

The manifestation of Entrepreneurial Orientation within a local government setting

Chris Taylor

Faculty of Business and Law, Liverpool John Moores University

c.j.taylor@ljmu.ac.uk

1. Introduction

Local government in the UK is facing significant challenges. A sustained period of financial cuts (over 50% decrease of funding to the Department of Local Government and Communities between 2010 and 2015 alone (Gray and Barford, 2018)), combined with major environmental change and uncertainty in the form of Brexit and the climate change agenda, are making it extremely difficult for local authorities to meet the increasingly complex needs of their citizens (Ahrens and Ferry, 2020). In this context, Covid 19 resembles a perfect storm. Dealing with the Coronavirus at a local level has been a challenge of unprecedented proportions, however, eighteen months into the pandemic, it is clear that its impact will be felt for many more years to come and local government will be at the forefront of managing significant societal change (Anessi-Pessina et al., 2020). Considering the scale of these challenges, the recent growth in public sector entrepreneurship studies appears timely and important. For the general view expressed in the literature contends that entrepreneurship has potential to deal with change and turbulence by fostering and harnessing innovative thinking and proactive responses (Wiklund and Shepherd, 2005; Liddle, 2016, p.269; Laskovaia et al., 2019). Both academic literature and policy studies have explored this potential and there is a growing body of research and guidance promoting entrepreneurship within the public sector (e.g. (Liddle, 2016; Lackeus et al., 2020) However, despite this activity, there is a lack of consensus and cohesion in this area, and fundamental questions around definitions, processes and outcomes persist, limiting the development of actionable theory (Liddle and McElwee, 2019). Much of the practitioner research into public sector entrepreneurship lacks the necessary theoretical underpinnings to develop generalisable findings whilst, conversely, many of the academic studies remain conceptual in nature or focus on broad quantitative analyses. In light of this, there are regular calls by scholars in this field for qualitative, contextualized studies that draw together established entrepreneurship theory and entrepreneurial practice, to develop our understanding of how entrepreneurship develops, functions and can be managed and promoted within the public sector (Wales, 2016; Liddle and McElwee, 2019). This study will therefore build on the well-established entrepreneurial orientation (EO) construct to explore how entrepreneurship manifests within a local government setting. More specifically this study seeks to address the following research questions:

- *What drives entrepreneurial orientation at different organisational levels within a local government setting?*
- *How do organisational conditions impact (enable and constrain) EO within an LG context?*
- *How do employees within local government, engage in entrepreneurial activity to manifest EO?*
- *What outcomes are associated with EO at the individual level within a local government context?*

2. Theoretical background

Within the field of entrepreneurial research, EO is the most used and accepted construct framing investigations, and is in fact, “considered as one of the few examples of a stabilized concept in management science”(Balasubramanian, 2015, p.249). The original conceptualisation of EO was developed by (Miller, 1983) and operationalised by (Covin and Slevin, 1989) into a scale that measures organisations against the construct’s three dimensions, innovativeness, proactivity and risk-taking. Though modifications have been made to the construct (Most notably by Lumpkin and Dess, 1996) the Miller/Covin and Slevin model continues to be the most widely used version. The majority of EO research adopts a quantitative approach to analyse EO’s affect on performance, though there are frequent calls to apply qualitative methods to develop a richer understanding of EO’s antecedents, functioning and outcomes (Martens et al., 2016; Wales et al., 2020). This study will be underpinned by the EO construct but will seek to explore how it manifests within a specific setting by focusing on the

behaviours, experience and actions of the actors involved. EO research focused at the individual level within organisations (IEO) is a relatively new extension of the original construct but it is gaining traction due to its potential to address important but poorly-understood questions related to how EO functions within organisations (Fellnhöfer et al., 2017; Wales et al., 2020). IEO research to date has received far less attention than organisational level EO and as far as I know, has not been conducted using qualitative methods within a local government setting.

3. Methods

To address the research questions defined above, and the regular calls for more qualitative EO research, this study will adopt a case study approach. More specifically, an exploratory, embedded, multi case design will be used to investigate the manifestation of EO from the perspective of staff within the case organisations. A multi-case design was selected over a single case design, due to the increased potential multiple case analyses have for creating generalizable theory (Yin, 2003, p.40). In addition, a multi-case approach provides a better fit with the objectives of this study, as it will keep the focus on exploring the phenomenon of EO per se, as opposed to the individuality and uniqueness of a single case. A multi-case replication design (Yin, 2003, p.49) will be used to frame and structure the study based on the theoretical frameworks associated with EO. Using such an approach will facilitate a consistent and coherent analysis that will reveal both the richness of the individual cases and the similarities and differences between them (Patton and Appelbaum, 2003), providing greater insight into EO and its manifestation in different contexts

This study will focus on four local authorities in the UK. Suitable cases will be identified using published accounts of entrepreneurial activity and shortlists for local government entrepreneurial awards. The validated EO measurement scale will be administered to suitable cases to establish the level of EO within the organisations and ensure the most appropriate and representative cases are selected. The primary method of data collection will be semi-structured interviews, though relevant documentation will be reviewed where appropriate to triangulate findings. The participants within each case study will be drawn from across different levels within the organisation in line with the objectives of this study. The data collected in this study will be organised and analysed to present a rich multi-level interpretation of the individual cases and a cross-case analysis that explores emerging similarities and differences in the cases (Yin, 2003b; Crowe et al., 2011).

4. Relevance and impact of research

The challenges and changes impacting local government in the UK demand new and innovative ways of thinking and EO has potential to facilitate this. However, despite the large body of EO research that has been produced in recent years, “there has been little consideration of how EO manifests within organizations” (Wales et al., 2011, p.895), and this is especially true in the public sector context. This study will seek to address this gap and provide local government leaders with an understanding of how EO functions in a public context and impacts employees entrepreneurial thinking and behaviour. More specifically the outputs of this study will explicate the organisational conditions that support the manifestation of EO, helping leaders to capitalise and fully exploit their EO and entrepreneurial potential. This study will also contribute to EO theory by applying qualitative methods rarely used in this area of research. The findings of this study will be used to develop a new model of EO manifestation that will extend our current understanding and support future EO research.

5. References

Ahrens, T. and Ferry, L., (2020) Financial resilience of English local government in the aftermath of COVID-19. *Journal of Public Budgeting, Accounting & Financial Management*, 325, pp.813–823.

Anessi-Pessina, E., Barbera, C., Langella, C., Manes-Rossi, F., Sancino, A., Sicilia, M. and Steccolini, I., (2020) Reconsidering public budgeting after the COVID-19 outbreak: key lessons and future challenges. *Journal of Public Budgeting, Accounting & Financial Management*, 325, pp.957–965.

Balasubramanian, S., (2015) The Concept of Entrepreneurial Orientation: Foundations and Trends® in Entrepreneurship (2015), Volume 11, No. 2, 55–137 by Vishal Gupta and Alka Gupta. *Organization Management Journal*, 124, pp.249–250.

- Covin, J.G. and Slevin, D.P., (1989) Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, 101, pp.75–87.
- Fellnhofer, K., Puumalainen, K. and Sjögrén, H., (2017) Entrepreneurial orientation in work groups – effects of individuals and group characteristics. *International entrepreneurship and management journal*, 132, pp.427–463.
- Gray, M. and Barford, A., (2018) The depths of the cuts: the uneven geography of local government austerity. *Cambridge Journal of Regions, Economy and Society*, 113, pp.541–563.
- Lackéus, M., Lundqvist, M., Williams Middleton, K. and Inden, J.}, (2020) *The entrepreneurial employee in the public and private sector*. [online] Publications Office of the European Union. Available at: <http://dx.doi.org/10.2760/265489>.
- Laskovaia, A., Marino, L., Shirokova, G. and Wales, W., (2019) Expect the unexpected: examining the shaping role of entrepreneurial orientation on causal and effectual decision-making logic during economic crisis. *Entrepreneurship and Regional Development*, 315–6, pp.456–475.
- Liddle, J., (2016) Introduction: Public Sector Entrepreneurship: Key Issues, Challenges and Developments in Theory and Practice. In: *Contemporary Issues in Entrepreneurship Research*. pp.xi–xxxiv.
- Liddle, J. and McElwee, G., (2019) Theoretical perspectives on public entrepreneurship. *International Journal of Entrepreneurial Behaviour and Research*, 256, pp.1308–1320.
- Lumpkin, G.T. and Dess, G.G., (1996) Clarifying the Entrepreneurial Orientation Construct and Linking It To Performance. *Academy of management review*. *Academy of Management*, 211, pp.135–172.
- Martens, C.D.P., Lacerda, F.M., Belfort, A.C. and Freitas, H.M.R. de, (2016) Research on entrepreneurial orientation: current status and future agenda. *International Journal of Entrepreneurial Behavior & Research*, 224, pp.556–583.
- Miller, D., (1983) The Correlates of Entrepreneurship in Three Types of Firms. *Management science*, 297, pp.770–791.
- Patton, E. and Appelbaum, S.H., (2003) The case for case studies in management research. *Management Research News*, 265, pp.60–71.
- Wales, W., (2016) Entrepreneurial orientation: A review and synthesis of promising research directions. *International Small Business Journal: Researching Entrepreneurship*, 341, pp.3–15.
- Wales, W., Monsen, E. and McKelvie, A., (2011) The Organizational Pervasiveness of Entrepreneurial Orientation. *Entrepreneurship Theory and Practice*, 355, pp.895–923.
- Wales, W.J., Covin, J.G. and Monsen, E., (2020) Entrepreneurial orientation: The necessity of a multilevel conceptualization. *Strategic Entrepreneurship Journal*, 14, pp.1–22.
- Wiklund, J. and Shepherd, D., (2005) Entrepreneurial orientation and small business performance: a configurational approach. *Journal of Business Venturing*, 201, pp.71–91.
- Yin, R.K., (2003) *Case study research : design and methods*. Thousand Oaks: SAGE Publications.