CONCILIATING THE THEORIES ON
ENTREPRENEURSHIP: ENTREPRENEURIAL MANAGER,
ENTREPRENEURIAL MANAGEMENT AND
ENTREPRENEURIAL ORGANISATION

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The objective of this paper is to review and conciliate the Burton Clark’s conclusions on entrepreneurial universities with Howard Stevenson’s theory on entrepreneurial organisations – in order to propose a conceptual model of real managers: so-called balanced managers. This original concept is used to develop an instrument aiming to assess the entrepreneurial side of managers in two types of not-for-profit organizations: public administration and universities. The results will possibly allow extending the concept of entrepreneurial university on public administration (as entrepreneurial public administration). The implications are important for both theorists and practitioners, aiming at improving the current management and performance of the universities and local public administration.

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Keywords: entrepreneurship, entrepreneurial vs. administrative manager, balanced manager, entrepreneurial management, entrepreneurial organisation

1. Introduction: Organisation management vs. administration

All types of organizations must be managed. It makes sense to associate the type of management and the nature of the organization in which it is performed. Table 1 displays an organization size-by-scope matrix [1]. The typology could be extended in other dimensions as well (ownership type, sector of activity etc).

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Note that while firms are precisely categorized by size (micro-enterprises, small, medium-size, and large firms), this is not the norm in case of not-for-profit organizations. Secondly, mention that, in general, the management of small organizations is performed by their owners or founders; the management of large organizations requires professional managers, specialized by sectors (business managers, hospital managers, university managers etc).

<table>
<thead>
<tr>
<th>Size of the organisation</th>
<th>Scope of the organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>Small business management (by owner-managers)</td>
</tr>
<tr>
<td>...</td>
<td>Management of small not-for-profit organisations – as charities, professional associations</td>
</tr>
<tr>
<td>Large</td>
<td>Corporate management (by professional managers)</td>
</tr>
<tr>
<td></td>
<td>Management of large not-for-profits – as public administration, most universities etc</td>
</tr>
</tbody>
</table>

There are significant conceptual differences between administration and management. Both words are close in meaning but the terms “administration” and “management” are different: administration essentially involves following prescribed rules, instructions and service; management means supervision and control success oriented, achieving results and manager’s personal responsibility for the results being achieved. Management does include administration, but also involves organization to achieve objectives with maximum efficiency, and responsibility for the results. In the 1990s, the changes in position titles – from “administrators” to “managers” – were not only superficial or a matter of fashion, but they reflect a change in expectations of the person occupying the position, expressing the differences between administration and management [2].

The management of the public sector services, the topic is not only a matter of scientific debate but also a subject of practical importance. According to Hughes [3], the two terms are not synonymous, neither is their application to the public sector. Public administration is an activity serving the public, and public servants carry out policies derived from others; it is concerned with: translating policies into action; procedures; office management.

Public administration deals with the process, focuses on procedures, while public management involves much more: instead of merely following instructions, a public manager focuses on achieving results and takes responsibility for the decisions made. As Hughes notes, the term “public management” is used more and more, while “public administration” seems to be old-fashioned and even obsolete. The traditional model of public administration is replaced by the modern and dynamic concept of new public management.
During the 1990s, a new model of public sector management has occurred in most advanced countries. Its name varied: managerialism, entrepreneurial government, new public management. In U.S.A., the National Performance Review has concluded on four basic principles of new public management [4]: (i) Shifting from systems in which people are accountable for following rules to systems in which they are accountable for achieving results; (ii) Putting the customers (citizens’ needs) first; (iii) Empowering people to get results; (iv) Efficiency principle; producing better for less. In the United Kingdom, new public management is based on “the 3 Es”: Economy, Effectiveness; Efficiency.

Over the decade of 2000s, new concepts such as e-administration or e-governance have spread. They are not a new model of public management/administration but a new manner of new public management, IT&C-based. The transition from old public administration to the new public management – usually called “the reform of public administration” – means a set of measures [5, pp. 78-81]: less controlled and more performance/result targeted activities; professional managers; higher involvement of the staff in decision making process; continuing improvement of human resources (training and fair compensation, performance-based); higher quality public services; promoting the public-private partnerships; contracting-out, efficiency-based; IT&C support.

It is rather difficult to say which type of management is better; but one type fits better than others in specific circumstances (certain industry, functional area, situation, period, and environment). The answer is not easy but the answer always is in management analysis. Two basic management approaches are proposed: the organization strategy and management are resource-dependent and then, based on the existing resources, the objectives are set (i.e. administrative management); the university strategy and management are opportunity-oriented, regardless the resources available at that point in time (entrepreneurial management).

The main objective of this article is to conciliate two important theories on entrepreneurial organisations (and secondary to propose the extension of the concept of entrepreneurial university to entrepreneurial public administration).

Consequently, the structure of the paper is the following: understanding the concepts and typology of entrepreneurship and managers, then focus is on entrepreneurial side of management: entrepreneurial managers, management, and organisations; the conclusions underline original contributions (as notions of balanced manager and balanced management) as well as further research (suggested extension of the concept of entrepreneurial university as entrepreneurial public administration).
The study is founded on both secondary (literature investigation) and primary research (questionnaire-based survey in Romanian higher education institutions, among university managers).

2. Understanding the entrepreneur and entrepreneurship

Early economists such as Richard Cantillon (1680-1734) and Jean-Baptiste Say (1767-1832) have contributed to develop the concept of entrepreneur. Alfred Marshall refers to the role of *undertaker* in the enterprise [6]: the one who undertakes risks and combines material resources, capital and labour to make profits hopefully (Principles of Economics, 1890). To notice that, over time, the English term *undertaker* was replaced by the French *entrepreneur*. Joseph Schumpeter (1934) considered that entrepreneurship is intimately linked to various types of innovation – product, process, organization, market [7]. The intimate interweaving between entrepreneurship and innovation – originally identified by Schumpeter and enforced by Peters [8] – is also highlighted by more recent literature ([9], [10]).

Meredith (1982) has identified the entrepreneurial spirit as the first among the six individual characteristics that generate the success in business [11]. The newest, most provocative and most fascinating theory on entrepreneurship was announced just few years ago (2005) by the former biologist and current corporate CEO Thomas Harrison: the entrepreneurial success might be encoded in the human genome [12].

It is assumed that entrepreneurship is about entrepreneurs and their enterprises. However, some clarifications should be made, definition-based. In spite of their large number and even shortcomings, some of them ought to be presented:

- Dynamic process by which individuals systematically identify economic opportunities, to which they respond by developing, producing and selling goods and services. This process requires qualities such as self-confidence, capacity to take risks and sense of personal commitment (as defined by the European Commission).
- Entrepreneurship means competitive behaviours that drive the market process [13, p. 9]
  - Process by which individuals – either on their own or inside organizations – pursue opportunities without regard to the resources they currently control [14]
  - Process of creating something new of value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence [15]
All definitions agree on the ‘process’ aspect of entrepreneurship by which an individual identify opportunities in order to create value. Despite the general understanding that small business owner-managers are identical to entrepreneurs, Stokes and Wilson [16] make a clear distinction between the two concepts: there are numerous examples of individual entrepreneurs working not only in large companies but also in not-for-profit organizations; on the other hand, a significant proportion of small business owner-managers lack the entrepreneurial traits. The confusion is sustained by many cases of entrepreneurial characters among small business owner-managers. Although, there are business owner-managers which are not entrepreneurs and vice-versa (many entrepreneurs are not business-owners at present moment).

Currently, social entrepreneurship is becoming an area of interest for both theorists and practitioners: “Social entrepreneurship as an emerging academic field … has been nourished by many of the key concepts developed within the commercial entrepreneurship literature, but this is beginning to change as the social entrepreneurship landscape has become a more fundamental part of the collection of entrepreneurship practices.” [17, p. 145]

On top of all these, it is not worthless to mention that entrepreneurship behaviour might have sometimes, here and there, accidentally, a dark side as “criminal entrepreneurship is found in organised crime, where criminal entrepreneurs choose to organise a criminal business enterprise in order to exploit illegal market opportunities” [18, p. 63].

3. Understanding the managers

Managers (not only business managers) are not necessarily the (business) owners. The managers are elite professional employees, hired by the organisation owners/founders or their representatives, in order to make what they know the best: decisions; well-documented, professional and sound decisions. As an example related to the business side, the Table 2 depicts significant differences between business owners and managers. In order to mitigate the conflict between their interests, positions and standpoints, appropriate solutions (shares, stocks and options awarded to performing managers) are developed and applied.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Notable differences between:</th>
<th>Business managers</th>
<th>Business owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position in the organisation</td>
<td>Employed manager</td>
<td>Owner &amp; top manager</td>
<td></td>
</tr>
<tr>
<td>Current objective</td>
<td>Salary</td>
<td>Profit</td>
<td></td>
</tr>
<tr>
<td>Development objective</td>
<td>Career</td>
<td>Company</td>
<td></td>
</tr>
<tr>
<td>Area of concern</td>
<td>Functional area</td>
<td>Whole organisation</td>
<td></td>
</tr>
<tr>
<td>Dynamics</td>
<td>Stability</td>
<td>Change</td>
<td></td>
</tr>
</tbody>
</table>
There are numerous ways to characterize the managers’ and, consequently, the management typology within organizations: based on the manager’s personality psychology, management style (authoritarian vs. democratic), people vs. process orientation – to count just the best known. The latter was developed by Blake and Mouton and is known as the “management grid” [19].

Considering the human side of the manager, there are various personality psychology-based theories as follows:

- **Trait theories:** the Five Factor Model or “The Big Five” traits initially advanced by Tupes and Christal [20] and completed by Costa and McCrae ([21], [22]), Digman ([23], [24]), Goldberg ([25], [26]), Russell and Karol [27], Cattell [28] and others; the HEXACO Model of Personality Structure proposed by Ashton and Lee ([29], [30]); the RIASEC vocational model pioneered by Holland [31] – largely used in vocational counselling;

- **Type theories:** as developed by Carl Jung [32] according to whom there are eight psychological types (sensation – intuition perceiving, thinking – feeling judging, and extroversion – introversion attitude types); Type A and Type B personality theory developed by Meyer Friedman during the 1950s [33] according to which intense, hard-driving Type A personalities had a higher risk of coronary disease while Type B people tend to be relaxed, less competitive, and lower in risk (Type AB mixed profile is accepted as well);

- **Psychoanalytic theories:** as funded by Sigmund Freud [34] and his followers; these theories explain the human behaviour based on the interaction of various components of personality;

- **Humanistic theories:** human needs are presented by Maslow [35] as a hierarchy bottomed with the more basic needs (the graphic model, presented as a triangle or pyramid is well-known as “Maslow’s pyramid”); however, it is fair to note that Maslow’s theory is based on Combs and Snygg theory of individual behaviour [36].

An important category of theories on managing the people are based on “managing motivation to expand human freedom” – as described by McClelland [37].

4. Entrepreneurial managers and management

This paper proposes a model of balanced manager and management – based on the entrepreneurial vs. administrative manager / management dichotomy. An instrument was developed in order to assess the entrepreneurial side of managers. As a pilot study, managers from two types of organizations (universities and local public administration units) are surveyed. The proposed model is based on authors’ previous research work on entrepreneurship and
entrepreneurial management vs. administrative management ([38], [39], [40], [41], [42]) as well as Howard Stevenson’s theory and model of entrepreneurship, centred on the core-concept of opportunity ([14], [43], [44], [45]). Other entrepreneurial attributes focused on the concept of opportunity are used as well. Stevenson has defined the concept of opportunity in the world of business – both at individual and organisational level – but it is also a key-element in management.

The entrepreneurial nature of the manager is not necessarily linked only to entrepreneurial activities (as marketing [46]) or sectors (as innovative high-tech start-ups [47]). A very rigorous and administrative by definition industries as finance [48] or healthcare [49] can be managed entrepreneurially as well.

Depending on his/her own set of values (i.e. decision criteria or priorities), a manager is, theoretically, either administrative or entrepreneurial (Table 3).

<table>
<thead>
<tr>
<th>Decision priorities</th>
<th>Type of manager</th>
<th>Administrative manager</th>
<th>Entrepreneurial manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity orientation</td>
<td>low</td>
<td>high</td>
<td></td>
</tr>
<tr>
<td>Resource orientation</td>
<td>high</td>
<td>low</td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted after Scarlat et al. ([39], [40])

This schematic model proved to be unsatisfactory for practical purpose of the research ([1], [41], [42]): managers simply do not fit in the above boxes because in some circumstances they behave as administrative managers while in others just the opposite (they are referred to as “real managers”). On the other hand, some managers can not decide which criterion is more important (opportunity or resource) so both are considered as of slight equally importance. This is why the model of the balanced managers was proposed (Table 4). In addition, it is more practical to analyze the manager’s typology and then, at a later stage, to draw conclusions about the management typology. The current study emphasizes a new aspect: besides the relative importance of opportunity vs. resource as decision criteria, it is also important to consider their absolute value (intensity) [1].

<table>
<thead>
<tr>
<th>Type of manager</th>
<th>Administrative manager</th>
<th>Balanced manager</th>
<th>Entrepreneurial manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision priorities</td>
<td>Opportunity orientation</td>
<td>lower</td>
<td>Average (balanced)</td>
</tr>
<tr>
<td></td>
<td>Resource orientation</td>
<td>higher</td>
<td>Average (balanced)</td>
</tr>
</tbody>
</table>
The research in progress currently uses this model – in order to assess the type of management in case of university and public administration managers.

5. Entrepreneurial organisations

While some authors as Hisrich and Peters [15] are focusing on the individual entrepreneur others are organization oriented.

Representative of the last group, Burton Clark has conducted a comprehensive research over a period of three years (1994-1997) on five West-European universities, aiming to identify their entrepreneurial characteristics: what specific factors made them to behave actively and to succeed on the turbulently developing higher education market [50]. He identified five key elements in the process of institutional transformation:

- (i) the strengthened steering core;
- (ii) the expanded developmental periphery;
- (iii) the diversified funding base;
- (iv) the stimulated academic heartland;
- (v) the integrated entrepreneurial culture.

Wickham considers the entrepreneurship just as “a style of management” [51, pp. 15-17]. Mintzberg has identified a number of ten such “schools”, the entrepreneurial school being just one of them: the strategy is a result of a visionary process: “In the entrepreneurial mode, strategy making is dominated by the active search for new opportunities” [52, p. 133]. Lassen promotes the concept of strategic entrepreneurship: strategic management and entrepreneurship are increasingly becoming interlinked. A model of strategic entrepreneurship is suggested based on the evidences provided by seven case studies evolving around development of technological innovations. The conclusion is that organizations need to become more innovative, in order to perform and grow [53]. The role of innovation is underlined by other authors as well [54].

Stevenson concludes that the entrepreneurial process is correlated with the company size [44]: ‘the transition from an entrepreneurial growth firm to a “well managed” business is often accompanied by a decreasing ability to identify and pursue opportunity’.

The entrepreneurial paradigm formulated by Stevenson is constructed on six propositions [14, pp. 23-25]:

i. An entrepreneurial organization is that which pursues opportunity, regardless of resources currently controlled.
ii. The level of entrepreneurship within the firm (i.e. the pursuit of opportunities) is critically dependent on the attitude of individuals within the firm, below the ranks of top management.

iii. The entrepreneurial behaviour exhibited by a firm will be positively correlated with its efforts to put individuals in a position to detect opportunities; to train them to be able to do so and to reward them for doing so.

iv. Firms which make a conscious effort to lessen negative consequences of failure when opportunity is pursued will exhibit a higher degree of entrepreneurial behaviour.

v. Not only the success rate, but the very amount of entrepreneurial behaviour will be a function of the employees’ (subjective) ability to exploit opportunities.

vi. Organizations which facilitate the emergence of informal internal and external networks, and allow the gradual allocation and sharing of resources, will exhibit a higher degree of entrepreneurial behaviour.

It is essential to emphasize that all propositions are developed opportunity-centred. This definition of entrepreneurship has the advantage to include not only individuals, but also organizations, and even large organizations (as corporations) among subjects for entrepreneurial studies.

As mentioned previously, the entrepreneurial character of an organization is intimately linked to its management. One of the six entrepreneurship dimensions identified by H. Stevenson [44] is related to the “Management structure”. An entrepreneurial organization exhibits a flat structure, with multiple informal networks, while the administrator views the relationships more formally – “rights, responsibilities and authority are conferred on different people and segments of an organization”. The hierarchy inhibits the search for and commitment to opportunity, as well as communication and decision making.

A model of entrepreneurial management and entrepreneurial organisation – as opposed to the administrative ones – is presented in Table 5.

<table>
<thead>
<tr>
<th>Typology</th>
<th>Administrative management</th>
<th>Entrepreneurial management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope of the organisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit orientation</td>
<td>Less entrepreneurial</td>
<td>Entrepreneurial companies</td>
</tr>
<tr>
<td>Not-for-profit</td>
<td>Less entrepreneurial</td>
<td>Entrepreneurial not-for-</td>
</tr>
</tbody>
</table>

Table 5
Scarlăt and Brătucanu ([41], [42]) conducted a research on the five universities qualified as entrepreneurial by Clark. More precisely, the universities’ publicly available strategic documents (vision and mission statements) were investigated in order to identify their entrepreneurial traits. The results were positive: the five universities identified and declared as highly entrepreneurial by Clark are exhibiting entrepreneurial statements and corresponding entrepreneurial traits - connected to the concept of opportunity.

Thus, in the particular case of universities, the Stevenson’s model of entrepreneurial organisation (opportunity-based) confirms the Clark’s model of entrepreneurial university, or, in other words, the two theories are non in contradiction to each other. This is an encouraging good reason to extend the concept of entrepreneurial organisation in the case of public administration.

In 2002, a questionnaire-based research was conducted to evaluate the university managers’ entrepreneurial vs. administrative components [40, pp. 25-29]. The questionnaire was administered to a sample of 40 university managers. The answers revealed the “real manager” typology: university managers behave administratively when making decisions related to resources; and they present an “entrepreneurial face” while dealing with opportunities, university strategy, and compensation. In 2012, the same survey instrument (questionnaire) was slightly improved and adapted – in order to better match the model of the balanced manager. It was used to survey the managers from two not-for-profit Romanian organizations (a university and a local public administration unit from Bucharest).

This pilot research project is currently in progress.

### 6. Conclusions

Conceptual clarifications are useful in order to avoid confusions:

- Managers are needed not only for business management but for any type of organisation (regardless the size, ownership, area of activity).
- There are notable differences between management and administration.
- There may be administrators involved in business management and managers in public administration.
- Business owners are not necessarily managers.
• Organisation managers (above all, business managers) are not necessarily the (business) owners; larger the organisation, higher the probability not to be.

• Most entrepreneurs are running their own businesses; however, the entrepreneurial nature is linked to the individual: there may be start-ups launched by people without entrepreneurial skills (most of them are probably failing); on the other hand, there may be entrepreneurial individuals working in not-for-profit sectors (education, research, administration) or not in business yet.

Considering the entrepreneurial vs. administrative dimension of management, the model of balanced manager (between entrepreneurial and administrative manager) reflects the real behaviour of real managers: there is neither hundred-percent entrepreneurial manager nor hundred-percent administrative manager. In addition, the real managers could act, in certain circumstances, as entrepreneurial and, in other circumstances, as administrative. The pattern of the balanced manager can be extended at group or organisation level (balanced management between entrepreneurial and administrative management) in the context of entrepreneurial vs. administrative organisation.

In the particular case of universities, the Stevenson’s model of entrepreneurial organisation (opportunity-based) is consistent with the Clark’s model of entrepreneurial university. This is an encouraging argument to extend the model in the case of public administration and further research.

The implications are important for both theorists and practitioners: new approaches and new facets of entrepreneurial management are explored. The paper conclusions are aimed at improving the current management and performance of the universities and local public administration units, giving directions to stimulate their entrepreneurial behaviour.

As study in conjunction with longer term doctoral research, there are perspectives to gradually extend the area of research, eventually from Romania to other European states, starting in countries with cultural similarities as Portugal.

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Conciliating the theories on entrepreneurship

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Thus, entrepreneurial development brings economic development. Schumpeter’s concept of entrepreneurship is quite broad-based. Entrepreneurship includes not only the independent business men but also executives and managers who actually undertake innovative functions. However, Schumpeter’s theory suffers from following limitations: ADVERTISEMENTS An argument for mastering entrepreneurial competencies during higher education is that university years are the optimal period of life for crystallizing new values (Burt, 1992), which undergo further transformation and become a foundation for shaping the future social and economic picture of the world (Myslyakova, 2018). This shows that entrepreneurial competencies are a kind of superstructure in the graduate’s competence profile, strengthening personal competitive advantages and successful promotion in the labor market (Abdrakhmanova, 2019). Management competences: a complex of tasks, functions in planning, organization, motivation, control, coordination of activities of various objects. The entrepreneur earns profit as a reward for taking such risks. Alfred Marshall’s Theory of Entrepreneurship. Alfred Marshall in his Principles of Economics (1890) held land, labor, capital, and organization as the four factors of production, and considered entrepreneurship as the driving factor that brings these four factors together. The characteristics of a successful entrepreneur include Schumpeter’s innovation theory however ignores the entrepreneur’s risk taking ability and organizational skills, and place undue importance on innovation. This theory applies to large-scale businesses, but economic conditions force small entrepreneurs to imitate rather than innovate. Other economists have added a dimension to imitating and adapting to innovation. The objective of this paper is to review and conciliate the Burton Clark’s conclusions on entrepreneurial universities with Howard Stevenson’s theory on entrepreneurial organisations - in order to propose a conceptual model of real managers: so-called balanced managers. This original concept is used to develop an instrument aiming to assess the entrepreneurial side of managers in two types of not-for-profit organizations: public administration and universities. The results will possibly allow extending the concept of entrepreneurial university on public administration (as entrepreneurial public administration). Entrepreneurial disposition theory of entrepreneurship development has been propounded by T.V.S. Rao. At this stage, various support organizations, like Central labour organizations, state-level organizations, and Research, testing and Standards organizations, etc. are established for the expansion of economic activities and entrepreneurial promotion. These organizations provide various types of motivation, assistance, facilities, and services to entrepreneurs. (5). Follow Up. At the last stage, follow-up of government programmes and policies formulated for entrepreneurial development is undertaken. The system of feedback is introduced for entrepreneurial expansion and development.