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Original Article

CORPORATE ENTREPRENEURSHIP IN SERBIA: MULTI CASE STUDIES PRIVATE VS PUBLIC ORGANIZATIONS

Ljiljana Kontić
MIANU, Faculty of Business and Law, University MB, Belgrade, Serbia
ljiljana.kontic@yahoo.com
ORCID: 0000-0002-5117-0419

Petar Veselinović
Faculty of Economics, University of Kragujevac, Kragujevac, Serbia
pveselinovic@kg.ac.rs
ORCID: 0000-0002-2765-1730

Bojana Šćepanović
Permanent lecturer at the Judicial Academy, Belgrade, Serbia
bojana.bogdanovic@rocketmail.com
ORCID: 0009-0008-8672-6828

Abstract: *The main aim of this study was to identify similaries and differences in assessing the key factors of the corporate entrepreneurship by managers from six Serbian organizations. The sample was representative regarding a regional importance i.e. financial performances, ownership, and number of employees from six regions in Serbia. The respondents were top, middle, and first level managers from observed companies. The mixed method has been used. Qualitative data have been obtained thougth semi-structured interviews with top managers of all six companies. The quantitative research have been conducted throught the Corporate Entrepreneurship Assessment Instrument (CEAI)[1]. Quantitative data have been processed by Correspondence analysis. The results revealed similarities in assessing Organizational Boundaries by all observed managers. Managers from private companies differently assessed Management support, Work discretion, Reinforcements/Rewards, and Time availability than managers from public organizations. During the semi-structured intervews the authors tried to identify the reasons for differences in assessments of the aforementioned key corporate entrepreneurship factors. The factor Time availabilty had been identified in a previous, sector study [2]. This is a pilot study that compared assessment of the key corporate entrepreneurship factors defined by CEAI in public and private organizations in six Serbian regions. Future studies will expand to similar cultural settings and embodies large number of companies..*

Key words*: corporate entrepreneurship, public administration, private companies, CEAI, regional development, Serbia, legal framework*

JEL classification*: M14, M21, K22*

1. INTRODUCTION

Over the last 15 years, the concept of corporate entrepreneurship has gained significant attention in the context of public sector reform in Serbia [3]. The Government of the Republic of Serbia has been actively promoting entrepreneurship as a key driver of economic growth and development. The main goal was to create a more innovative and competitive business environment. This approach is based on the proposition that public companies can benefit from adopting entrepreneurial principles and practices. Innovation, risk taking, and adaptability, which are commonly associated with private entrepreneurship became a new mindset for the public sector managers. This can lead to new opportunities for growth, improvements of their performance, and better serve the needs of their citizens, ultimately contributing to the country's overall economic and social development. In this context, the concept of corporate entrepreneurship in the public sector can be seen as a strategic approach to reform. It is necessary that government agencies and public institutions act as catalysts for innovation and

economic growth, leveraging their unique position to stimulate private sector development and create a more favorable business environment. The main task is topromote an innovation culture, adoption of new technologies, processes, and management practices, as well as by encouraging collaboration and partnerships with various stakeholders. Relevant stakeholders are the private sector, scientific society, and civil society. With their expertise, resources and networks, public sector in Serbia will achieve a sustainable development and improve the quality of the public services.

The main goal of public sector reform in Serbia is to create a modern, citizen-centric state that leverages the entrepreneurial spirit to drive economic growth and social well-being.

2. REVIEW OF PAST RESEARCH

Research into corporate entrepreneurship (CE) within the Serbian private sector has focused on identifying organizational drivers and assessing how entrepreneurial strategies help firms recover from crises or improve competitiveness. Based on same methodology, simultaniously, the studies in public sector have been conducted (*See Table 1).*

Table 1. Review of the corporate entrepreneurship studies in Serbia

Main topic	Study
Organizational drivers	[2, 4, 5]
Strategic renewal (Post-COVID-19)	[6, 7, 8]
Entrepreneurial Orientation (EO)	[9, 10]
Performance in High–tech sectors	[11, 12, 13]
Barriers to innovation	[14, 15, 16]
Innovation trend	[17, 18, 19, 20]

Source: *Authors' elaboration*

2.1. WHAT IS NEW IN RESEARCHING CORPORATE ENTREPRENEURSHIP?

Based on the review of past researches, the main changes can be identified, as follows:

- New corporate entrepreneurship mindset: Instead of traditional bureaucracy, the public sector adopts private-sector principles i.e. innovation, calculated risk-taking, and adaptability [21].
- The State as a Facilitator: The government is no longer the sole provider of services. It becomes a catalyst that creates a favorable business environment through partnerships with the private sector, scientific society, and civil society.
- Internal Innovation (Intrapreneurship): Encouraging public servants to think creatively and utilize new technologies to solve complex societal challenges, such as healthcare, ecology, and education.
- Efficiency and Transparency: An innovative approach leads to better services for citizens, greater accountability, and more efficient resource allocation, directly strengthening trust in institutions.
- European Integration: This transformation is essential for aligning Serbia with EU principles of good governance, creating a sustainable system ready for 21st century challenges through continuous learning and experimentation.

The implementation of the corporate entrepreneurship is essential for both private and public organizations. The business environment in Serbia have its legal framework.

2.2. LEGAL FRAMEWORK

The legal framework in Serbia is consisted of a set of following acts:

- *The Law of Business Companies* governs the establishment, management, status changes, and dissolution of companies, allowing corporations to establish subsidiaries, invest in innovations, and develop new business units [22].
- *Law of Innovation Activity* encourages corporations to invest in R&D and create spin-off companies within large systems [23].
- *Corporate Income Tax Law* provides tax incentives for investments in research and development (R&D), which is a key mechanism for encouraging corporate entrepreneurship [24].
- *OECD Principles of Corporate Governance* serve as a benchmark for policymakers and boards to set structures that support risk-taking and innovation [25].
- *Internal acts*, such as the company 's statute, innovation reviews, and employees' reward policies.

2.3. INSIGHTS FROM OECD REPORT

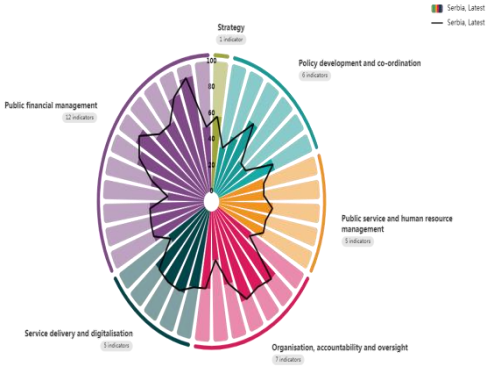
"The Principles of Public Administration are a comprehensive framework of standards expressing values and behaviours that citizens and businesses expect from a modern public administration. They were designed to guide the European Union (EU)

enlargement and neighbourhood administrations in their reform efforts to address the shortcomings in their public administrations and meet the EU requirements on one of the "fundamentals" of the accession process. The Principles were developed by SIGMA, a joint initiative of the EU and the OECD, principally financed by the EU, at the request of the European Commission (EC). The Principles build on existing EU acquis, OECD legal instruments, other international standards, as well as good practices of the EU and OECD countries" [26, p.1].

Serbia has been established the Principles of Public Administration (PAR) framework. The data from the latest Report have been suggested that service delivery and digitalisation have improved across all indicators, particularly in digitising services, offering user-friendly solutions to citizens and business, and simplifying administrative services [26]. Picture 1 and picture 2 illustrate results of Serbia.

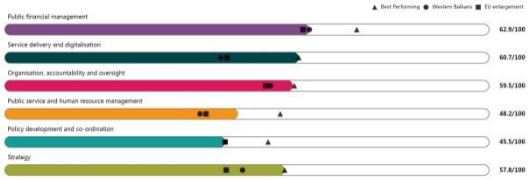
The progress in policy development and co-ordination, as well as public financial management has slowed. Moreover, the indicators have been declined compared to other Western Balkan countries [26].

Picture 1. Six areas of public administration reform in Serbia



Source: *OECD (2023)*

Picture 2. Serbia's results compared to other Western Balkans, EU enlargement, and the best performing OECD countries



Source: *OECD (2023)*

The results of the previous study indicate that the Republic of Serbia is characterized by significant disproportions in the economic development of its regions. Moreover, Serbian regions had unbalanced intellectual capital potentials [27].

3. METHODOLOGY

The main aim of this study was to identify similarities and/or differences in assessment of the key corporate entrepreneurship factors defined by CEAI [1]. The sample was representative for a purpose of the study. The main criteria in selection process have been regional importance of the companies measured by financial results and companies' reputation. Six companies from Serbia have been selected. Three private, and three state own companies. The mixed method has been used. Qualitative data have been obtained thougth semi-structured interviews with top managers of all six companies. All data protection procedures were in line of Helsinki Code and Ethical Codes of University of MB, and University of Kragujevac. Personal and professional contacts have been used to obtain relevant data. In this paper companies named in alphabetical order i.e. company A, company B, company C, company D, company E, and company F. The brief information about selected organizations are as followed.

Case Study A: Public administration. 50 respondents from one Secretary of the Province of Vojvodina have been interviewed.

Case Study B: Public company. 50 respondents from one Municipality of the City of Belgrade have been interviewed.

Case Study C: Culture. 50 respondents from one state institution from the City of Kragujevac have been interviewed.

Case study D: 50 respondents from one private foiregn company from the City of Nis have been interviewed.

Case Study E: 50 respondents from one domestic private company from the Municipality of Kosovska Mitrovica have been interviewed.

Case Study F: 50 respondents from one private company from the Municipality of Novi Pazar have been interviewed.

The quantitative research had been conducted used CEAI questionnarie [1]. The questionnaries have been distributed by e mail and in person by each convinience. 300 CEAI questionnarie have been distributed to top managers, middle and first level managers in 6 companies in all regions in Serbia. 287 valid questionaries were obtain (response rate was 95.67%). Social-demographic profile of the sample is presented in Table 2.

Table 2. Profile of the managers in the sample

Socio-demographic characteristics		% in sample
Gender	female	51%
	male	49%
Age	21-30	24%
	31-40	32%
	41-50	24%
	51-60	12%
	Over 60	8%
Education	High school	40%
	College	2%
	University	40%
	Postgraduated	18%
Work experience	Less than year	2%
	1-5 years	16%
	6-10 years	12%
	11-20 years	46%
	More than 20 years	24%
Management level	First level	37%
	Middle level	37%
	Top managers	24%

Source: *Authors' elaboration*

CEAI consists of the five key factors i.e. Management support (19 questions), Rewards (6 questions), Work Discretion (10 questions), Time availability (6 questions), and Organizational Boundaries (7 questions) [1].

The quantitative data were processed by the Correspondence Analysis (CA) [28]. This is a multivariant analysis based on principal components analysis. Origin of CA can be finded in article before the Second World War [29, 30]. In 1977, Jean-Paul Benzécri developed and spread the method in France as key element of Data Analysis of French School (fra. *analyse des données*) [31, 32]. In his book *Theory and Applications of Correspondence Analysis*, Greenacre enables to spread this method worldwide (over 6,100 citation in Google Schoolar) [32].

The third edition of *Correspondence Analysis in Practice* is a comprehensive guide that utilizes the author's 45 years of experience in multivariate analysis to explain how to use correspondence analysis (CA) for data visualization [28]. The book demonstrates how to turn complex two-way and multi-way tables into readable graphical forms, making it ideal for fields like social science, health, marketing, ecology, economics, and linguistics. This edition includes five new chapters, covering topics such as compositional data analysis and analysis of matched matrices.

4. RESULTS AND DISCUSSION

The scatter plots are visual presentation of the results by the key corporate entrepreneurship factors. Chart 1. presents assessment of the Management Support, Chart 2. Assessment of the Work discretion, Chart 3. assessment of the Rewards, Chart 4.assessment of the Time availability, and Chart 5. Assessment of the Organizational boundaries by selected managers in public and private companies.

Chart 1. Management Support assessment

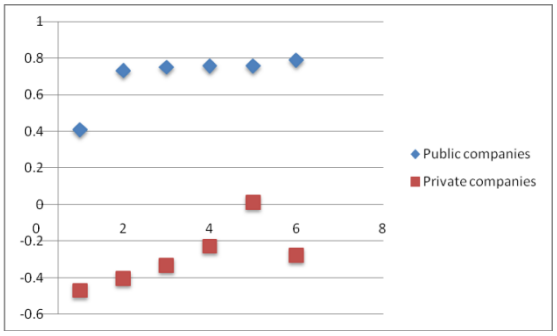


Chart 2. Work discretion assessment

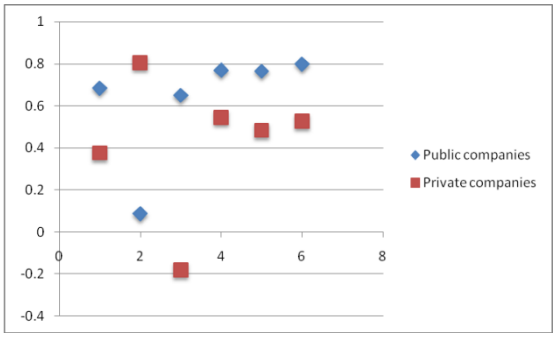


Chart 3. Reincorcement/Rewards assessment

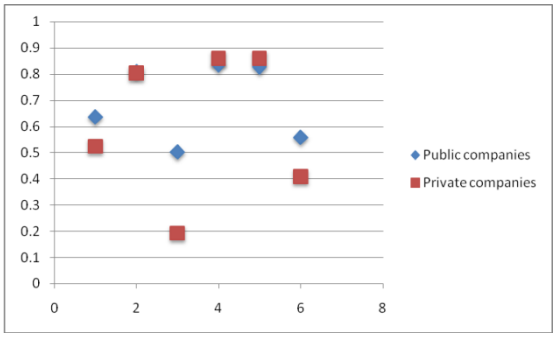


Chart 4. Time availability assessment

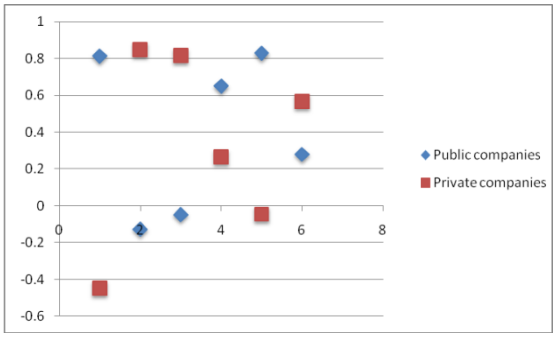
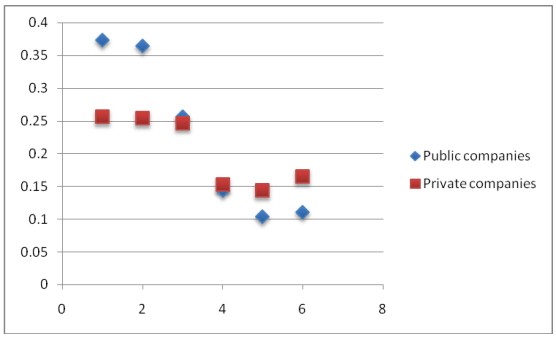


Chart 5. Organizational boundaries assessment



Source: *Authors' calculation*

The results revealed differences in assessing the key corporate entrepreneurship factors (*See charts above*), except Organizational boundaries factor.

According to the authors of CEAI, Organizational boundaries means how managers perceive the information flows between internal environment of their companies and external enviroment [1]. The majority of managers both private and public companies weren't sure what they had to do regarding innovations. Moreover, they were confused about their level of work performances. Over 20% didn't know what was expected from them in terms of amount, quality or deadline.

All six organizations also have been included into a EKO WELL study, the behavioral economics project about wellbeing and economics performances in Serbia and region [33].

CONCLUSION

Corporate entrepreneurship is equally important to both public and private companies in Serbia. To investigate similarities and differences regarding ownership, the authors selected six representative companies in Serbia.

300 questionnaries distributed to managers on all levels in observed companies. The response rate was outstanding – over 95%.

Data have been processed by the multicase study method and the Correspondence analysis. The method has been created in the early 20. Century. In the last few years, method has been revived mainly because of visual presentation of the results.

The presented scatter plots suggested that there were differences in assessment of four of five key corporate entrepreneurship factors i.e. Management support, Work Discretion, Reinforcement/Rewards, and Time availability by private vs public sector managers. Time availability has been a critical factor of the previous sector study [2].

Similarities are evidenced in Work discretion and Rewards. Major similaties were in assessment Organizational boundaries. Public and private sector managers gave identical grade in this factor.

The majority of managers both private and public companies weren't sure what they had to do regarding innovations. Moreover, they were confused about their level of work performances. Over 20% didn't know what was expected from them in terms of amount, quality or deadline.

All six companies were observed during the EKO WELL project, a longitudal project in the field of the behavioral economics about wellbeing and economics performances in Serbia [33]. Therefore, we got insights from various perspectives.

The quality of institutions, digital transformation along with public administration reform can accelerate economic growth in Serbia [34, 35, 36]. This is a short message for policymakers in Serbia and other Western Balkan countries i.e. Montenegro, North Macedonia, Albania, Bosnia and Herzegovia.

Future study will include more companies from Serbia and other Western Balkans, as well as EU countries.

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