

# The Effect of Entrepreneurship between the Internal Environment and Organizational Performance of Public Tertiary Institution in Nigeria: A Conceptual Paper

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**Abstract:**-The internal environment of the public sector was observed among the factors that affect the performance of the public sector organization, studies have shown conflicting results regarding the effect of internal environment on organizational performance. This study has observed entrepreneurship between the internal environment and organizational performance. The objective is to provide additional explanations on the relationship between the internal environment and entrepreneurship on organizational performance and to examine the effect of entrepreneurship between the internal environment and organizational performance. The study was in line with a review of extant research and have conceptualized that entrepreneurship has a mediating effect between internal environment and organizational performance and the internal environment has an impact on organizational performance. In addition, it was found that entrepreneurship plays a significant role in organizational performance.

**Keywords:** Internal environment, entrepreneurship, organizational performance and public tertiary institutions.

## I. INTRODUCTION

The major role of public tertiary institutions in Nigeria is training highly cultured human resources and abilities in the development of the human capital resource. The development of human capital is important for the social, economic and political development of a nation (Alshura & Al Assuli, 2017). The essence of the public tertiary institution is to provide knowledge, research, and community development.

The public institution in Nigeria has greatly involved in societal development through the provision of a conducive environment capable of teaching and learning the modern system of education and societal norms and values. In a quest to meet these requirements public tertiary institutions would require to have a befitting environment. In regards to this point of view, Al Karabsheh (2009) belief that tertiary institutions are the embodiment of creating knowledge to citizens in every nation. Students received adequate training and become competent in all aspect of academic endeavor through but not limited to teaching and learning, other are partnership, collaborative efforts, and exchange of knowledge between students and teachers of tertiary institutions since

both of them seek continuous knowledge and mastery in their specialized field.

Because the environment is highly turbulent and competitive, organizations are forced to develop effective strategies that may change or improved their performance. As globalization challenge both public and private institutions, public tertiary institutions are, therefore, left with no option but to provide enabling the environment for quality service delivery in terms of effectiveness and alignment so as to attract the best students and reduce the rate of attrition. Thus, call for more concern for the study of internal environment and entrepreneurship as sources of effective quality service delivery for teaching and learning in public tertiary institution of Nigeria (Saidu, Badhariah and Kling, 2016)

## II. LITERATURE REVIEW

*Internal environment:* The environment of tertiary institution involves what surrounds it both within and outside it realm which is regarded as an internal and external environment (Saitis, 2008). The internal environment is factors that primarily dwell inside an organization which the authority has the influence to make the adjustment over them (Bin Ahsan, 2013). While the external environment is those environmental factors that interact with the school outside its boundaries, this affects organizational performance in terms of its effectiveness (Stavroula, et al, 2014). The internal environment involves structure, decision making and control within the tertiary institutions. The evaluation of these factors on organizational performance is paramount.

It was established that the physical structure of the organization has a fundamental impact on the mental health of its worker (Dannenberg, et al., 2003). The structure relates to the location of the school which speaks about the social, economic and administrative hierarchy of the school, research expounds that environments that are backward socio economically do largely manifest in retarding the function of the institution than a place found to be relatively stable (Saitis, 2008). Similarly, the operational structure is also determined by the student population. The performance would be

effective when the size is matched with adequate facilities, classroom, skill and trained manpower.

In addition, the administration of the institution is a major factor that influences its performance, The administration of the institution are responsible for designing and provision of a positive climate especially by the chief executive which lead to its effective performance (Berry, Smylie, & Fuller, 2008; Satis, 2008; Coleman & Collinge, 1991). The decision making process has to do with organizational chart which explain the flow of authority from bottom up and top down, In an environment where the atmosphere involve teachers and students in the decision making process, the environment becomes conducive for teaching and learning, because it affords them the freedom to express themselves and become autonomous, which enables a better organizational performance (Hargreaves, 2006). Intelligent leadership is an important aspect of the success of an organization (Hallinger, 2003; Supovitz & Turner, 2000). The management of tertiary institutions is saddle to inspired people working within their organization.

In tertiary institutions the contributions of human resources are beyond measurement is about, the lecturers who provide an academic role, Non-academic provides supporting role while students attend lessons. It is wary to note that the leadership traits of the academics affect their behavior and decision in the institution. Similar to this, the cordial relation among staff both academics and non academic aids in effective increase in organizations performance (Smilansky, 2011; Berry, et al., 2008; Uline & Tschannen-Moran, 2008) on a contrary note, the poor social relation among, workers in an institution has the tendency to establish a negative effect on the academics and the non-academic staff which could as well affect the performance of the institution adversely (Van Dick, & Warger, 2001; Troman, 2000). It is important to note that teaching technique enables the lecturers in tertiary institution performed their duties more diligently. The teaching technique and technological gadget helps teachers to be more effective and brings a decent environment for learning which in turn affects both students and the lecturers positively (Saitis, 2008). Now, the use of technology in institutions made its internal environments become more academic-friendly and remove monotony (Jenkins, et al., 2009).

The internal environment of public tertiary institutions in Nigeria has observed significant improvement as a result of the adequate provision of equipment, building and training of human resources both academic and nonacademic through Tertiary education trust fund (TETFund), which most of the institutions in Nigeria have changed better with exception of few. In spite that, the education system is unstable and the leadership brings in the untested/evaluated system, the erosion of administrative hierarchy and evaluation test, poor student performance /incentive and criminality, thus, made the internal environment of tertiary institutions become difficult to handle.

### *The Concept of Performance in Public Tertiary Institution*

The term performance has a different connotation as it is described by different authors, Hornby in 2000 saw the performance as an accomplishment of a set objective in relation to success rate. While, Jamil and Mohammed, (2011) claimed that, “performances are variously measured and the perspective is tied together consistently monitored from the organization context”. Performance is attached to the success of an organization’s activity, even though activities and objectives were varied according to organizations. Public tertiary institutions are now surrounded by steep competitiveness. Previous studies provided enough evidence that “organizations gain their reputation, promotes market share by their performance excellence” (Alshura & Al Assuli, 2017).

A tertiary institution stands to gain more prominence by budding and increasing its operational capabilities to meet the desired educational services and maintain a standard for quality improvement and control. The capability among others should include unit faculty and staff capabilities measurement and assessment capabilities and leadership capability (Asif & Searcy, 2014). In measuring the organizational performance, effectiveness and alignment were used as a determinant for organizations to strive and meet its desired goals and objective to survive competition brought by globalization and technology. The survival of the organization in a market could only be guaranteed when it maintains the level of competition among various actors, these require to provide effective services meeting the desired need of their client (Sehova & Antosova, 2015).

### *The Entrepreneurship Concept*

The scholars in the field of entrepreneurship have acknowledged some common features that relate to entrepreneurship in public sector organizations. The group believes that entrepreneurship associates with uncertainty and risk-taking. While other writers like Mises (1949); Kirzner (1973) are optimistic that entrepreneurship involves taking an uncertain risk for a return. Cantillon in 1955 defines an entrepreneur as an individual who has a desire and commitment to take a risk. He is someone that bears risk and uncertainty, others are of the opinion that the entrepreneur is the concern with economic development aim at maximizing profit (Schumpeters, 1934; Kirzner, 1973). However, an entrepreneur has inherent talent and skills that enable him to identify opportunities and utilized them adequately (Kitzner, 1973), capable of foreseen and projecting into future, who is creative and innovative (Schumpeters, 1934). These are some of the essential elements that distinguish between those that are entrepreneurs, Managers, and salary/wage earners (Schumpeters 1934).

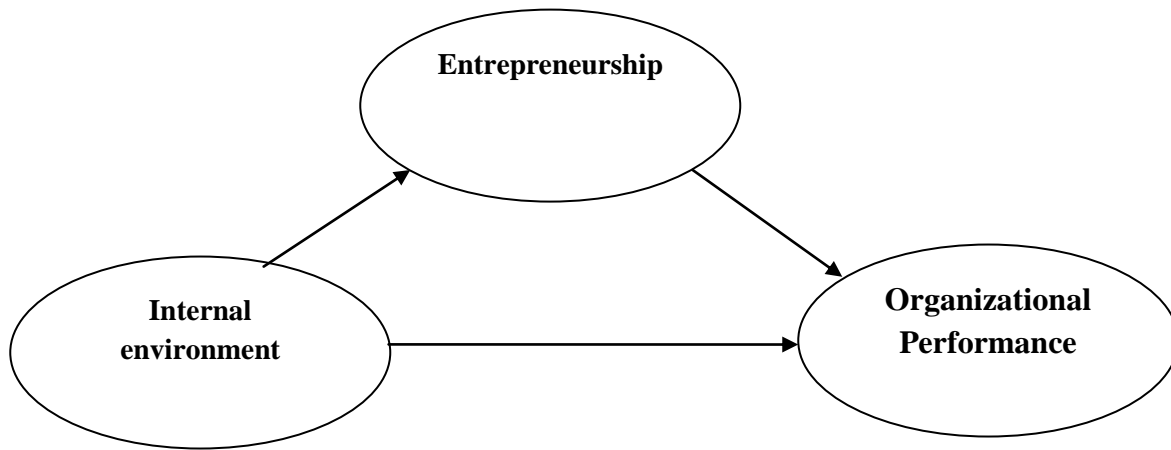
Three fundamental features were identified and pointed out who is an entrepreneur, as needs for achievement, the locus of control and the risk-taking propensity. Researchers like Covin and Wales (2011) have conducted a study on the

Measurement of Entrepreneurship which they sample out the opinion of various writers and found the concept of an entrepreneurial orientation as viewed from the different point of direction. Entrepreneurial orientation is intensified on style, posture, proclivity, propensity, and also corporate entrepreneurship (Zahra, & Covin, 1995). Extant research has largely focused on private enterprising with only a few like Saidu, Badhariah and kling, (2016) that contributed to public entrepreneurship. The entrepreneurship does exist in a large organization usually owned by the government or government-linked companies (GLC), their activities are carried out through equity financing, joint venture, and management buyout. In public tertiary institution entrepreneurship does exist as academic entrepreneurship, where researchers invent a new product or develop the existing ones, the Institution retained the trademark, patent, and copyright. The entrepreneurs that are found in learning institutions including colleges, Universities and research institution are classified as academic entrepreneurs.

Researchers have made several efforts in analyzing the impact of public tertiary institutions for the improvement of developing countries like Nigeria. However, few attempts were made in examining the major factors that affect the performance of public tertiary institutions in Nigeria such as the internal environment and entrepreneurship. As such these variables were recognized to have more relevance in the achievement of organizational performance in terms effectiveness and alignment (Saidu et al., 2016; Al Zghoul , 2016; Memon et al., 2014). These called for greater researches to be conducted on the internal environment and entrepreneurship to measure their impact on the performance of public tertiary institutions in the developing countries

III. PROPOSITION

Based on the review of literature captured above, the importance of internal environment and entrepreneurship on organizational performance was enumerated. The resulting propositions were made.



- H<sub>1</sub>:** The internal environment has no significant impact on the organizational performance of public tertiary Institutions
- H<sub>2</sub>:** There is no impact of internal environment on entrepreneurship in public tertiary institutions
- H<sub>3</sub>:** Entrepreneurship has no impact on the performance of the public tertiary institution in Nigeria
- H<sub>4</sub>:** There is no mediation effect of entrepreneurship between the internal environment and the performance of public tertiary institutions

IV. CONCLUSION

The studies on the public sector have done little until recently when researches in the areas of public management, public and corporate entrepreneurship have focused on the influence of internal environment on entrepreneurship and organizational performance. Even though some scholars view entrepreneurship in public sector organization as a paradox

yet the limitations of their studies have confirmed different results. Theories have come out with a premise that the exogenous variables will provide additional explanation in the context of the performance of public tertiary institution especially in a developing country like Nigeria. Based on this consideration, the authors used the measures of previous researches and provide the additional explanation that is pertinent to the area and prove the model established.

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