



Analysis of the public entrepreneurship phenomenon in a Brazilian state

Análise do fenômeno do empreendedorismo público em um estado membro do Brasil

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Abstract

This study examined the role of public entrepreneurs established in a state of Brazil. As our research showed, public entrepreneurs can be considered an innovation in people management in public service. An additional benefit that has improved this state's public image and is a reference point for the rest of Brazil is how more objective criteria has been established in recruitment for positions of trust. However, the management model of public entrepreneurs presents significant challenges. It should be emphasised that competition with private companies is unequal because wages in the private sector are generally much higher than that of the public sector. The literature points to critical challenges in the promotion of entrepreneurship in the public sphere, revealing that there is the possibility that public entrepreneurship threatens democratic governance, promoting the self-interest of entrepreneurs.

Keywords: Strategic management, public management, internal entrepreneur, innovation, people management.

Resumo

Este estudo analisou o cargo de empreendedor público, criado em um estado membro do Brasil. Como contribuições, percebe-se que esse empreendedor pode ser considerado uma inovação no que tange à gestão de pessoas no serviço público. Outro importante benefício é a maximização do valor da imagem pública do Estado-Membro que passa a ser uma das referências para o País no estabelecimento de critérios mais objetivos para recrutamento de cargos de confiança. No entanto, o modelo de gestão dos empreendedores públicos apresenta desafios importantes. Deve-se ressaltar que a concorrência com as empresas privadas é desleal, porque, na maioria das vezes, os salários no setor privado são bem maiores no setor público. A literatura especializada aponta como ponto crítico para o fomento do empreendedorismo na esfera pública, pois existe a possibilidade do empreendedorismo público acarretar ameaças à governança democrática, fomentando a promoção de autointeresse de empreendedores.

Palavras-chave: Gestão estratégica, gestão pública, empreendedor interno, inovação, gestão de pessoas.

1. Introduction

Changes in the market over the last century have increased the profound importance of people in reaching organisational goals (Araújo, 2006). This reality is not only correlated with private organisations. Public organisations are also affected by these changes, where an appreciation of people has also been reinforced.

Faced with this reality in Brazil, the state of Minas Gerais has focused on how public management conducts its work for the people (Soares, Emmendoerfer & Monteiro, 2013). Thus, in 2007, the State Results Programme (a government position) was created to integrate a range of functional initiatives and subjects with a multi-sector and strategic nature, establishing thus a new way to manage people recruited for commissioned office (Valadares & Emmendoerfer, 2012). A position was in turn created called the "public entrepreneur", designed to adopt entrepreneurship into the management of Minas Gerais with a vision of a more responsive administration focused on results. In this position, one task is the strategic allocation of professional, high-level technical and managerial support for the projects and programmes of the government (Bernardi & Guimarães, 2008).

Candidates for this position underwent a selection process similar to that used in the private sector so that their skills were tested during selection. They also participated in a training programme to enable them to pursue the objectives and strategic goals of the government. For this, public entrepreneurs are monitored on their performance and receive variable remuneration. This has been an ongoing practice in Minas Gerais since May 2007.

This study is important for understanding what the benefits and challenges are for the public administration position generated by this entrepreneurial public function in the state of Minas Gerais. What advantages have people allocated to this position brought to this state? Furthermore, are entrepreneurs becoming important public alternatives for improving state

management in a scenario of partial delay? To answer these questions, it is important to consider relevant aspects of the management model that Minas Gerais has adopted for this position. Made relevant by the lack of surveys on this subject, this paper can contribute to public administration, particularly by identifying specific details, as well as using a management model to advance the construction of theory relating to administrative reforms.

Consequently, the issue that guides the development of this work is: How does the position of public enterprise take part in the process of public administration in the government of Minas Gerais? To answer this question, this paper aims to determine if the management work of public entrepreneurs contributes to the achievement of the state's goals. Therefore, the following section will study the theoretical framework underlying the context that led to the creation of this public entrepreneur position and the concepts of organisational effectiveness linked to the methodological procedures used in this study.

1. The context of creation: The entrepreneurial public

The public entrepreneur's background in Minas Gerais is aligned with the changing circumstances of public administration. The wave of management reforms in this sector has affected the overall way of governing internal states (Kettl, 2006). Brazil has not fallen short in this movement despite being a latecomer to this process. Since the creation of the Federal Constitution in 1988, the goal has been to modernise the public administration in order to make it more efficient and agile through the adoption of managerial techniques (Torres, 2004). Another goal is to democratise the decision-making processes and make the results of public policies more equitable, promoting decentralisation and citizen participation in the formation and implementation of public policies (Paula, 2005).

These changes are often connected to a new perspective on government functions throughout public administrations. It



was at a time such as this that the concept of entrepreneurial government was created. According to Osborne and Gaebler (1994:12), the entrepreneurial government arises from the reinvention of the purpose of governments, i.e., assuming that the "type of government that was developed during the industrial age, with its slow and centred bureaucracies, concerned with rules and regulations, subject to hierarchical chain of command, no longer works well.". According to the authors, the governments that implemented this reform heeded the expectations of their time. However, over the years they have in practise retreated from society's needs. In this sense, "[they] became bloated, inefficient, working with waste. And when the world began to change, these changes were not followed" (Osborne & Gaebler, 1994:13).

The authors continue their argument by mentioning that the bureaucracies of the industrial age helped solve some of the problems of its time; however, the lack of monitoring of these social changes created several problems. Subsequently, the authors write that bureaucracies "are like luxury liners in an era of supersonic jets: large, expensive and not very flexible, and they are gradually being replaced by new forms of public institutions." It should be emphasised that this management style is widely criticised, mainly in terms of meeting social needs when governments often serve purely ceremonial functions through public organisations (Paula, 2005:28).

In 2003, specifically in Minas Gerais, in an attempt to break with the management problems arising from previous governments and to create more flexible management, the *Programa Choque de Gestão* (Shock Programme of Management) was initiated, a kind of government based on neoliberal principles, i.e., based on the entrepreneurial government. This programme, according to Ckagnazaroff and Queiroz (2010), aimed to reform the economic framework of the fiscal and administrative-institutional task force in Minas Gerais at the time. According to these authors, Minas Gerais had a deficit of around 2.4 billion dollars compounded by chaos in its public services and infrastructure, as well as difficulties in raising funds and complying with the state's obligations. Within the state's management, as intended by its creators, this strategy of "shock" management was prioritised. For Soares, Emmendoerfer and Monteiro (2013) this strategy included in its concepts the construction of a single schedule that would treat economic and fiscal parameters as social issues, based on the perspective of social governance (balance and coordination of interests of the state, market and society).

In this way, these implemented initiatives sought to revise the model of human resource management; modify procedures and administrative routines; consolidate partnerships with the third sector and private sector in providing public service; and align the assessment of institutional and individual performance and transparency of public action. The focus was on the alignment of personnel development, organisational objectives and evaluation of public policies (Vilhena et al., 2006).

This programme has gone through two stages. The first phase focused on the alignment of public accounts. First, a series of initiatives were created to improve public expenditure and increase the state's income in order to find fiscal balance. Secondly, the state had to consider how to spend those resources equitably. That is, after consolidating the plan, the Minas Gerais government prioritised institutional reorganisation and scheduled a management agenda with a sectorial approach (Soares, Emmendoerfer & Monteiro, 2013). From the strategy adopted in each area, a focus on results returned so that in this area, they developed agreements and result awards as a strategy (Vilhena et al., 2006). The position of public entrepreneur arose in this context. Concerning this position, Bernardi and Guimarães (2008) report that:

According to the proposal for a Public Entrepreneur of Minas Gerais, six skills were highlighted to compose the office's profile: three essential competencies, also known as *core competencies* – orientation towards results, pro-active methods and comprehension of institutional dynamics – and three desirable competencies – project management, innovation and leadership. For each public entrepreneur's competence, a definition and a set of four to five observable behaviours were presented.

According to Guimarães and Bernardi (2010), the goal of creating the position of public entrepreneur in Minas Gerais was to increase the potential of the public administration in the state. The government of Minas Gerais realised that the development of entrepreneurs would be strategic in order to create the ability to respond faster and be more innovative and strategic within the environment of public organisations (Bernardi & Guimarães, 2008). This would align itself to the public entrepreneurial management model that was being adopted in many countries throughout the world, the authors assert (Osborne & Gaebler, 1994; Kettl, 2006).

As a result, Minas Gerais became a pioneer in Brazil by creating the position of public entrepreneur which marked their initiatives in projects that developed strategies for local government (Valadares & Emmendoerfer, 2012). We argue that the true innovation of this position resides in a system of people management or managing the work of these entrepreneurs. In this sense, it is clear that the concepts of people management were appropriated, arising from managerial praxis.

2. Organisational effectiveness

Organisational effectiveness has been the central concern of organisational theory since the construct arose as an area of research in organisational studies (Zammuto, 1984). The importance attached to this issue is due to the fact that it is an organisational indicator that shows how they are related to their environment (Moraes, 2004). Several authors have discussed the definition of effectiveness during the evolution of organisational theory. Authors such as Etzioni (1964), Cameron (1980), Zammuto (1984), McCann (2004) give their perceptions of organisational effectiveness. Etzioni (1964) defines organisational effectiveness as the degree that an organisation accomplishes its goals – known to researchers as the "Goals Approach". This approach argues that an organisation is effective when it achieves its proposed goals (Scott, 1977; Cameron, 1980).

Another recognised concept is the "Resource System". This approach focuses on the interaction between organisations and environments. In this sense, the definition of effectiveness is based on organisations' ability to explore their environments, acquiring scarce and valuable resources. As such, under the locus of systems theory, organisations began to be regarded as open systems, making effectiveness and environments interconnected. Thus, organisations are effective if they are able to obtain the necessary resources to do their activities and services from external environments (Katz, 1978; McCann, 2004).

In the 80s, other criteria of organisational effectiveness were gathered in several models and approaches, in an attempt to promote greater integration of the literature on constructs. Cameron (1986) points out that beyond the model of Goals and model of Resource System, there are six approaches to organisational effectiveness, noting that each one is useful in specific circumstances. However, despite criticisms of both approaches, achieving organisational goals seems to be the point of consensus among various scholars when theorising about organisational effectiveness (Hannan & Freeman, 1977; Cameron, 1980). For example, Argyris (1964) argues that the achievement of proposed goals as a central focus of organisations, along with internal system maintenance and



external environment adaptation within organisations. In the same manner, Hannan and Freeman (1977) highlight the achievement of goals in their proposal of three approaches to organisational effectiveness.

For this study, the effectiveness of public entrepreneurs is analysed from the perspective of goals. In other words, it seeks to understand if the management work of entrepreneurs helps to achieve the goals of Minas Gerais. Subsequently, it will be possible to understand how goals defined in the work plans of entrepreneurs are being reached.

4. Methodology

This research is used qualitative, bibliographic and fieldwork based methods. Results were established through primary and secondary data. For primary data collection, semi-structured interviews of the government functionaries chosen were conducted. Secondary data was collected from the official databases of the government, CAPES periodical database, *Associação de Pesquisa e Pós-Graduação em Administração – ANPAD* (The Brazilian Academy of Management) and other newspapers specific to the area.

The first set of interviews was conducted with two managers of the entrepreneur's office from the State Results Programme (ERP) located in the State Administrative Centre of Minas Gerais in Belo Horizonte. These initial interviews helped elaborate the vision of administrators in the office of the public entrepreneur for the effectiveness of the office in this state. The second set of interviews were with two public entrepreneurs that develop projects for the state of Minas Gerais, to obtain the views of entrepreneurs about this job.

The entrepreneurs and secretaries' names will not be mentioned to keep the anonymity of the informants. Thus, when referring to a respondent we will use the abbreviation I1 for the first interviewee, I2 for the second, I3 for the third, and I4 for the fourth and final interviewee. After data collection within this group of entrepreneurs, analysis was based on their answers, the theory researched, and on the researchers' opinion – with the aim of answering the question described above.

For the data analysis, a technique of analysis of the content of material was adopted (Bardin, 2004). The form of analysis was based on Kerlinger (1980) by the elaboration of analytic categories to facilitate the process of collecting and analysing data. In this sense, we set out four categories of analysis based on the theoretical foundation researched: Recruitment, Selection, Training, and Evaluation of Performance and Remuneration.

5. Analysis of results

The Recruitment category "includes the set of practices and processes used to attract candidates to the existing vacant positions or the potential vacancies of public entrepreneur" (Lacombe, 2005: 36). It is important to note that recruitment must happen in a central unit and it must also be a permanent activity intensified when there are positions. Essentially, the organisation's HR publishes job opportunities which it intends to fill through a system of gathering information. According to Araújo (2006), the recruitment takes place depending on the actual and future needs of an organisation. It is completely aligned with the relationship between market and organisation.

The recruitment process of public entrepreneurs is different from the common process of recruiting people who are hired in public organisations. Those interviewed claim that the state applies a pre-qualification process which is described in a decree. Every entrepreneur has to go through this process. In these terms, there are no vacancy notices: hiring all transpires through nomination.

According to I1, the State Results Programme seeks a secretary of state or a trusted teacher to nominate the possible talent. These nominations are directed to a data bank organised by the manager of public entrepreneurs. There is also a search for possible candidates in universities, job placement enterprises and mostly in an internal network of relationships. I4 states that the job vacancies are not published in public notices or even put up for public tender. This does not occur because the position of entrepreneur has one of the state's highest salaries. If the vacancy was published, even internally, the number of submitted resumes would be too many for the current structure of the selection process. According to I4:

"[...] it is expected that we have a chance to be successful in choosing the candidate we want to place in the commission office to support the implementation of strategy. Making a public tender is unfeasible even if it is simplified."

Regarding the selection of personnel, a process has been established through pre-qualification for the public entrepreneur position. The idea of pre-qualification as a requirement for the hiring committee post to directly appoint or discharge a candidate was based on the *Sistema de Alta Dirección Pública* (SADP) (Senior Public Management System) from the state of Chile. This system is a support tool to select the most qualified and reputable professionals in the management of public institution, "through open and transparent processes of selection to fill senior public management positions with top clearance (Bernardi & Lopes, 2010:9)".

The process of selecting personnel is defined as a part of the method of staffing and it happens just after recruitment. This period of selecting personnel aims to solve two types of problems: a) the adequacy of the candidate for the position and b) the efficiency and effectiveness of the candidate in the position. Thus, the selection process aims to find among the recruited candidates those who are more appropriate for the vacant position with the goal of keeping or raising organisation effectiveness (Lacombe, 2005). According to I4, the filling of public entrepreneur positions is accomplished in a gradual way because the entrepreneurs are needed in state agencies and institutions.

In the meantime, according to I4, the selection of public entrepreneurs begins with a pre-selection performed by a private enterprise. This interview results in a profile report on the candidate detailing how he/she behaves at work. After this first stage, the process of pre-qualification of the entrepreneurs takes place. It is a pre-condition to fill the position of public entrepreneur legislated by Article 22 of Delegated Law 174, of January 26, 2007, and regulated by Decree 44490, of March 21, 2007 (Bernardi & Lopes, 2010). It is an innovative process, according to the authors of this paper, because it opens a new way of dealing with a committee position of direct appointment or discharge, reinforcing principles like professionalism and meritocracy, which had been already implemented in management from 2003 to 2006.

The first challenge identified in the process of pre-qualification related to the complexity of defining the professional profile for the vacant position. It is unusual for the public administration of Minas Gerais to develop a professional profile for appointments to a position. According to I4, an appropriate form to elaborate the position profile of public entrepreneur minimises this initial obstacle. However, even with this form, applicants found it difficult to emphasise the expected attributes and characteristics, as well as identify the expected level of development – the public entrepreneur's essential and required competencies were still unclear (Bernardi & Lopes, 2010).



In 2009, the form was revised and improved for the purpose of contributing to the best definition of the profile required to fill the position. Another challenge observed was the need to expand the resources of applicant nominations. Initially, the resume bank of potential candidates for vacant public entrepreneur positions was supplied by self-nominations of applicants, higher education institutions, and a network of public administration. In order to broaden that resume bank, some human resource enterprises were contracted which nominated a great number of potential candidates interested in the vacant public entrepreneur positions.

As for the Training category, an organisation is only as great as the quality of people who work there. To achieve greater quality, the public administration of Minas Gerais instituted a Training and Development Programme (T&D), which is a model for the management of public entrepreneurs. Because entrepreneurs exist in a matrix with direct, autarchic and foundational administration, it was necessary to create a mechanism to develop their team spirit. This period is defined as a very important one. It is responsible for the adaptation of the person to the position, given that the training is a short-term educational process applied in a systematic and organised way from which people take away knowledge, skills and competencies needed to reach defined goals.

Training objectives are to prepare people to accomplish many job tasks, offering opportunities for continuous personal development, changing their attitudes and aiming to establish a more satisfactory atmosphere or to motivate them and make them more receptive to new management techniques (Araujo, 2006). In these terms, I4 states that the programme was developed by the government to promote the growth of a great "task force" of public entrepreneurs. It focuses on the idea of network and also identifies and promotes the development of public entrepreneurs' main strategic competencies and values. It creates facilitator spaces where it is easy to establish integrated performance between public entrepreneurs and from them along the line of managers, including the manager of structured projects, and the company's associates and stakeholders. This enhances expected results and finally improves the management model of public entrepreneurs in Minas Gerais. It is expected that the public entrepreneur Training and Development Programme promotes an expansion of several strategic competencies and values, so that they will act not only as a great "task force", but also help to form an integrated network supporting bodies and agencies to achieve the goals established by the government's development programme.

It is noted that people in training and organisation resources are the inputs of the system. The training itself represents the processing (throughputs) or the agent which operates the inputs. The outputs are knowledge, skills, and attitudes generated by the process. To evaluate the results, there is feedback in the system.

In the meantime, I1 indicates that the training process and the entrepreneur development including two important phases. Initially, there is a preliminary meeting with the mentor and assistant for the position. In this meeting, the particulars and peculiarities of the State Results Programme and the job position are presented so there is a homogenisation among entrepreneurs. In this meeting, evaluation instruments are utilised. The Development Programme, which is geared towards group development takes place after this first step.

Bernardi and Lopes (2010) indicate that the Training and Development Programme for public entrepreneurs presents two important challenges. The first one concerns entrepreneur expectations in relation to the programme's objectives. It is focused on attempting to align these two variables so the

objectives can be reached. The other challenge concerns group heterogeneity. As entrepreneurs are recruited from several areas of knowledge, they present different expectations in relation to the programme. Thus, it is not possible to please everyone, causing some of these professionals to feel unsatisfied with the programme.

Performance Evaluation is a management tool which aims to measure specifically the person's performance in a particular position. Job performance is recognised as an extremely contingent process because it varies from one person to another (Lacombe, 2005). It is important to mention that performance evaluation, formal or informal, is a technique of enforcing strategic direction in administrative activities.

The goal of performance evaluations is to improve the outcomes of people in the organisation. To accomplish this, performance evaluations seek to fulfil other intermediate goals to adapt the individual to the position through training, promotion, incentives in the form of increased wages in exchange for high-performance, and improvement in human relations between superiors and subordinates.

One of the axes of the public entrepreneurs' model of management is the person's performance and results monitoring process. I1 stated that this monitoring happens in four phases: initial follow-up, public entrepreneur work plan, periodical monitoring completed by the entrepreneur's immediate manager in charge, and periodic self-monitoring administered by the public entrepreneur himself. I1 added that:

[...] Ninety days after starting to work in the position, a questionnaire with five simple questions is given to the managers and secretaries to report whether or not the entrepreneurs are meeting proposed goals. This period has little to do with the length of experience outlined in the CLT summary. The entrepreneurs train for ninety days and then start to work. If the manager reports that an entrepreneur is partially or is not meeting objectives, the mentor investigates the problem by asking: "What's going on? Why are the objectives unmet? What's the problem?" Then the situation is analysed. Sometimes it is a matter of incompatibility: one person does not work well with another. When that happens, it does not mean the professional is incompetent, rather it is a flawed working relationship, so there may be an allocation to another post. In some cases, the person is not focusing on goals at all, and he/she is not fit for the position, so he/she is simply discharged.

It is important to highlight that, according to I1, after these ninety days, the entrepreneur has to propose his work plan. It must include the rules, deadlines and the relevance of each delivery. After a year, that entrepreneur is evaluated again. At this point, another evaluation is submitted to the manager who will analyse how developed some competencies are. These competencies were previously presented and very important to public entrepreneurs. Some behaviours like pro-activity and orientation towards results are evaluated by the manager. This evaluation can indicate if the entrepreneur can receive the variable remuneration. In these same terms, another evaluation tool is the next work plan, which is a report written by the entrepreneur contextualising his achievements after a year. The same committee that pre-qualified the entrepreneur will also evaluate this plan and analyse its level of implementation.

Remuneration is one of the factors of interchange between the people and the organisation. All workers transact with their job to acquire financial and non-financial rewards in this activity. Direct financial compensation is specifically related to wages, bonuses, awards and commissions (Araújo, 2006). According to provisions in the sole paragraph of Articles 19 and 20 of Delegated Law Number 174, of January 26, 2007, the public entrepreneur Level I and Level II, respectively, will be able to receive a variable wage by way of a variable remuneration parcel, in terms of the Decree Number 44808, of May 13, 2008.



By law, the remuneration of public entrepreneurs comes in fixed and variable parts.

I1 explained that:

[...] The variable part happens once a year. 'It works as a fourteenth wage'. This variable remuneration depends on the results which the entrepreneur obtains for the state. Thus, those entrepreneurs who have a high performance evaluation receive the variable remuneration.

This reiterates what I1 says when stating that those who define the percentage of this remuneration are the same committee which identified pre-qualifications. This determination is based on the evaluation of results as outlined in the work plan as well as performance. I1 highlighted the existence of some activities which involve important external factors, which in turn become somewhat impaired. In these cases, there is an appreciation of entrepreneurs' high-quality performance, motivating entrepreneurs to keep their job. Therefore, it is clear that there is also some evidence of non-financial remuneration in the management model of the position, an important tool to keep entrepreneurs in their office, since it involves high risks.

6. Final considerations

Regarding the adoption of entrepreneurship into the public sector, Roberts and King (1991), Osborne and Gaebler (2004) and Morris and Jones (1999) state that it can introduce innovations in public organisations, contributing to making the process of conception and implementation of public policies more agile and generating greater value to citizens. Thus, public entrepreneurship plays in society a proactive and innovative role in the government to improve quality of life. This includes revenue generation alternatives, improving internal processes and developing innovative solutions to meet social and economic needs.

However, one cannot ignore in the appropriation of management techniques such as entrepreneurship, that public administration is plagued by various criticisms (Bergue, 2011). Despite positive contributions, according to the literature three major issues limit the applicability of this notion in the public sector: a) the threat to democratic governance, where the main criticism is the lack of legitimacy (Deleon & Denhardt, 2000), b) these entrepreneurs can pursue their own interests, misusing public funds, establishing dominance over others (power), implement radical changes, and thus ignore standards of public organisations (Currie, et al. 2008), and c) the goals of business activities are not completely aligned with the goals of public organisations, which may result in a shift in focus of public management, i.e., this may cause them to neglect their primary responsibilities which are to serve the public (Morris & Jones, 1999).

As a result, given the presented concepts in the section on organisational effectiveness, it is noted that public entrepreneurs' work management has contributed to accomplishing targets established by the state government. It is evident in the data collected from the entrepreneurs interviewed for this research and in broader governmental disclosure in the media. It is also true that the latter communication can be shaped by ideological and partisan ideas. However, from what is possible to conclude from the empirical data, the management of public entrepreneur positions has contributed to encouraging effectiveness in the strategic planning of the state, i.e., the management of this position has contributed to achieving the goals of Minas Gerais (Soares, Emmendoerfer & Monteiro, 2013).

Regarding the risks of creating the idea of entrepreneurship in the public sector, as explained above it was concluded that it is necessary to reflect on how these issues are appearing in Minas Gerais, because the model of managing public entrepreneurs

presents some important challenges, supported by the literature and must therefore be highlighted. In the meantime, it is up to future research to try to understand if the risks contrasted in the literature are present in the public entrepreneur position in Minas Gerais or if this model is really an example for other governments. Therefore, it is evident that the public entrepreneur position is portrayed with a dual connotation. Some people defend it and others criticise it. What cannot be omitted is what the literature (Valadares & Emmendoerfer, 2012) presents as a critical point to the fostering of entrepreneurship in the public sector: there is the possibility that public entrepreneurs could be a threat to democratic governance, contributing to the promotion of self-interest among entrepreneurs.

Thus, it is concluded that this study contributes to the discussion of the adoption of entrepreneurship in public organisations through the study of the role of public entrepreneurs in a federal unit (UF) of Minas Gerais, Brazil. As a result, it was discovered that public entrepreneurs can be considered an innovation in relation to people management in the public service of Brazil. Another important benefit is that it enhances the public image of this state as one of the reference points for Brazil in establishing more objective criteria in recruitment for positions of trust. However, the management model of public entrepreneurs also presents important challenges that must be acknowledged.

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