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Moonju Kwon, Yoon C. Cho*

Investigating Effects of Entrepreneurial Orientation and Management on Performance: Public vs. Private Sector

This study explores how corporate entrepreneurship affects organizational performance in the private and public sectors. In particular, this study investigates i) how the level of organizational performance differs based on the sectors; ii) the effects of entrepreneurial orientation and management on different performance objectives, including satisfaction with performance and public value orientation; and iii) how the effect of entrepreneur orientation and entrepreneurial management on satisfaction with performance and public value orientation differs between public sector and private sector organizations. The results of this study find that the different variables of entrepreneurial orientation and management are significant for satisfaction with performance and public value orientation. This study provides managerial and theoretical implications of organizational entrepreneurship. To enhance the organization’s performance, distinctive management strategies should be applied for both the public sector and private sector, as well as considering the type of performance objective.

Keywords: Entrepreneurial Orientation, Management, Performance, Satisfaction, Public Value

Entrepreneurial management has gained attention both in practical and theoretical domains (Kelly, Mulgan, and Muers, 2002). Entrepreneurship has been widely applied in the private sector, while it has been rarely applied in the public sector. However, the public sector adopts private management skills into its domain to overcome efficiency problems with the introduction of New Public Management (NPM) in the 1980s (Hafsi, Montreal, and Bernier, 2007).

Even though academics have been interested in comparative studies of public and private organizations (Perry and Rainey, 1988), it is limited to normative research or comparing the impact of performance management (Hvidman and Andersen, 2013), behaviour concepts (Steinhaus and Perry, 1996), and organization management features (Meier and O’Toole, 2011). In the field of corporate entrepreneurship, empirical studies comparing both sectors have rarely been conducted (Kearney, Hisrich, and Roche, 2009). The purpose of this study is to investigate i) how the level of organizational performance differs based on the sectors; ii) the effects of entrepreneurial orientation and management on different performance objectives, including satisfaction with performance and public value orientation; iii) how the effect of entrepreneur orientation and entrepreneurial management on satisfaction with performance and public value orientation differs between public sector and private sector organizations.

Literature Review

Concept of Entrepreneurship within Organization

The term entrepreneurship indicates a self-employer’s risk-taking activity in business market of selling and purchasing at an uncertain level of price (Palmer, 1971). Even if the motivations of entrepreneur activities or ownership status in each definition have been varied, it would be fair to say that the initial emergence of entrepreneurship is limited to the role of individuals expecting to benefit directly from the entrepreneurial profits of their labors (Boyett, 1996). The concept of entrepreneurship and its application have evolved and extended across discipline throughout its history in various domains such as business management, economics, sociology and psychology (Ripsas, 1998). Depending upon approaches to the concept, it has been interpreted in diverse ways. Therefore, confusions has been induced by overlapping or even contradictory definitions (Sharma and Chrisman, 1999). Schumpeter (1934) demonstrates the role of entrepreneur in the price-mechanism but with an emphasis on performance by entire organizations, downplaying the contributions of one central actor (Miller, 1983).

Sharma and Chrisman (1999) reconcile numerous terms referring to entrepreneurship within existing organizations.
Collins and Moore (1970) specified that a distinct organization is created independently as a new organization or administratively within an existing organization. As addressed in Diefenbach (2011), terminologies applied include i) corporate entrepreneurship (Burgelman, 1984; Guth and Ginsberg, 1990), ii) entrepreneurship (Miller, 1983), iii) intrapreneurship (Antoncic and Hisrich, 2001; Pinchot, 1985), iv) entrepreneurial posture (Covin and Slevin, 1991), entrepreneurial orientation (Lumpkin and Dess, 1996), and v) entrepreneurial intensity (Morris and Sexton, 1996).

Gartner (1988) asserts that behavioural approaches are more productive perspective, compared to trait approaches that focus on an individual entrepreneur’s psychological traits. Knowing the behavioural manifestations of entrepreneurship enables measuring the entrepreneurial level of firms and allowing managerial intervention, which opens up the considerable possibility of promoting performance (Covin and Slevin, 1991). This behavioural view concentrates on organization-level analysis rather than individuals, who are limited to undertaking these activities that enable organizations to come into existence (Gartner, 1988). Covin and Slevin (1991) agree that entrepreneurial behaviour is not an attribute or feature of the organization, also insisting that it is a question of the management strategy that the firms employ.

Miller (1983) structured the conceptualisation of entrepreneurial orientation in three dimensions: innovativeness, risk-taking, and proactiveness, which intensively quoted throughout the literature. Covin and Slevin (1991) theorize a conceptual model of entrepreneurship as firm behaviour combining three cross-related levels of variables; environmental, organizational, and individual. Entrepreneurial orientation refers to how a firm operates rather what it does strategically applying entrepreneurial principles to their decision-making styles, practices, and methods (Lumpkin and Dess, 1996) by being innovative in adopting new ideas in place of old practices, being proactive in seeking new market opportunities, and risk-taking by exploring new products, services, and markets (Covin and Slevin, 1991). This can be an significant measure of how a firm take advantage of market opportunities (Barringer and Bluedorn, 1999; Ireland, Hitt, and Sirmon, 2003) and leads to new entry (Lumpkin and Dess, 1996). They keep transferring entrepreneurial orientation into strategic behaviour to meet organizational goals and achieve higher performance in response to a dynamic and competitive environment (Li, Huang, and Tsai, 2009).

Having recognized the limitations of traditional functional approaches or trait approaches, another behavioural approach that is discussed within opportunity-based conceptualizations is called entrepreneur management (Brown, Davidsson and Wiklund, 2001). Stevenson (1983) premised on having sufficient resources to be the risks and focused on entrepreneurship as a ‘mode of management’ that pursues an opportunity regardless of current resources. This perspective is influenced by Kirzner’s (1999) view of entrepreneurship as alertness to opportunity in functional perspective theory (Stevenson and Jarillo, 1990; Brown, Davidsson and Wiklund, 2001).

**Entrepreneurship in the Public Sector**

Public sectors adopt management strategies, including customer-oriented management (Heinonen, 2001), that are applied to the private sector after introduction of new public management (NPM), which pursues efficiency gains in the public sector by adopting effective practices from the private sector (Hafsi, Montreal, and Bernier, 2007). Morris and Jones (1999) defined public entrepreneurship as the process of creating value for citizens by bringing together unique combinations of public and/or private resources to take advantage of social opportunities. Kim (2010) defines it as any attempt that creates new opportunities and results in improvement in government performance. Whether it is an action or process, it could be conducted by a variety of individuals such as the entrepreneur (Klein, Mahoney, McGahan, and Pitilis, 2010) or become collective and systemic depending on the nature of the opportunities considered and on the context within which it takes place (Hafsi, Montreal, and Bernier, 2007). Because of its nature as an entrepreneurial entity (Kearney, Hisrich, and Roche, 2007), a public organization also allocates resources to create value for the sake of society while seeking opportunities within the allowed boundaries of public organizations (Morris and Kuratko, 2002).

Compared to intensive research on entrepreneurship in private sector, relatively little research has been done on the public sector. The concept of policy entrepreneur was first introduced to refer to policy advocates who invest their resources in return for future policies they favour (Kingdon, 1984). King and Roberts (1989) categorize individual public entrepreneurs into policy entrepreneurs, bureaucratic entrepreneurs, executive entrepreneurs, and political entrepreneurs, depending on their role within their professions. Zerbinati and Souitaris (2005) divide entrepreneurs into different types, including career-path, goal-related and management method, professional politician, spin-off creator, business entrepreneur in politics, career-driven public official, and politically ambitious public official. Previous research focused on how entrepreneurship works and evolves over time within public organizations.

Baumgartner and Jones (2002) suggest that entrepreneurial behaviour facilitates the feedback loops moving to punctuated equilibrium, where positive feedback loops influence as self-reinforcing factors and negative feedback loops act as self-corrective mechanisms. Hafsi, Montreal and Bernier (2007) offer the contingency theory of public entrepreneurship, which consists of evolutionary cycles of institutional entrepreneurship when the public sector face challenges.

**Entrepreneurship and Performance**

Performance is demonstrated in two aspects: individual behaviors at work, which is relevant to organizational goals, and the outcomes of consequences of those behaviors (Sonnentag and Frese, 2002). The term effectiveness refers not only to good results, but also integration of these results through management, design, and other features (Rainey, 2009). The most frequently used variables include signs of
firm performance such as financial growth and profitability including sales growth rate, return on assets, profit-to-sales ratio (Covin and Slevin, 1991), revenue, cash flow, return on equity (Li, Huang, and Tsai, 2009), and archived and perceived financials (Wiklund and Shepherd, 2005).

Zahra (1993) insists that entrepreneurial postures in corporation may influence aspects of non-financial performance in the early stages such as increasing motivation and task involvement, which then leads to better financial performance in later stages. In entrepreneurial approaches, it can be assumed that nonfinancial goals have a less straightforward and more indirect impact on performance, but financial and non-financial measurements are not significantly different in explaining performance (Rauch, Wiklund, Lumpkin, and Frese, 2009). Nonfinancial outcomes by themselves could be a useful means to judge performance as well (Wiklund and Shepherd, 2005) such as retaining key employees, delivery of new products or services for external audiences, improvement of internal processes, knowledge gathering, and change management (Fox, 2008).

Rainey (2009) argues that one of these factors is a participant-satisfaction approach that measure participants’ satisfaction with the performance of their organization and suggests how the members of the organization internally evaluate the results compare with shared goals and objectives, in which the members can be employees, suppliers, customers, regulators, or external controllers and allies.

Much theoretical and empirical research provides robust evidence of positive entrepreneurial orientation performance relationships regardless of operationalisations for key variables as well as cultural contexts (Covin and Slevin, 1991). Zahra (1991) addressed that corporate entrepreneurship activities may increase long-term firm performance in terms of the profitability, growth, and risk-related activity.

Wiklund (1999) studied the sustainability of entrepreneurial orientation performance relationship and confirmed the previous studies’ findings that entrepreneurial orientation has a positive long-term impact on a company’s performance. Diefenbach (2011) reorganised past works on public entrepreneurship and reported that EO, accompanied by anecdotes about support, resources, expectation, and localization have influenced public value orientation in terms of performance in the public sector.

**Diffusion of Innovation Theory**

According to Debora (1992), instead of emphasizing the behavior of individuals within groups, diffusion of innovations theory was developed to recognize the rate of adoption of innovations in a social group. The way to understand the adoption of innovations is the perception that we have on diffusion of innovations (Rogers 1983). Rogers (1983), emphasizes that an individual pass from first knowledge of an innovation, to forming an attitude toward the innovation, to a decision to adopt or reject, to implementation of the new idea, and to confirmation of the decision.

Fichman (1992) summarizes that diffusion theory provides a useful perspective on one of the most persistent and challenging topics in the IT field, namely, how to improve technology assessment and implementation. For the extensive adoption of e-government services initiatives, citizen trust in the ability of service providers to deliver high quality e-government services is vital (Colesca 2009).

**Hypothesis Development**

The efficiency, effectiveness and performance agenda among private and public organization have been discussed
for more than three decades. To overcome the limitations of bureaucracy, which hinders efficiency, the public entrepreneurship adopting business-like managerial tactic has been studied to promote underperforming public service organizations (Edwards, Jones, Lawton, and Llewellyn, 2002). However, compared to private entrepreneurship research, there is less empirical evidence supporting this relationship in the public sector. This study measures different effects of independent variables of entrepreneurship on performance by comparing the private and public sectors. Figure 1 demonstrates the model, adapted from Fox (2008). The corporate entrepreneurship construct draws from prior studies (Miller and Friesen 1982; Stevenson 1983) and consists of two dimensions: entrepreneurial orientation and entrepreneurial management. This study classified performance into satisfaction with performance and public value orientation.

**Performance Construct**
The performance construct in this study consists of two dimensions of satisfaction: performance and public value orientation. The satisfaction with performance indicates the degree to which the participants are satisfied with their organization’s performance. This is based upon the participant’s satisfaction model that the behavioral literature takes into account (Rainey, 2009). Fox (2008) developed a Performance Satisfaction index based on discrepancy theory, whereby the perception gap between goal and realization is a genuine measure of successful performance. Fox (2008) also draws on non-financial items, focusing on aspects of overall performance such as retaining key employees, delivering new programs, products, or services for external audiences, improving internal processes, gathering and using knowledge, and managing change. The other dimension is public value orientation, which refers to whether the organization acts in accordance with public values and preferences on a broader social level.

This study classified sectors into the distinctive groups of private and public sectors. Even though the general relationship is supported, the effectiveness of public sector is still questioned because entrepreneurial motives in the private sector may conflict with public service values (Edwards, Jones, Lawton, and Llewellyn, 2002). If general NPM ideas of incentives, autonomy, and goal clarity introduce performance management in public organizations, the organizational characteristics may mediate the effects (Hvidman and Andersen, 2013). Meier and O’Tool (2011) suggest that the impact of management actions may be distinctive in both private and public sectors. Also, in some cases, entrepreneurial orientation and culture do not exist in government organizations (Moghaddam, Khorakian, and Maharati, 2015). Hvidman and Andersen (2013) test the relative effectiveness of managerial efforts of performance management in educational organizations in both sectors and find that the effectiveness of managerial efforts is different.

However, some research indicates that there are no sectoral differences between the public and private sectors. Bozeman and Kingsley (1998) test the public manager’s risk-aversion, which is one of the dimensions of EO, with several factors like political control, nature of reward systems, level of formalization and red tape, bureaucratic structures, and goal ambiguity. In their empirical study, the results show that there is no significant sectoral difference between the public and private sectors in terms of risk-taking culture; instead, the organization with high political influence, more red tape, and a weaker promote-performance relationship is more likely to be averse to risk (Bozeman and Kingsley, 1998).

The result is interesting, since political influence and red tape are typical attributes of public organizations. It could be assumed that the sectoral division itself is not strictly involved with the corporate entrepreneurship-performance relationship, but are rather influenced by certain factors, since public and private organizations have a lot in common. However, the type of organizations may differ the degree of entrepreneurial orientation and appropriate strategies (Morris and Jones, 1999). Thus, this study hypothesizes whether the differences in performance depending on sectors.

**H1a**: There are mean differences in satisfaction with performance depending on the sector.

**H1b**: There are mean differences in public value orientation depending on the sector.

**Effect of Entrepreneurial Orientation on Performance**
Entrepreneurial orientation refers to organizations’ strategic attitudes in their management process. It is manifested in their decision-making styles, practices, and methods (Lumpkin and Dess, 1996) in hostile environment. Through having entrepreneurial attitudes, the organization exploits market opportunities and ultimately yields high performance. According to Rauch, Wiklund, Lumpkin, and Frese (2009), three variables are most frequently used: innovation, proactiveness, and risk-taking. Previous literature (Lumpkin and Dess, 1996; Li, Huang, and Tsai, 2009) applied five dimensions, adding competitive aggressiveness and autonomy, even though there have been not enough studies to prove a strong relationship (Rauch, Wiklund, Lumpkin, and Frese, 2009). Thus, all items are drawn from previous studies that heavily used three items (Covin and Slevin, 1991; Zahra, 1993; Fox, 2008; Moghaddam, Khorakian, and Maharati, 2015). Thus, this study hypothesizes the following.

**H2a ~ b**: Entrepreneurial orientation in public sector organization is significant for satisfaction with performance and public value orientation.

**H3a ~ b**: Entrepreneurial orientation in private sector organization is significant for satisfaction with performance and public value orientation.

**Effect of Entrepreneurial Management on Performance**
Stevenson (1983) asserts that entrepreneurial orientation alone does not sufficiently represent entrepreneurship.
Therefore, he adopts an opportunity-based approach to capture the entrepreneurial action of entrepreneurship (Stevenson and Jarillo, 1990). Brown, Davidsson, and Wiklund (2001) suggest a comprehensive framework adapted from Stevenson (1983)’s entrepreneurial management concept, consisting of six dimensions: strategic orientation, the commitment to opportunity, the resource commitment process, the concept of control over resources, the concept of management, and compensation policy.

These are the managerial tactics for achieving higher performance established upon a comprehensive understanding of management, regardless of the size or age of their organization (Brown, Davidsson, and Wiklund, 2001). In both private and public sector entrepreneurship, it is believed that managerial efforts are likely to promote an organization’s entrepreneurial process and behavior (Kim, 2010).

Relatively few studies have been done for entrepreneurial management dimensions. Some works such as Fox (2008) considers entrepreneurial management together to measure organizational entrepreneurship, and it explains 21% of firms’ performance variation. On the other hand, Moghadam, Khorakian, and Maharati (2015) suggest that only three variables are significant out of six, which are strategic orientation, reward philosophy, and resource orientation. Both are done within the public sector; therefore, it may be controversial whether entrepreneurial management actually enhances performance. Therefore, this study hypothesizes that performance could be influenced in both sectors, but each dimension of entrepreneurial management, strategic orientation, resource orientation, and entrepreneurial culture would be applied differently.

**Strategic Orientation (SO)**

Strategic orientation questions which aspects should be the major concerns of establishing organizational strategy. According to Stevenson and Jarillo (1990), opportunity is the core of entrepreneurship, and decisions have to be made based on opportunity rather than on the resources the organization currently has. Many managers agree on the relationship between strategic orientation and entrepreneurial behavior (Moghadam, Khorakian, and Maharati, 2015). Thus, this study hypothesizes that strategic orientation affects the performance of an organization.

**H4a ~ b**: Strategic orientation in public sector organization is significant for satisfaction with performance and public value orientation.

**H5a ~ b**: Strategic orientation in private sector organization is significant for satisfaction with performance and public value orientation.

**Reward Philosophy (Rph)**

The European Commission (2006) made several points about e-government barriers such as characteristics – either real or perceived – of legal, social, technological or institutional context which work against developing e-government at the EU level, either: because they impede demand, by acting as a disincentive or barrier for users to engage with e-government services; or because they impede supply, by acting as a disincentive or barrier for public sector organizations to provide e-government services.

According to Bhuiyan (2009), when the political situation of a developing country is characterized by corrupt politicians who affect the direction of ICT development in a corrupt manner, this is an additional challenge. Policy issues such as less availability of ICT infrastructure, lack of skilled human capital, lack of developed strategic management, low role of leadership, and partnership and collaboration are the challenges faced by developing countries in terms of developing and deploying e-government services (Ndou 2004). Kearney, Hisrich, and Roche (2009) assert that rewards may lead to entrepreneurship by encouraging individual motivations.

This motivation-performance relationship is already evident in organizational theory and psychology literature (Stevenson and Jarillo, 1990). Therefore, an appropriate reward system is the most crucial factor in corporate entrepreneurship (Moghadam, Khorakian, and Maharati, 2015) as well as performance enhancement. Whether it is a financial or non-financial reward (e.g., psychic income), it does promote better performance (Kim, 2010). Thus, this study hypothesizes that the level of reward philosophy affects organizational performance.

**H6a ~ b**: A reward philosophy in public sector organizations is significant for satisfaction with performance and public value orientation.

**H7a ~ b**: A reward philosophy in private sector organizations is significant for satisfaction with performance and public value orientation.

**Management Structure (MS)**

One can seek opportunities without concern for the organization’s internal features such as hierarchical structure or procedures. This is the central idea of entrepreneurial management structure. Therefore, formality has been argued as a restricting factor in terms of behavioral patterns, which might minimize unforeseen loss (Ingram and Clay, 2000). Kim (2010) stated that empowerment which granting autonomy and votes for decision making process would increase entrepreneurial posture- risk-taking, innovativeness. Thus, this study hypothesizes that management structure affects organizational performance.

**H8a ~ b**: Management structure in a public sector organization is significant for satisfaction with performance/public value orientation.

**H9a ~ b**: Management structure in a private sector organization is significant for satisfaction with performance/public value orientation.

**Entrepreneurial Culture (EC)**
A culture of cooperation, creativity, independence, responsibility, risk-taking (Moghaddam, Khorakian, and Maharati, 2015), and consistent internal and external learning track (Tosterd, 2000) are features of an entrepreneurial culture of organization. This might slightly overlap with EO dimensions, but this dimension is more about the management system or methodology that organizations carry, rather than the spirit within the organization. Corporate culture clearly has an influence on performance of firms (Rashid, Sambasivan, and Johari, 2003). This study hypothesizes that entrepreneurial culture affects organizational performance.

H10a ~ b: Entrepreneurial culture in public sector organizations is significant for satisfaction with performance/public value orientation.

H11a ~ b: Entrepreneurial culture in private sector organizations is significant for satisfaction with performance/public value orientation.

Resource Orientation (RO)
Public sector organizations are able to involve value-creation by weighting an entrepreneurial approach over owned resources (Caruana, Ewing, and Ramaseshan, 2002). This issue is not about magnitude or size of resources, but the willingness to weight the objectives, goals, and opportunities over designated resources. Thus, this study hypothesizes that resource orientation affects organizational performance.

H12a ~ b: Resource orientation in public sector organizations is significant for satisfaction with performance/public value orientation

H13a ~ b: Resource orientation in private sector organizations is significant for satisfaction with performance/public value orientation

Research Methods
This study developed a survey to collect data. The survey consists of four sections to measure entrepreneurial orientation and entrepreneurial management of corporate entrepreneurship, performance, and general information. A five-point Likert scale is applied with a range from 1 = strongly disagree to 5 = strongly agree. This study was applied pretest. The reliability test was conducted and found Cronbach’s alpha of .908 for entrepreneurial orientation, .806 for strategic orientation, .839 for reward philosophy, .847 for management structure, .734 for entrepreneurial culture, and .587 for resource orientation.

Data were collected from online survey of employees who work in both public and private organizations. This survey was distributed to employees in both private and public sectors with at least two years of experience. The questionnaire was sent out to randomly extracted 612 samples, and a total of 300 employees responded to the survey. The final valid answers were 167, with a response rate of 27.2 percent.

This study developed questionnaire items based on previous research. For EO dimensions, this study applied instrumental scales developed by Covin and Slevin (1991) and Diefenbach (2011), who adjust scales by considering innovation, proactiveness, and risk-taking To measure entrepreneurial management, this study applied Fox (2008) and Brown, Davission and Wiklund (2001). For the performance construct, selected items from Fox’s (2008) scales for satisfaction with performance and the public value orientation scales of Diefenbach (2011) were adapted.

Data Analysis
The descriptive statistics of valid 167 samples are displayed in Table 1. 36.5 per cent of respondents’ organizations have been operating for more than 30 years. 48.5% of respondents are employees above the middle manager level. All of the respondents have received higher than university-level educations. Male and female respondents’ rate show relatively even, with 59.3 and 40.7 percent each. Before the hypotheses are tested, exploratory factor analysis is conducted to reduce several dimensions of each construct. The principal component technique with varimax rotation is chosen for extracting
a feasible factor structure using the observed items. The result of the factor analysis (Table 2) gives each entrepreneurial dimension loaded on 6 factors with an eigenvalue greater than 1.

Analysis of covariance (ANCOVA) is conducted to test the hypotheses (H1a–b) concerning mean differences in performance depending on sectors. In Table 3, the result of ANCOVA on satisfaction with performance indicates a significant difference at alpha = .01. Therefore, H1a is accepted. The results also revealed that the private sector reported higher levels of satisfaction with performance than the public sector. The mean difference is also confirmed on public value orientation at alpha = .01, where the public sector has relatively higher public value orientation than the private sector. Therefore, H1b is accepted.

This study applied multiple regression analysis to test the relationship among entrepreneurship dimensions and two different dependent variables in each sectors (from H2a–b to H13a–b). The overall results show that F-value is significant at alpha = .05. The models for private organizations are tested first and the results are presented in Table 4. The reward philosophy is significant for higher performance at alpha = .01. Therefore, only H7a is accepted. This result supports many previous findings that entrepreneurial orientation affects firm performance in a positive way. With regards to public value orientation (R2 = .225), the management structure is significant at level of .01 and has the strongest negative impact. Thus, only H9b is accepted.

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Table 5 suggests the result of multiple regressions in public organizations. The results show that four significant dimensions including entrepreneurial orientation, strategic orientation, reward philosophy, and entrepreneurial culture all show significance at alpha = .01. Thus, H2a, H4a, H6a, and H10a are accepted.

Conclusions

The purpose of this paper is to examine the relationship among entrepreneurial dimensions such as entrepreneurial orientation, entrepreneurial management elements and organizational performance. The results show that the performance level is different depending on sectors. This study also finds that the effects of entrepreneurial orientation, reward philosophy, management structure, strategic orientation and entrepreneurial culture differ between the public sector and the private sector. However, resource orientation does not show significance with sectoral differences in both perfor-
In the private sector, entrepreneurial orientation and reward philosophy have positive effects on satisfaction with performance. Only management structure affects public value orientation negatively.

In the public sector, the results are more prominent. The effects of entrepreneurial orientation, strategic orientation, reward philosophy and entrepreneurial culture on satisfaction with performance show significance, while the effects of entrepreneurial orientation on public value orientation are positive and the effects of strategic orientation and management structure on public value orientation are negative.

Only management structure affects public value orientation negatively. In the public sector, the results are more prominent. The effects of entrepreneurial orientation, strategic orientation, reward philosophy and entrepreneurial culture on satisfaction with performance show significance, while the effects of entrepreneurial orientation on public value orientation are positive and the effects of strategic orientation and management structure on public value orientation are negative.

The findings of the study indicate that first, regardless of the sector, entrepreneurial action leads to overall performance enhancement. This result confirms the findings of previous researches as far as positive relationship between EO and an organization’s performance in both private and public sectors (Caruana, Ewing, and Ramaseshan, 2002, Fox, 2008). This study also finds that entrepreneurial orientation has no sign of effects on public value orientation in the private sector. Since entrepreneurial orientation works for organizational interests, it seems to be effective when performance is relevant to organizational objectives.

Second, entrepreneurial management generally has positive impact on satisfaction with performance in both sectors. In particular, appropriate rewards based on performance would increase organizational performance in both private and public sectors. Strategic orientation and entrepreneurial culture, which are only effective in the public sector, lead to higher satisfaction with performance; specifically, entrepreneurial management seems to somewhat discourage public value orientation. To be specific, informal management structure may decrease public value in both sectors. Meanwhile, strategic orientation, which has a negative impact on public value, is only meaningful in the public sector.

The results partially support Moghaddam, Khorakian, and Maharati’s (2015) assertion that strategic orientation, reward philosophy and formality influence public organizational performance. It is interesting that the effect of management structure in both studies indicate different directions. The study by Moghaddam, Khorakian, and Maharati (2015) set the management structure as formality and prefer management structure to informality and flexibility. Despite its contradictory concept of management structure, both the previous study and the current study have same tendency to discourage the performance of the public sector. The reason for
The result is assumed to be the effect of entrepreneurship becoming clearer with different classifications of performance construct in this study. In the other words, informality may have a positive impact on general performance such as employee retention, but a negative impact on public value-oriented behavior. This implies that high flexibility and involvement in the decision-making process creates the possibility that the individual act on be half of their own interests.

The findings of this study provides several implications for organizational management in both sectors. Raising entrepreneurial orientation is recommended for both sectors to increase organizational performance, especially when relevant to its goal. Additionally, managerial efforts should be made with respect to appropriate reward system to enhance employees’ perceived performance in both sectors. For the

**TABLE 4**
Results of Regression Analysis of Private Organization

<table>
<thead>
<tr>
<th>Dependent Dimension</th>
<th>β</th>
<th>SE</th>
<th>R² (Adj. R²)</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction With Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial orientation</td>
<td>.226</td>
<td>.101</td>
<td>.213 (.122)</td>
<td>2.343*</td>
</tr>
<tr>
<td>Reward philosophy</td>
<td>.194</td>
<td>.112</td>
<td>.225 (.136)</td>
<td>2.519*</td>
</tr>
<tr>
<td>Management structure</td>
<td>.292*</td>
<td>.112</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic orientation</td>
<td>.080</td>
<td>.093</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial culture</td>
<td>.122</td>
<td>.104</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource orientation</td>
<td>.119</td>
<td>.100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Value Orientation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial orientation</td>
<td>.200</td>
<td>.110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reward philosophy</td>
<td>.078</td>
<td>.122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management structure</td>
<td>.136</td>
<td>.122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic orientation</td>
<td>-.341**</td>
<td>.102</td>
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<td></td>
</tr>
<tr>
<td>Entrepreneurial culture</td>
<td>-.119</td>
<td>.114</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource orientation</td>
<td>-.005</td>
<td>.109</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: *** p<.001, ** p<.01, * p<.05

**TABLE 5**
Result of Regression Analysis of Public Organizations

<table>
<thead>
<tr>
<th>Dependent Dimension</th>
<th>β</th>
<th>SE</th>
<th>R² (Adj. R²)</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction With Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial orientation</td>
<td>.382***</td>
<td>.076</td>
<td>.450 (.417)</td>
<td>13.761***</td>
</tr>
<tr>
<td>Reward philosophy</td>
<td>.239**</td>
<td>.075</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management structure</td>
<td>.506***</td>
<td>.076</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic orientation</td>
<td>.015</td>
<td>.083</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial culture</td>
<td>.174**</td>
<td>.079</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource orientation</td>
<td>-.064</td>
<td>.076</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Value Orientation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial orientation</td>
<td>.216**</td>
<td>.090</td>
<td>.169 (.119)</td>
<td>3.412**</td>
</tr>
<tr>
<td>Reward philosophy</td>
<td>-.262***</td>
<td>.088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management structure</td>
<td>.079</td>
<td>.089</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic orientation</td>
<td>-.238*</td>
<td>.097</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial culture</td>
<td>-.002</td>
<td>.093</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource orientation</td>
<td>-.068</td>
<td>.090</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: *** p<.001, ** p<.01, * p<.05
public sector, the appropriate level of formality has to be brought to the management structure to increase public value orientation, which is central to the identity of a public organization.

This study contributes to the existing literature in the following ways. First, this study includes entrepreneurial orientation and entrepreneurial management, as well as two different performance constructs such as satisfaction with performance and public value orientation. Both performance constructs have been examined separately in terms of entrepreneurial orientation, entrepreneurial management performance (Moghaddam, Khorakian, and Maharati, 2015), and entrepreneurial orientation-public value orientation (Diefenbach, 2011). However, this study applied both constructs to measure different effects of variables to enable clear comparison analysis. Second, this study also provides empirical evidence of both public and private sector comparison in terms of corporate entrepreneurship. Some research has compared the impact of performance management (Hvidman and Andersen, 2013), behavior concept (Steinhaus and Perry 1996) or organization management features (Meier and O’Toole 2009), while empirical comparisons the context of organizational entrepreneurship have been rarely examined.

The limitations of this study include that the model has not considered external environmental change, assuming that environmental change will be the same in different sectors of society. However, the degree and type of such challenges that public and private organizations face might be different. According to Kearney, Hisrich, and Roche (2007), measures of entrepreneurial posture as well as performance must be designed to capture the distinct types of opportunities in public sector organizations. However, the model employed in this study established scales with a little adjustment for sectoral differences. Finally, the relatively small number of samples for private sector organizations might undermine the effect.

This study suggests further research. The total inclusion of external factor could explain the differences in impact from the external environment. Moreover, due to their advanced research stream and political background, practical and academic research has been conducted under the name of public entrepreneurship mainly in North America and Europe (Edwards et al., 2002). This study categorized the public sector into government, agencies, and extended SOEs. Thus, the proposed hypotheses in this study might be tested on those hybrid organizations within a public organization.


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