreneurial activities in public sector.

5. Research Method

The major purpose of this research is to find out the relationship between the public entrepreneurship orientation and effectiveness of public sector service delivery in the Galle District. This is the fundamental aspect of this study since this described the research problem, questions and hypotheses. Based on the literature innovativeness, risk taking and proactiveness have been identified as the most important elements in relation to the public entrepreneurial orientation. The factors are used to measure the dependent variable “public entrepreneurship” are Leadership skills, Managerial Autonomy, and Performance based reward system. The hypotheses of the research are as follows:

Hypothesis 01: There is a positive relationship between leadership skills and public entrepreneurship.
Hypothesis 02: There is a positive relationship between managerial autonomy and public entrepreneurship.
Hypothesis 03: There is a positive relationship between performance based reward system and public entrepreneurship.

This research study can be categorized as non-experimental and quantitative researches. The study did not focus to demonstrate the causality, but explored the degree to which the orientation towards public entrepreneurship enhances the effective delivery of public service in the Galle District, specially related to the managerial officials in Sri Lankan Administrative Service Population: population of the study is individuals who perform at managerial levels in the public sector organizations in the Galle District Administrative Service in Sri Lanka. By focusing on entire managerial positions in Sri Lanka Administrative Service, the basic research was conducted in 2003. This study was therefore used to verify the basic findings. The data collection was based on self-administered method, so by focusing on a single district it enhanced the entire reliability of the collected data as well as time limitations caused to narrow down the research scope to a single district. The entire managerial position in Sri Lanka Administrative Service in Galle District was taken as sample in the study. Sample size: the sample size for the research is 87 participants. Sample unit of analysis: the unit of analysis is the individual bureaucrat officials in the public sector organizations in the administrative service. In order to achieve the objective of the study both primary and secondary data were collected. Survey method used as main primary data gathering approach official records and documents were retrieved for secondary data collection. Statistical data analysis methods using coding systems and interpretations were applied in order to analyse the data which were gathered through the above mentioned data collection methods For this purpose SPSS computer software, 16.0 version was used and descriptive statistics were calculated to summarize, average the research data and to describe main characteristics of the research sample. The instrument was used to capture the attitudes and perceptions of the public sector managerial level officials in the Galle District. The questionnaire was first examined by the research supervisor and pilot tested with a convenience sample which included, managerial level officials relating to Sri Lanka Administrative Service, who perform under chief secretariat office-southern province, Galle district secretariat office and related ministries in the southern province in order to establish the reliability and validity of the sample. The Cronbach alpha was used as part of the analysis because it has been one of the most
common methods used to assess the measure of reliability in research instrument. An alpha level of 0.70 or above is generally considered to be acceptable (Cronbach 1971). The Cronbach alpha value for the independent variable of managerial autonomy was 0.33 by concerning three research questions in the questionnaire (question number 34, 35, and 36). As it has lower value than 0.5, the reliability was revised and the value indicated as 0.81 after revision. By analysing the alpha value question number 36 which had been affected to the overall reliability value with a lower reliability was rejected (refer table 2.1).

6. Findings
In the study the correlation is statistically significant at 0.01 levels. Pearson correlation between the public entrepreneurship and leadership skills shows a strong positive relationship. Also it shows that there is a strong positive relationship between public entrepreneurship with independent variables namely managerial autonomy and performance based reward system. Those values indicated 0.648 and 0.743. When the leadership skills, managerial autonomy and performance based reward system increases public entrepreneurial orientation of the officials tends to increase. When considering the dimensions of public entrepreneurship innovativeness, it shows a moderate positive relationship as a determinant of the dependent variable, proactiveness shows a strong positive relationship and risk taking shows a moderate positive relationship. The entire group of variables is correlated positively. Multiple regression analysis was used for analysing the public entrepreneurship model values and identified which factors were important to enhance the entrepreneurial orientation towards public sector administrative service in the Galle District. For that purpose multiple regression analysis was applied and found that the model P value is less than 0.05. This means that the model can be used to predict the public entrepreneurial orientation. In the coefficient table p value of the variables should be less than 0.05 for the valid prediction of the public entrepreneurial orientation. In the coefficient table p value is also less than 0.05. This means leadership skills; managerial autonomy and performance based reward system can be used to predict the public entrepreneurial orientation in Sri Lankan Administrative Service Officials in the Galle District. The regression equation for the combined variables was 0.556 + 0.444 (leadership skills) + 0.150 (managerial autonomy) + 0.195 (performance based reward system). The $R^2$ is 0.834 and that means the 83.4% of the public entrepreneurial orientation depends on the leadership skills, managerial autonomy and performance based reward system and the excess depends on the other factors.

7. Discussion
It was found that there is a positive relationship between leadership skills and public entrepreneurship in Sri Lanka Administrative Service in the Galle District. The correlation between these variable was 0.688, which is significant at 0.000 levels. The correlation was found to be strong as it is more than the bound of strong correlation (0.6). In the discussion of the level of public entrepreneurship of the respondents in the sample, it was found that they have a favourable level of leadership skills with the mean value of 1.74, standard deviation of 0.37 and spreading out of the data from 0.139 to 1.67 in range. It was found that there is a positive relationship between managerial autonomy and public entrepreneurship in Sri Lanka Administrative Service in Galle District. The correlation between these variables was 0.648, which is significant at 0.000 levels. The correlation was found to be strong as it is more than the bound of strong correlation (0.6). Discussing the level of public entrepreneurship of the respondents in the sample, it was found that they have a favourable level of managerial autonomy with the mean value of 2.69, standard deviation of 0.66 and spread out of the data in
0.44 in 3.67 range. It was found that there is a strong positive relationship between managerial autonomy and public entrepreneurship in Sri Lanka Administrative Service in Galle District. The correlation between these variables was 0.743, which is significant at 0.000 levels. The correlation was found to be strong as it is more than the bound of strong correlation (0.6). In discussion of the level of public entrepreneurship of the respondents in the sample, it was found that they have a highly favourable level of performance based reward system with the mean value of 3.04, standard deviation of 1.11 and spread out of the data in 1.23 in 4.75 ranges. According to the findings, all independent variables positively correlate to the dependent variable public entrepreneurship. Independent variables account for 83.4% of the variation in public entrepreneurship while 17.03% of unexpected by these variables on managerial level officials in Sri Lanka Administrative Service in Galle District. This empirical study contributes to the study of public entrepreneurship by considering entrepreneurial behaviour and attitudes of the officers in the Sri Lanka Administrative Service in the Galle District.

8. Conclusion
Osborne and Gaebler (1992) introduced public entrepreneurship as a third option for coping with inadequate governmental performance. Research on public entrepreneurship in the context of developing countries is virtually non-existent, except the recent work by Bogaards (1997). The study of Bogaards (1997), focusing on public entrepreneurs in Indian Civil Service using a case study format, seems to be the first attempt in this direction. This research is the second attempt in the direction of developing an empirical study to explain public entrepreneurship within the public sector organizations in Sri Lanka in the Galle District, to find out the factors affecting the attitudes of Administrative Employees to promote “Public Entrepreneurship” within the public sector organizations in the Galle District, Sri Lanka. The test results indicated that the officials’ leadership skills (p< 0.01), managerial autonomy (p< .01), performance based reward system (p< 0.01) are positively associated with entrepreneurship in the public sector organizations in Sri Lanka. Finally, since those factors appear to have direct relationship with entrepreneurship in the public sector organizations in delivery of services, it is imperative that managers not only in the Sri Lanka Administrative Service, but also in other services in the public sector must be knowledgeable of these factors and make conscious decisions and efforts to take them into consideration, thus fostering a climate of entrepreneurship in the Galle District.

9. Implications and Future Studies
It is said that the bureaucracy in the government is similar to the Weberian type: it is highly structured and does not provide any encouragement to do entrepreneurial work. Despite the rigid structure, the research found that there is some innovative work in the Sri Lanka Administrative Service in Galle District. The main reason is due to personal characteristics, especially leadership skills. The data implied that in order to become public entrepreneurs, it is required being both good managers and leaders in their organizations rather than merely doing routine work as a traditional administrator. As a manager he/she must be capable of getting the job done. As a leader, various leadership skills, including human skills and conceptual skills are useful when introducing and implementing entrepreneurial activities. If the managers possesses a high degree of conceptual skills, human skills there is more potential for them to be entrepreneurial. The public entrepreneurs found in the Galle District Sri Lanka Administrative Service exhibit these two skills. Managerial Autonomy appears to have a direct positive relationship with public entrepreneurship. Managerial Autonomy is defined as freedom from influence. Thus, an official should be independent in formulation of tasks or carrying through courses of
actions. Public managers require more power without political interference and other limitations. Some public officials in Sri Lanka Administrative Service – Galle District stated that they have earned managerial autonomy through their good reputation for making better decisions on the job. The research findings expressed that a performance based reward system makes a significant difference to public entrepreneurship. The test results, however, indicated a strong positive relationship between the current reward system and the public entrepreneurship of Sri Lanka Administrative Service in Galle District officials. As per previous research findings it has been identified that there was a strong negative relationship between current reward system and public entrepreneurship of Sri Lanka Administrative Service, (Fernando, 2005) but according to the test results it has been identified that in Galle District the current reward system is related to the official’s performance and achievements and as a result, encourages innovative activities.

10. References
11. List of Tables

Table 2.1 - Cronbach alpha for the variables and dimensions of the study

<table>
<thead>
<tr>
<th>Variable/ Dimension</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
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<tr>
<td>Public entrepreneurship</td>
<td>0.86</td>
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<tr>
<td>Innovativeness</td>
<td>0.77</td>
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<tr>
<td>Risk Taking</td>
<td>0.61</td>
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<tr>
<td>Proactiveness</td>
<td>0.74</td>
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<td>Leadership skills</td>
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<tr>
<td>Managerial Autonomy</td>
<td>0.33</td>
</tr>
<tr>
<td>Performance based reward system</td>
<td>0.70</td>
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</tbody>
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