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Effect of Entrepreneurial Orientation on the Performance of Public Sector Organizations in South-East Nigeria

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Abstract: *Entrepreneurial orientation is a significant determinant of organization performance. The multifaceted nature of EO prompted a need for more insightful study to bring to for the extent to which EO affect organization performance. However, past researcher has shown the effect on private and small medium enterprises but this study assessed the effect of entrepreneurial orientation on the performance of public sector organization in South-East, Nigeria. The study was to ascertain: how inflexibility adherent to laid down office rules impact on the performance of public institution in South-East Nigeria, the extent to which financial autonomy leads to profitability of public institution in south-east Nigeria and how innovation improves on the services rendered to and retention of customers of federal public institutions in south-east, Nigeria. The population of the study was 437 top management and middle level managers drawn from five selected federal institutions. The sample size of 205 was obtained from the total population of 437. Out of the 205 copies of the questionnaires that were distributed, 192 copies were returned while 13 copies were not returned. The findings indicate that: inflexible adherence to laid down office rules is a key traditional managerial factor impacting on the performance of public sector organizations, financial autonomy significantly leads to profitability of public sector organizations and innovation significantly assists improvement of services rendered and retention of customers of public sector organizations. The study concluded that the performance of public institutions depend on the application of entrepreneurial orientation.*

Keywords: *entrepreneurial orientation, organization performance, public institution, new public management*

1.0 INTRODUCTION

In today's business environment, nothing remains still. The rate of change which business organizations face continues to increase more and more in the last five decades. This is as a result of advances in information and communication technology, increasing democratization of economies and liberalization of economies across the globe. "Change" thus now become inevitable and turns to be a regular feature of business life. This necessitate the fact that it cannot be wished away but to give it the necessary attention (inform of management) in order to guarantee continual increased business performance. John .f. Kennedy (2005) suggests that those that fail to accept and embrace change will have a limited future. In his words "change is the law of life and those who look only to the past or present are certain to miss the future.

Sequels to these happenings most organizations are now continually concerned about how to achieve better operational competence thereby adopting all manner of strategies to its effect such as Entrepreneurial orientation which represents strategy making processes that provide organizations with a basis for entrepreneurial decisions and actions (Rauch and Wiklund, 2009). It encompasses specific organizational-level behaviour to perform risk-taking, self-directed activities, engage in innovation and react proactively and aggressively to outperform the competitors in the marketplace and hence enhances firm performance (Lumpkin and Dess, 1996). Organization performance is positively impacted by the presence of entrepreneurial orientation, which tend to create a significant contribution on organization competencies, and this in turn becomes a great boost for further enhancing innovativeness.

Moreso, organizations today have increasingly become aware of the importance of entrepreneurial orientation practices. This awareness in a system is a critical dimension in the performance of organization (Blau, 2007). The real life experiences corroborate the assumption that no matter how sophisticated and modern the business activities of the organization may become, it will be really difficult to uphold its growth and effectiveness unless there are strategies that complement its operations.

The organizations that encourage the entrepreneurial orientation and nurture the talents of the people are very valuable for the society. Nowadays, the organizations are increasingly placed in situations in which it is necessary to tend toward the entrepreneurial activities (Shepherd, Covin, and Kuratko 2008). The organizations have to meet the conditions in which the spirit of entrepreneurship governs the whole organization, and the employees can approach the entrepreneurial activities whether individually or in group. This is why different organizations willingly promote the entrepreneurial activities among their employees. One of the most important factors that facilitate the entrepreneurial orientation in organizations is the suitable organizational structure that is appropriate to the goals of that organization. Any organization that intends to do entrepreneurial activities must adopt a flexible and entrepreneurial structure. The suitable conditions for the entrepreneurial activities cannot be created without the needed backings, but the organizational structure has to make the grounds for appearance of such backings (Johnson and Van de Ven, 2002). Thus the identification of such factors plays an important role in creating such an entrepreneurial space and reinforces the flows of innovation in organization.

The competing counterparts of Nigerian government public sector organizations are increasingly adopting these modern techniques, gaining fast and full impacts of clientele satisfaction and repeated patronage, most Nigerian government owned institutions wallow in poor services, excessive delays and avoidable inefficiencies, all as a result of the strict adherent to bureaucratic structure they are built on. Meanwhile, there have been a growing assertion that this traditional organizational structure in this contemporary period, are no longer appropriate, and most other companies also have been moving away from it to the modern boundary-less or virtual organizational structure – the one which requires organizations to network and collaborate more than ever before; and allow workers to apply initiatives, work in teams, manage their works with some form of autonomies and also make or take part in decision making (Lee, 2008). As a result of this, many organizations have subscribed to entrepreneurial orientation in most of their strategic decision-making processes (Bensau and Venkatraman, 2005). It has been further argued that firms that possess higher levels of entrepreneurial orientation will perform better than those with lower levels of entrepreneurial orientation (Davis, 2007). Higher levels of entrepreneurial orientation allow firms to have the ability to identify and seize opportunities in a way that differentiates them from non-entrepreneurial firms (Covin, Slevin, and Shepherd, 2006).

Apparently, in order for public organizations to be at par with their counterparts in the private sectors, Public sectors are required to change from being bureaucratic to being entrepreneurial. Entrepreneurial orientation (EO) has been considered as major contributor to firms' performance. As mentioned earlier, EO has been found as a factor affecting the performance of firms. However, studies which examine the relationship between EO and firms' performance are primarily using private firms or small and medium enterprises as the benchmark and has rarely been conducted in public sector organization. Considering the mentioned gap, question such as "are dimensions in EO influence the performance of public sector organizations?" This remains unanswered. This study thus sought to address the gap by examining how the following: traditional managerial factors, financial autonomy and innovativeness affect the performance of public sector organizations in south-east Nigeria.

Objectives of the Study

The broad objective of this study is to assess the effect of entrepreneurial orientation on organizational performance. However, the specific objectives therefore are to:

i. Determine the key traditional managerial factors that impact on the performance of public sector organizations
ii. Assess the extent to which financial autonomy leads to profitability of public sector organizations
iii. Examine how innovation improves on the services rendered to and retention of customers of public sector organizations

2.0 BRIEF REVIEW OF LITERATURE

The variables that are the central focus of this study are as follow; entrepreneurial orientation and organization performance-are topical and enjoy robust discussion in the literature. To contextualize this review and make it relevant to the study, we shall take the concepts one after the other.

2.1 Conceptualizing the Term 'Entrepreneurial Orientation'

Stevenson (1983) defined entrepreneurship as the process by which individuals either on their own or inside organizations pursue opportunities without regard to the resources that they currently possess. The essence of entrepreneurial behaviour therefore consists of identifying opportunities and putting useful ideas into practice. The task for this behaviour can be accomplished by either an individual or a group and typically requires creativity, drive, and willingness to take risk.

Morris, Kuratko, and Covin (2008) conceptualised the term entrepreneurial orientation to mean 'entrepreneurial intensity' in their study; they offer to describe the concept as a reflection of both– how entrepreneurial think they are doing or are being done, and how innovative, risky, and proactive those things tend to be. This could either be at individual-level entrepreneurship or at firm-level entrepreneurship. Also, from (Rauch, Wiklund, Lumpkin, and Frese 2009) view, the concept of entrepreneurial orientation has been defined to represent policies and practices that provide a basis for entrepreneurial decisions and actions be it at individual-level or at firm-level. Ireland, Covin and Kuratko (2009) also defined entrepreneurial orientation (EO) as an organizational state or quality that is defined in terms of several behavioural dimensions. Still in line with these sets of definitions, Covin and Slevin (1991) also offered that EO implies the presence of organizational behaviour which reflects risk-taking, innovativeness, and proactiveness.

From these foregoing definitions, it can be deduced that the term 'entrepreneurial orientation' is practically a behavioural concept which involves some complex psychological processes that describe the attitudinal dispositions of individuals or firms toward being innovative, wanting to take-risk, entering into new line of businesses, etc. It is these behavioural dimensions that were advocated to describe the state and quality of an organization as being entrepreneurially orientated in Ireland et al.’s (2009) definition. Meanwhile, this same Ireland et al.’s (2009) definition is not also different from the entrepreneurial organization behaviour which Covin and Slevin (1991) described as risk-taking, innovativeness, and proactiveness. Lumpkin and Dess’s (1996) model of EO adds competitive aggressiveness and autonomy to this list of entrepreneurial orientation attributes.

In a more realistic sense therefore, the term entrepreneurial orientation (EO) may be viewed as an entrepreneurial strategy-making processes that the key decision makers use to enact their firm’s organizational purpose, sustain its vision, and create competitive advantage(s) mostly in today’s highly changing business environment (Pinchot, 2005). It refers practically to the processes, practices, and decision-making activities that lead to new business entry or strategic innovation development (Ireland, Covin and Kuratko2009). The key dimensions that characterize an EO include a propensity to act autonomously, a willingness to innovate and take risks, and a tendency to be aggressive toward competitors and proactive relative to marketplace opportunities (Nasser, Du Preez and Herrmann2003).

In this study, entrepreneurship in the public sector will be referred to as *public entrepreneurship*– the process of identifying and pursuing opportunities (by groups and/or individuals) characterized by innovativeness, proactiveness, and risk-taking. This definition is in line with Currie et al. (2008) and the use of EO in the private sector. Public entrepreneurship does not take the form of independent entrepreneurship, but of corporate entrepreneurship, i.e. always in association with existing organizations. When referring to a public department’s or organization’s extent of entrepreneurship, the term *entrepreneurial orientation* (EO) will be used. The strict focus on new entry Lumpkin and Dess (1996) associate with EO will be set aside in the public sector context, in which it appears less appropriate. When referring to an individual’s behaviour, the term entrepreneurial behaviour will be used.

Inadequate current solutions and turbulence (Bernier & Hafsi, 2007; Morris et al., 2008) provide public entrepreneurs with opportunities to create (public) value. Moore (1995) argues that an analysis of public sector organizations will usually reveal a number of what he calls *gaps*. These gaps, which represent an organization’s current inability to fulfil its goals, require innovation. The extent to which an organization’s performance can be improved depends on how well an organization is currently adapted. Morris and Jones (1999) use the term *opportunity* from entrepreneurship research to make the same point. They show such opportunities for entrepreneurship in a public university; these include: changed demographics, emergence of new market segments, process needs, new technologies, and funding and regulatory change. Pursuing such opportunities by means of entrepreneurship can improve internal processes and yield better solutions to social and economic problems (Morris & Jones, 1999).

Politics must not and cannot predefine all public sector organizations’ operations. While some legislation provides very explicit and detailed guidelines, others define objectives (Marx, 1965). The onus is therefore on public entrepreneurs to act upon the above-mentioned gaps/opportunities and to initiate innovation (Moore, 1995; Morris et al., 2008). Bellone and Goerl (1992) note that such public entrepreneurship can only gain legitimacy in democracies through the involvement of the public.

2.2. Traditional Public Management

The traditional public management approach is usually associated with Max Weber's idea of an ideal bureaucracy type (Pollitt & Bouckaert, 2004; Stoker, 2006). Weber (1946) characterizes such a bureaucracy as the desirable way to organizing public administration and, to a large degree, private administration. He goes as far as to state: "The decisive reason for the advance of bureaucratic organization has always been its purely technical superiority over any other form of organization" (1946). The defining characteristics of an ideal bureaucracy are as follows:

i. *There is the principles of fixed and official jurisdictional areas, which are generally ordered by rules, that is, by laws or administrative regulations.*
ii. *The principles of office hierarchy and of levels of graded authority mean a firmly ordered system of super- and subordination in which there is a supervision of the lower offices by the higher ones.*
iii. *The management of the modern office is based upon written documents ('the files'), which are preserved in their original or draught form. In general, bureaucracy segregates official activity as something distinct from the sphere of private life.*
iv. *Office management, at least all specialized office management usually presupposes thorough and expert training.*
v. *When the office is fully developed, official activity demands the full working capacity of the official.*
vi. *The management of the office follows general rules, which are more or less stable, more or less exhaustive, and which can be learned. Knowledge of these rules represents a special technical learning which the officials possess. (Weber, 1946)*

However, beginning in the late 1970s, bureaucracy increasingly came to be viewed as unsuitable in an environment that was said to be changing faster than ever (Hood, 1991). Points of criticism included inflexible structures, indifferent and bureaucratic staff, and the dehumanization of the organization (Hood, 1991; Schedler & Proeller, 2006). Osborne and Gaebler have not one good word to say when describing previous public administrations: "They became bloated, wasteful, and ineffective. And when the world began to change, they failed to change with it" (1992). Accordingly, it was time to change public administration. This change was introduced under the heading of new public management.

2.3 New Public Management

New public management sought to improve management and processes by applying more private sector management techniques and market elements (Schedler & Proeller, 2006). While reforms were not applied uniformly across countries or organizations (Pollitt & Bouckaert, 2004; Schedler & Proeller, 2003), many reforms corresponded with NPM doctrines as identified by Hood (1991): (i) 'hands-on' professional management; (ii) explicit performance standards and measures; (iii) greater emphasis on output controls; (iv) disaggregation of units; (v) greater competition; (vi) an emphasis on private sector management practice styles; and (vii) an emphasis on greater discipline and parsimony in resource use. This shift also changed to role of public sector managers. “A good new public management system gives managers the freedom to manage. Politicians exist to set goals but then get out of the way” (Stoker, 2006). The public manager’s job thus became more like that of the private manager; they were to decide how best to achieve an outcome with a given amount of resources. Several scholars consequently considered public sector managers as entrepreneurs (Bernier & Hafsi, 2007; Hafsi, Bernier, & Farashahi, 2007; Osborne & Gaebler, 1992). Any objective assessment of whether or not NPM’s often high expectations were fulfilled is challenging (Pollitt & Bouckaert, 2004). There are often multiple ways of assessing results as well as contradicting information. However, even critics praise benefits such as improved consumer orientation, the clarification of objectives and responsibilities, and the use of executive agendas and performance management systems (Kelly et al., 2002; for an extensive discussion of results, see Pollitt & Bouckaert, 2004). Despite these benefits, NPM reforms are also associated with negative developments in public management. Kelly et al. (2002) and Alford and Hughes (2008) summarize these negative developments by pointing to NPM’s narrow focus on measurable performance outcomes, which might lead to a neglect of what mattered to the public, as a primary problem. Further points of criticism include: viewing citizens as clients, the ‘hidden agenda’ of cutting costs, the neglect of the service needs of different client groups, the disposition towards small-scale versus large-scale improvement, and the non-involvement of citizens and stakeholder groups. For public value advocates, this situation set the stage for a paradigm shift.

2.4. Conceptualizing the Meaning and Components of Organizational Performance

The term Organizational Performance is one of the most popular variables studied in management research and academic literature. Its definition is somewhat difficult because of its myriad meanings. Although, there isn’t any universally accepted definition for this concept but as for the need to conceptualize it in this current study, the various existing definitions would first be reviewed.

In the '50s, organizations were viewed as a social system; hence, organizational performance was defined as the extent to which organizations fulfilled their objectives (Awang, Yusof, Kassim, Ismail, Zain and Madar.2009). Performance evaluation during this time was focused on work, people and organizational structure. Later in the '60s and '70s, organizations have begun to explore new ways to evaluate their performance. During this period, organizational performance was defined as an organization's ability to exploit its environment for accessing and using the limited resources (Wiklund and Shepherd, 2005). The years '80s and '90s were marked by the realization that the identification of organizational objectives is more complex than initially considered. Managers began to understand that an organization is successful if it accomplishes its goals (effectiveness) using a minimum of resources (efficiency). Thus, many organizational theorists supported the idea that an organization’s performance refers mainly to organizational objectives achieved based on the constraints imposed by the limited resources (Coulthard, 2007). In this context therefore, profit became one of the many indicators of organizational performance.

Acar, Zehir, Ozgenel, and Ozsahin (2013) provide a set of definitions to illustrate the concept of organizational performance:

i. Organizational Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of organization’s objectives and results.
ii. Organizational Performance is dynamic, requiring judgment and interpretation.
iii. Organizational Performance may be illustrated by using a causal model that describes how current actions may affect future results.
iv. Organizational Performance may be understood differently depending on the person involved in the assessment of the organizational performance (i.e. a person within the organization compared to one from outside).

From the above set of definitions, it can be deduced that the term organizational performance is a multidimensional construct, but it can be measured in four buckets;

i. **Relevance:** Being the degree to which the organization’s stakeholders think of the company is relevant to their needs. Clients judge the relevance of products or services by buying them, employees by working hard, shareholders by buying and holding shares, and so on.
ii. **Effectiveness:** Being the degree to which the organization is successful in achieving its strategy, mission and vision.
iii. **Efficiency:** Being how well the organization uses it resources (financial, human, physical, information)
iv. **Financial Viability:** Being how viable the organization is not only in the short term but also in the long term (i.e. how long the company has remained profitable? and how the company has shown an ability to make good long-term investments?).

2.5 EO and Organization Performance

The relationship between EO and Organization performance has become the main subject of interest in past literatures. According to Rauch, Wiklund, Lumpkin and Frese (2009), it is likely for Organizations adopting EO to perform better than companies that adopt conservative orientation. Initially, one could question the importance of EO for the success of enterprises. Thus, previous studies showed that EO could significantly improve Organization performance (Covin and Slevin, 1991; Lumpkin and Dess, 1996; Wiklund and Shepherd, 2005; Covin and Slevin 1989; Lumpkin and Dess, 2001). Many studies on EO and business performance have been associated to have positive results (Jantunen, Puumalainen, Saarenketo, and Kylaheiko, 2005; Chow, 2006; Coulthard, 2007; Wiklund, 1999; Wiklund and Shepherd, 2003, 2005; Zahra, 1991; Zahra and Covin, 1995; Madsen, 2007; Keh, Nguyen and Ng, 2007; Lee, Lee and Penning, 2001; Lumpkin and Dess, 1996). However, there is no doubt there are also studies that revealed that EO does not give positive results to Organization performance (Hart, 1992; Matsuno, Mentzer and Ozsomer, 2002; Morgan and Strong, 2003; Smart and Conant 1994; Naldi, Nordqvist, Sjöberg, and Wiklund, 2007). Thus, the researcher coincide with few studies that on different situation, EO will have a direct and indirect impact towards a firm’s performance depending on different environments (Zahra, 2008; Kellermanns, Eddleston, Barnet and Pearson, 2008; Lumpkin and Dess, 1996). Hence, the study of EO especially on Lumpkin and Dess;’s (1996) dimensions are needed as many studies have proven there is a relationship between EO and Organization performance.

2.6. Theoretical Framework

This study is anchored on several existing theories and models that can help to explain how entrepreneurial orientation at the firm-level entrepreneurship works to achieve organizational performance. Such theories include; the Resource Based View [RBV] and Theory of Entrepreneurial Orientation-Firm Performance Link.

The Resource Based View Model

Some aspects of most extant theories are thought of long before they are formally adopted and brought together into a framework of knowledge in an academic theory. The same could be said with regard to the Resource-Based View theory. While this important body of research within the field of Strategic Management was named by Birger Werner felt as Resource-Based View of the Firm (1984), the origins of the resource-based view theory can be traced back to earlier research. The resource based view has been a common interest for management researchers and numerous studies have been done for the same. A resource-based view of a firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier (Mahoney andPandian2012; Sirmon, Hittand Ireland 2007). RBV explains that a firm’s sustainable competitive advantage is reached by virtue of unique resources being rare, valuable, inimitable, non-tradable, and non-substitutable, as well as being 'firm-specific' (Barney 2001; Amit and Schoemaker, 1993). These authors write about the fact that a firm may reach a sustainable competitive advantage through unique resources which it holds, and these resources cannot be easily bought, transferred, or copied, and simultaneously, they add value to a firm while being rare. It also highlights the fact that not all resources of a firm may contribute to a firm’s sustainable competitive advantage. Varying performance between firms is a result of heterogeneity of assets (Makadok, 2011) and RBV is focused on the factors that cause these differences to prevail (Grant 2001; Mahoney and Pandian2002).

The relevance of the RBV theory to the current study is that in the Resource-Based View theory, much emphasis was placed on the importance of resources and its implications for firm performance (Conner, 2011; Rumelt, 2004; Mahoney and Pandian, 2012; Rugman and Verbeke, 2002). The term 'resources' as it applies to this current study therefore, refers to the Entrepreneurial Skills, Capabilities, Posture and Orientation which the organization possesses particularly among its middle and low level managers. The RBV theory is explained in its ability to deliver sustainable competitive advantage only when such organizational resources are managed in a way that – their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier (Mahoney and Pandian 2012; Sirmon, Hitt and Ireland, 2007). The theory explains that a firm’s sustainable competitive advantage is reached by virtue of the quality of resources [ES, EC, EP and EO]possessed – being rare, valuable, inimitable, non-tradable, and non-substitutable, as well as being firm-specific (Barney 2001; Amit and Schoemaker, 1993). From this theoretical perspective therefore, the RBV theory has been adopted here in this study primarily for describing how inimitable, valuable and rare entrepreneurial orientation as an internal resources helps in achieving organizations performance

Theory of Entrepreneurial Orientation-Firm Performance Link

Covin and Slevin (1991) offered an important contribution to the entrepreneurship literature by developing a theoretical model of the relationship between an aggregated conceptualization of entrepreneurial orientation (innovativeness, proactiveness, and risk-taking) and firm performance. Covin and Slevin aggregated three sub-dimensions of entrepreneurial orientation (innovativeness, proactiveness, and risk-taking) when developing their theoretical model. Although, previous researches have suggested that these three sub-dimensions of entrepreneurial orientation may have differential relationships with other important organizational variables (Kreiser, Marino, and Weaver., 2002; Lumpkin and Dess, 1996). From the Covin and Slevin's model, the three sub-dimensions of entrepreneurial orientation have also been shown to possess differential relationships with organizational performance. On one hand, (Begley and Boyd 2007) proposed that risk-taking would have a curvilinear relationship with performance in entrepreneurial firms. Their findings suggested that entrepreneurial firms exhibiting moderate level of risk-taking would outperform those exhibiting either very high or very low levels of risk-taking. The authors concluded that risk-taking has a positive effect on return on asset (ROA) up to a point; beyond that point, increases in risk-taking began to exert a negative effect on ROA (Begley and Boyd, 2007).

3.0. METHODOLOGY

Data for this study was sourced from both primary and secondary sources. Personnel (especially the top, middle and lower level directors or unit heads from the sampled public sectors were the major source of primary data while reports of previous studies and literature were the source of secondary data.

A sample size of 205 personnel was derived from the total population of 437 of selected 5 public sector in South-east Nigeria. Survey method of design was used and data were collected using questionnaire. A 5-point Likert scale was used for rating the opinions of the respondents toward the questions asked. This includes (5 – Strongly Agree, 4 – Agree, 3 – Undecided, 2 – Disagree, and lastly 1 – Strongly Disagree). The analysis of data, interpretation and test of hypotheses was done with SPSS.

4.0. METHODS OF DATA ANALYSES

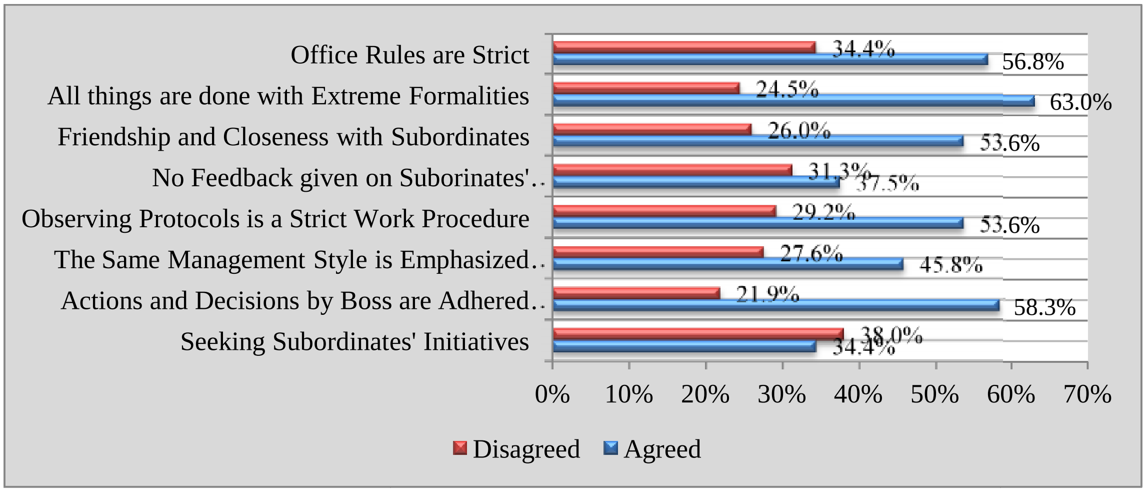
Both descriptive and inferential statistical analytical methods will be employed for analyzing the data to be collected for this study. The descriptive methods include the use tables, frequencies, charts (Bar and Pie Charts), and percentages while the inferential statistical methods involved the use of appropriate Test of Significance methods in the following test order.

Hypothesis One

Principal Component Analysis [PCA] method of Factor Analysis was used to test this hypothesis. The method assists in reducing a large group of factors to the most significant ones. By using Varimax Rotation Component of factors with Eigen value greater than 1, (Eigen values are a special set of scalars associated with a linear system of equations (i.e., a matrix equation) that are sometimes also known as characteristic roots, characteristic values, proper values, or latent roots).

Hypothesis Two and Three

To test these hypotheses, Simple Linear Regression analysis was used. A regression model was developed for each hypothesis for describing the interaction between the variables.



Summary of the Respondents' Opinions on Traditional Managerial Factors Impacting on Public Sector Organizations' Performance

From the top-down view of the chat, it can be deduced that majority of the respondents were in support of the questions asked on traditional managerial factors except the last item which reads that "…seeking subordinates' initiatives while they are at work?". Although, the margin of difference isn't much yet, majority of them disagreed that they don't seek their subordinates' initiatives. Meanwhile, quite a number of the respondents remained muted on some questions. They neither agreed nor disagreed. In the light of these, there are inconclusive points to hold on as regard the key traditional managerial factors impacting on the performance of public sector organizations.

4.1.2 The Extent to which Financial Autonomy leads to Public Sector Profitability

Research Question 2: *To what extent does financial autonomy lead to profitability of public sector?*

To proffer solution to this research question, some data sets have been gathered mainly on the financial autonomy of the government officials as well as the data on the profitability status of their institution. These data sets would be presented and analyzed here.

Autonomy to Generate Fund

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	3	0	15	6	13	37	19.3
Agreed	9	4	18	10	28	69	35.9
Undecided	2	8	11	0	33	54	28.1
Disagreed	4	2	0	0	12	18	9.4
Strongly Disagreed	1	3	0	0	10	14	7.3
Total	19	17	44	16	96	192	100.0

Source: Field Survey 2015

The table above presents the responses of the respondents regarding whether they have the right to generate funds in their department. 37(19.3%) of them strongly agreed, 69(35.9%) also agreed, 54 (28.1%) remained undecided, 18 (9.4%) of them disagreed while 14 (7.3%) others strongly disagreed. From this, it can be deduced that majority of the respondents are in support of the notion that they do have the right to generate funds in their department.

Permission to use Personal Discretion to raise Money

	Abia NBC	Anambra NIPOST	Ebonyi Fed. Poly. Uwana	Enugu Akanu Ibiam Airport	Imo FMC	Total	Percentage (%)
Strongly Agreed	0	0	13	7	8	28	14.6
Agreed	0	1	19	6	26	52	27.1
Undecided	2	8	10	3	35	58	30.2
Disagreed	12	6	2	0	17	37	19.3
Strongly Disagreed	5	2	0	0	10	17	8.9
Total	**19**	**17**	**44**	**16**	**96**	**192**	**100.0**

Source: Field Survey 2015

Still on financial autonomy, the table above presents the responses provided by the respondents as to whether they are allowed to use their discretion to raise money in their departments. 28 (14.6%) of the respondents strongly agreed, 52 (27.1%) of them also agreed, 58(30.2%) remained undecided, 37 (19.3%) disagreed while 17 (8.9%) others strongly disagreed. Based on this report, it can be deduced that majority of the respondents are indecisive about whether they are allowed to use their discretion to raise money in their departments or not.

Approval is strictly mandated to be sought before making any Spending

	Abia NBC	Anambra NIPOST	Ebonyi Fed. Poly. Uwana	Enugu Akanu Ibiam Airport	Imo FMC	Total	Percentage (%)
Strongly Agreed	7	2	0	4	11	24	12.5
Agreed	5	9	3	6	19	42	21.9
Undecided	6	6	11	2	9	34	17.7
Disagreed	1	0	18	1	21	41	21.4
Strongly Disagreed	0	0	12	3	36	51	26.6
Total	19	17	44	16	96	192	100.0

Source: Field Survey 2015

From the table above, the reactions of the respondents as regard spending are presented. 24(12.5%) of them strongly agreed that spending of funds is not easy, that approval must first be sought from the top management. In the same vein, 42 (21.9%) of them also agreed, 34 (17.7%) remained undecided, 41 (21.4%) disagreed while 51 (26.6%) others strongly disagreed. In all, it can be deduced that majority of the respondents are not in support of the motion that they must first seek approval from the top management before they spend.

Except on Budgeted Items, Spending on New Things are not Allowed

	Abia NBC	Anambra NIPOST	Ebonyi Fed. Poly. Uwana	Enugu Akanu Ibiam Airport	Imo FMC	Total	Percentage (%)
Strongly Agreed	9	7	6	3	16	41	21.4
Agreed	8	4	9	1	24	46	24.0
Undecided	2	0	7	6	5	20	10.4
Disagreed	0	2	14	6	19	41	21.4
Strongly Disagreed	0	4	8	0	32	44	22.9
Total	19	17	44	16	96	192	100.0

Source: Field Survey 2015

The data presented through the table above shows that, 41 (21.4%) of the respondents strongly agreed to the notion that says "except on budgeted items, spending on new things are not permitted". In the same vein, 46 (24.0%) of them also agreed, 20 (10.4%) of them could not decide, 41 (21.4%) disagreed while 44 (22.9%) others strongly disagreed. From this analysis, it can be deduced that majority of respondents are almost distributed equally between those in support and those that are not in support.

The Plans on How and What to Spend on are centrally determined

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	5	11	8	3	16	43	22.4
Agreed	8	6	12	8	22	56	29.2
Undecided	4	0	6	5	18	33	17.2
Disagreed	0	0	9	0	24	33	17.2
Strongly Disagreed	2	0	9	0	16	27	14.1
Total	19	17	44	16	96	192	100.0

Source: Field Survey 2015

As for the plans on how and what to spend on in each of the department of the public institutions, 43 (22.4%) of the respondents strongly agreed that the plans are independently determined. 56 (29.2%) of them also agree, 33 (17.2%) of them remained undecided, 33 (17.2%) also disagreed while 27 (14.1%) others strongly disagreed. From this analysis, it can be deduced that majority of the respondents are independently that the plans on how and what to spend on are independently or centrally determined.

The data presented in the foregoing section represents the data on financial autonomy of the respondents. The data on the profitability of the public sector organizations is therefore presented here below.

The Profitability Status of Public Sector Organizations

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	7	2	9	0	11	29	15.1
Agreed	11	2	13	2	21	49	25.5
Undecided	1	8	5	12	37	63	32.8
Disagreed	0	2	8	0	18	28	14.6
Strongly Disagreed	0	3	9	2	9	23	12.0
Total	19	17	44	16	96	192	100.0

Source: Field Survey 2015

The table above, 29 (15.1%) of the respondents strongly agreed that their organization has never recorded surplus in their finances. In the same vein, 49 (25.5%) of them also agreed, 63 (32.8%) of them remained undecided, 28 (14.6%) of them disagreed, while 23 (12.0%) others strongly disagreed. In all, it can be deduced that majority of the respondents are indecisive about whether their organization has never recorded surplus in their finances but amongst others, majority agreed.

The data on the financial autonomy of the department heads of government institutions as well as the data on the profitability status of the institutions have been presented and analyzed in the foregoing section. However, the connection between these two data sets as spelt in the beginning part of this section is yet to be determined [i.e. assessing the extent to which financial autonomy of the department heads leads to the profitability of public institutions]. And to do this, these two data sets would be subjected to test of significance [hypothesis or inferential testing] using appropriate statistical technique. From this, the inference regarding the extent of effect between financial autonomy and the profitability status of the institutions as opinionated here would be affirmed statistically.

4.1.3 How Creativity improves the Services Rendered and Retention of the Customers of Public Sector Organizations

Research Question 3: *How does innovation assist in improving the services rendered and retention of customers of public sector organizations?*

To proffer solution to this research question, two data sets would be required, these include; the data on creativity and the data on clientele services which are rendered by the government institutions. These data sets were presented and analyzed here.

Table 4.18: Concentration on the marketing of tried and true services

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	7	0	9	5	12	33	17.2
Agreed	4	0	7	11	29	51	26.6
Undecided	2	2	4	0	18	26	13.5
Disagreed	1	11	10	0	24	46	24.0
Strongly Disagreed	5	4	14	0	13	36	18.8
Total	**19**	**17**	**44**	**16**	**96**	**192**	**100.0**

Source: Field Survey 2015

On table 4.18 above, the response of the respondents as regard whether their departments are allow to concentration on the marketing of tried and true product or services. 33 (17.2%) of them strongly agreed, 51 (26.6%) of them also agreed, 26 (13.5%) of them remained undecided, 46 (24.0%) disagreed while 36 (18.8%) others strongly disagreed. In all, it can be deduced that majority of the respondents are in support of the notion that their departments sometimes, are allowed to concentration on the marketing of tried and true product or services.

Table 4.19: Numerous new lines of products or services

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	4	0	2	2	25	33	17.2
Agreed	2	2	6	1	17	28	14.6
Undecided	7	2	11	0	6	26	13.5
Disagreed	3	8	9	5	27	52	27.1
Strongly Disagreed	3	5	16	8	21	53	27.6
Total	**19**	**17**	**44**	**16**	**96**	**192**	**100.0**

Source: Field Survey 2015

Based on their responses analyzed on table 4.18, table 4.19 hereby showed that there are numerous new lines of products or services. 33 (17.2%) of them strongly agreed, 28 (14.6%) of them also agreed, 26 (13.5%) remained undecided, 52 (27.1%) disagreed while 53 (27.6%) others strongly disagreed. From this analysis, it shows that majority of the respondents did not agree to it.

Table 4.20: For Knowledge Improvement, anyone can offer to supply Initiatives

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	3	0	8	2	23	36	18.8
Agreed	7	2	4	0	12	25	13.0
Undecided	3	0	7	3	13	26	13.5
Disagreed	6	2	12	2	29	51	26.6
Strongly Disagreed	0	13	13	9	19	54	28.1
Total	19	17	44	16	96	192	100.0

Source: Field Survey 2015

For knowledge improvement, 36 (18.8%) of the respondents on table 4.20 above strongly agreed that, anybody can offer to supply initiative in their office. In the same vein, 25 (13.0%) of the respondents also agreed, 26 (13.5%) of them remained undecided, 51 (26.6%) of them disagreed while 54 (28.1%) others strongly disagreed. From this report, it can be deduced that majority of the respondents are not in support of anybody offering to give initiative even if it is for knowledge improvement.

Table 4.21: A strong emphasis is on research and development

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	2	0	9	0	10	21	10.9
Agreed	7	8	16	2	16	49	25.5
Undecided	6	4	13	2	28	53	27.6
Disagreed	1	5	3	8	19	36	18.8
Strongly Disagreed	3	0	3	4	23	33	17.2
Total	**19**	**17**	**44**	**16**	**96**	**192**	**100.0**

Source: Field Survey 2015

On table 4.21 above, 21 (10.9%) of the respondents strongly agreed that there is strong emphasis on research and development. Also, 49 (25.5%) of the respondents agreed, 53 (27.6%) remained undecided, 36 (18.8%) of them disagreed while 33 (17.2%) others strongly disagreed. Based on this report, it can be deduced that majority of the respondents were not decisive about whether seeking knowledge from subordinates is actually detested in their offices.

Table 4.22: Update in product or service lines have been principally of minor nature

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	6	6	15	7	17	51	26.6
Agreed	6	4	17	9	28	64	33.3
Undecided	4	2	12	0	29	47	24.5
Disagreed	3	4	0	0	18	25	13.0
Strongly Disagreed	0	1	0	0	4	5	2.6
Total	**19**	**17**	**44**	**16**	**96**	**192**	**100.0**

Source: Field Survey 2015

On table 4.22 above, 51 (26.6%) of the respondents strongly agreed that the update in product or service lines have been principally of minor nature. In the same vein, 64 (33.3%) of the respondents also agreed, 47 (24.5%) of them remained undecided, 25 (13.0%) disagreed while 5 (2.6%) others strongly disagreed. From this analysis, it can be deduced majority of the respondents are in support that update in product or service lines have been principally of minor nature.

Table 4.23: The Status of Clientele Services

	Abia	Anambra	Ebonyi	Enugu	Imo		
	NBC	NIPOST	Fed. Poly. Uwana	Akanu Ibiam Airport	FMC	Total	Percentage (%)
Strongly Agreed	7	4	9	11	41	72	37.5
Agreed	12	2	11	5	27	57	29.7
Undecided	0	4	24	0	18	46	24.0
Disagreed	0	2	0	0	7	9	4.7
Strongly Disagreed	0	5	0	0	3	8	4.2
Total	19	17	44	16	96	192	100.0

Source: Field Survey 2015

On table 4.23, 72 (37.5%) of the respondents strongly agreed that clientele services are rendered quicker enough and very efficiently. In the same vein, 57 (29.7%) of them also agreed, 46 (24.0%) of them remained undecided, 9 (4.7%) of them disagreed while 8 (4.2%) others strongly disagreed. Based on this report, it can be deduced that majority of the respondents are in support of the motion that clientele services are rendered quicker enough and very efficiently.

Test of Hypothesis One

H_{01}: Inflexible adherence to laid down office rules is not the key traditional managerial factor impacting the performance of public sector organizations.

H_1: Inflexible adherence to laid down office rules is the key traditional managerial factor impacting the performance of public sector organizations.

To test this hypothesis, the data presented in section 4.3.1 would be used. The data would be subjected to a Factor Analysis test using Principal Component Analysis (PCA) method. Altogether, there are eight (8) traditional managerial factors (components) that hypothetically, could impact on the performance of public sector organizations. These factors are further sectioned into four (4) categories:

i. Inflexible adherence to laid down office rules(Factor 1)
- Office rules are too strict
- All things are done with extreme formalities
- Observing protocols is a strict work procedure
- All actions and decisions taken by overall boss must be compulsorily adhered to.

ii. Interpersonal Relationship (Factor 2)
- Friendship with and Closeness to subordinates
- Giving of feedback to subordinates on the official assignment performance

iii. Work Procedure (Factor 3)
- The same management style is emphasized in all departments/units

iv. Entrepreneurial Orientation (Factor 4)
- Boss seeking subordinates’ initiative

Table 4.33: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.611	70.133	70.133	5.611	70.133	70.133
2	1.508	18.844	88.977	1.508	18.844	88.977
3	.319	3.993	92.970			
4	.210	2.626	95.597			
5	.187	2.336	97.933			
6	.071	.884	98.817			
7	.054	.675	99.492			
8	.041	.508	100.000			

Extraction Method: Principal Component Analysis.

The results presented on Table 4.33 above show the variance explained by the initial solution of the PCA and the extracted components from the variables studied. The first section of the table shows the Initial Eigen-values for each component while the second section of the table shows the extracted components. Out of the 8 variables/components included in the test, only 2 components/factors were found to explain nearly 88.97% of the variability in the original eight (8) components.

The Total column gives the Eigen-value, or amount of variance in the original variables accounted for by each component. The % of Variance column gives the ratio, expressed as a percentage, of the variance accounted for by each component to the total variance in all of the variables. The Cumulative % column gives the percentage of variance accounted for by the extracted components.

Table 4.34: Component Matrix

Components	Components	
	1	**2**
COMP1	.906	.032
COMP2	**.936**	-.066
COMP3	.757	-.581
COMP4	.885	-.360
COMP5	.616	**.760**
COMP6	.793	.562
COMP7	.885	-.325
COMP8	.876	.190

Extraction Method: Principal Component Analysis.
a. 2 Components Extracted

Table 4.34 presents the component matrix showing what each of the two components extracted represents. From the table, it can be deduced that the first component is most or highly correlated with COMP2 ($\gamma = 0.936$); while the second component is most or highly correlated with COMP5 ($\gamma = 0.760$). COMP2 represents item 2 on the questionnaire which is a component of Factor 1. COMP5 represents item 5 on the questionnaire which is also a component of Factor 1. COMP2 refers to – All things done with extreme formalities; and COMP5 refers to – Observing protocols as a strict work procedure.

Interpretation of Result

These two components were extracted under FACTOR 1 – which is *Inflexible laid down rules*. The factors (components) weren't extracted from other FACTORS.

Test of Hypothesis Two

H_{02}: Financial autonomy does not lead to profitability of public sector organizations.

H_2: Financial autonomy significantly leads to profitability of public sector organizations.

To test this hypothesis, the data presented in section 4.3.2 above would be used. The data would be subjected to regression analysis test. The variables contained in the hypothesis were mathematically demonstrated using the below model.

$$Y_i = \alpha + \beta_i X_i + U$$

Where

Y_i is the dependent variable – representing the profitability status of the public sector organization; and the independent variable - X_i which represents the data on financial autonomy of public sector department heads. α represents the y-intercept constant value. The marginal propensity [i.e. the determinant] for government officials' financial autonomy is represented by the coefficient β of the independent variable. It describes the percentage effect by which financial autonomy explains the profitability status of the public sector organizations.

The results of the test were presented here below.

Table 4.35: Model Summary

Model 1	R	R Square	Adj. R Square	S.E of the Estimate
	.842	.710	.708	.80102

a. Predictors: (Constant), Financial Autonomy of Government Officials
b. Dependent Variable: Profitability Status of Public Institutions

Table 4.36: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	298.006	1	298.006	464.449	.000[a]
Residual	121.910	190	.642		
Total	419.917	191			

a. Predictors: (Constant), Financial Autonomy of Government Officials
b. Dependent Variable: Profitability Status of Public Institutions

Table 4.37: Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**p-value**
		Beta [β]	Std. Error	Beta [β]		
1	(Constant)	.554	.133		4.149	.000
	Financial Autonomy	.895	.042	.842	21.551	.000

a. Predictors: (Constant), Financial Autonomy of Government Officials
b. Dependent Variable: Profitability Status of Public Institutions

Interpretation of Result

Tables 4.35, 4.36 and 4.37 above represent the results of the regression analysis on the interaction between public sector organizations' department heads' financial autonomy and the profitability status of the institutions. On table 4.35, the model can be said to be fit at $R^2 = .710$. This indicates the coefficient of determination which the result on table 4.37 further explains. Focusing on the *Un-standardized Coefficients*, it can be deduced that at any 1% permission for Financial Autonomy among the department heads of public sector institutions, this can bring about 89.5% increase in the Profitability Status of the government institutions. On table 4.36, the ANOVA test result affirms significance of the overall test results which shows that, Financial Autonomy has a significant ($F = 464.449$, $p < 0.05$) effect on the Profitability Status of the institutions.

Test of Hypothesis Three

H_{03}: Innovation does not assist improvement of services rendered and retention of customers of public sector organizations.

H_3: Innovation significantly assists improvement of services rendered and retention of customers of public sector organizations.

This hypothesis is similar to the hypothesis tested in the just foregone section. And to test it, the data presented in section 4.3.3 above would be used. The data would be subjected to regression analysis test. The variables contained in the hypothesis were mathematically demonstrated using the below model.

$$Y_i = \alpha + \beta_i X_i + U$$

Where

Y_i is the dependent variable – representing Clientele Service Effectiveness of the public sector organization; and the independent variable - X_i which represents the data on creativity/innovation of public sector department heads. α represents the y-intercept constant value. The marginal propensity [i.e. the determinant] for government officials' creativity/innovation is represented by the coefficient β of the independent variable. It describes the percentage effect by which the creativity/innovation of the officials explains the clientele service effectiveness [in terms of delivery and efficiencies] of the public sector organizations.

The results of the test were presented here below.

Table 4.38: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815[a]	.664	.662	.51538

a. Predictors: (Constant), Innovativeness

Table 4.39: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	99.513	1	99.513	374.651	.000[a]
	Residual	50.467	190	.266		
	Total	149.979	191			

a. Predictors: (Constant), Innovativeness
b. Dependent Variable: Clientele Service Efficiency

Table 4.40: Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.102	.105		19.939	.000
	Innovation	.538	.028	.815	19.356	.000

a. Dependent Variable: Clientele Service Efficiency

Interpretation of Result

The results presented through tables 4.38, 4.39 and 4.40 above represent the result of the regression analysis which describes the interaction between the innovativeness of government top officials and clientele service efficiency. On table 4.38, the result shows that the regression model is fit at $R^2 = .664$. Focusing on the *Un-standardized Coefficients* on table 4.40, it can be deduced that at any 1% permission for Creativity and Innovativeness among the department heads of public sector institutions, this can bring about 53.8% positive increase in the Clientele Service Efficiency and Prompt delivery by government institutions. On table 4.39, the ANOVA test result affirms the significance of the overall test results which shows that, Innovativeness has a significant ($F = 374.651$, $p < 0.05$) effect on Clientele Service Efficiency of the institutions.

4.2. Discussions

The findings deduced from the foregoing test results can be likened with the findings of some related extant studies.

The traditional managerial factors that impact on the performance of public sector organizations

The first finding which shows that "inflexible adherence to laid down office rules is the key traditional managerial factor impacting the performance of public sector organizations" is indirectly consistent with Arief *et al.*'s (2013) findings. In their study, the concept of Strategic Flexibility clearly explains the nature of the environment in which entrepreneurial orientation (EO) exists. Arief *et al.*'s (2013) findings strongly affirmed that strategic flexibility plays a mediating role in the relationship between entrepreneurial orientation and organizational performance. However, inflexible adherence to laid down office rules remains a key traditional managerial factor impacting on the performance of public sector organizations. This 'inflexibility' in the adherence to office laid down rules obviously cannot encourage entrepreneurial orientation among the government officials hence; it would jeopardize or mediate the performance of the organization. Similarly, the findings of this study is also consistent with Awang *et al.*'s (2009) study which revealed that perceived environmental factors moderate the relationship between EO and performance where the top government officials perceive inflexibility in the adherence to laid down office rules, organizational performance would be affected because there would be no room for entrepreneurial orientation.

The extent to which financial autonomy leads to profitability of public sector

The second finding in the foregoing test results which shows that "Financial autonomy significantly leads to profitability of public sector organizations" is not consistent with Lwamba *et al.*'s (2014) findings. In the study, the authors found that – all entrepreneurial orientation dimensions including financial autonomy have positive effect on financial performance; but proactiveness and financial autonomy constructs have insignificant relationship with financial performance. This might be because the study was carried out in manufacturing firms whereas, this current study affirms that government parastatals or institutions' profitability statuses have the better change of improving by 89.5% if the top and department heads of the institutions are permitted with some financial autonomy at their respective units or departments. Meanwhile, the findings of Al-Swidi and Al-Hosan (2012) which confirm that the impact of entrepreneurial orientation on the performance of Islamic banks is in line with the premises of the resource based view of the firm theory that looks at the organizational capabilities as a source of the competitive advantage cannot be jettisoned. Juxtaposing this with the findings of this current study, the financial autonomy of top government officials at their respective departments and units could serve as a strategic source for organizational capability which in turn could enhance the competitiveness of the institutions against their private counterparts.

Innovation effects on the services rendered to and retention of customers of public sector organizations

The third finding in this study in respect to objective three which affirms that "innovation significantly assists improvement of services rendered and retention of customers of public sector organizations" can also be likened with findings of Acar *et al.,* (2013). Acar *et al.,* (2013) observes that many banks today need to be more flexible with faster organizational structures in order to respond effectively to customers' growing various types needs in the dynamic markets. Their findings revealed that each component of the entrepreneurship orientation (including innovativeness) has positive effect on individual service performance. Also, in Lotz and van der Merwe's (2013) study, the findings of positive influence of managers' perception of selected organizational-based factors of strategic intent, autonomy, customer orientation and rewards on business development and improvement can be likened with the third finding of this study. Strategic intent, autonomy and customer orientation are synonymous with innovativeness dimension of entrepreneurial orientation which could as well amount to clientele service delivery and efficiency especially the customer orientation construct.

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

This study is premised majorly on the effect of entrepreneurial orientation on organizational performance specifically in government owned institutions.

The findings of the study show that:

i. inflexible adherence to laid down office rules is a key traditional managerial factor impacting on the performance of public sector organizations
ii. financial autonomy significantly leads to profitability of public sector organizations
iii. innovation significantly assists improvement of services rendered and retention of customers of public sector organizations

Conclusion and Recommendations

The study examined the effect of entrepreneurial orientation on organizational performance of selected public institutions in South-eastern, Nigeria. From the foregoing discussion, thus, if entrepreneurial orientation is properly implemented, EO can yield substantial benefits in terms of enhanced efficiency, growth and better service delivery. Fondly, entrepreneurial activity thrives only in an organization that adopts strategic flexibility such as the boundaryless/organic organization, structured horizontally – where subordinates and their boss have no power or authority boundary. In government owned institutions, therefore, inflexibilities as well as strict adherence to laid down office rules are major managerial factors that can pose serious challenge to the application of entrepreneurial orientation. Outside these, entrepreneurial orientation dimensions – such as financial autonomy, creativity and innovativeness can help improve the efficiency and competitiveness of the institutions just as their private counterparts. Based on the findings of this study, the following recommendations have been developed.

i. Government should consider boundary less organizational structure in some of its parastatals so as to encourage application of entrepreneurial orientation.
ii. Department heads or middle and low level directors should be granted some financial autonomy if profitability status of the institutions must be desired
iii. Innovativeness of the department heads (if permitted) would guarantee clientele service efficiency at government owned institutions

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