

ENTREPRENEURSHIP IN HEALTH AND HUMAN SERVICES ORGANIZATIONS: A SYMPOSIUM*

KRISTINA L. GUO

Florida International University

TERRY F. BUSS

National Academy of Public Administration

INTRODUCTION

This symposium explores entrepreneurship in health and human services organizations, offering insights and techniques for health and human services researchers and practitioners to utilize entrepreneurship strategies to stimulate organizational change. Many believe that organizational development, growth and even survival in a highly competitive, technological, changing, and global environment depends on individual entrepreneurial behavior. Entrepreneurship studies have been around for years, having been well-developed in the business arena. Recently, health and human service professionals have also become interested in the concept to guide research or better manage organizations, but the field is still in its infancy.

There are several reasons why little attention has been paid to entrepreneurship in health and human services organizations. The first is the unique nature of these organizations. Unlike businesses in which the profit motive drives entrepreneurship, health care possesses a broader societal mission, promoting health and well-being of the public. Thus, differences in structure, culture, financing, and delivery of services serve as barriers to entrepreneurship. Structurally, health care organizations are continuously integrating and forming strategic alliances,

yet as they become more similar in structure, this may not result in greater efficiency and may actually impede entrepreneurial progress. Another reason is the dearth of financial resources preventing entrepreneurial risk-taking projects. Furthermore, in dealing with human services organizations, the reliance on human resources is an additional factor for consideration. Patterns of behaviors and attitudes of health care practitioners are cultivated by organizational missions and culture, rather than based on personal gain or motives. Moreover, research in this area so far has not uncovered or linked well-articulated theories or models to explain the use of entrepreneurship in health and human services organizations.

To investigate lack of entrepreneurship in health and human services organizations, this symposium presents recent research findings establishing the linkage between entrepreneurship and these organizations. The five articles, although theoretical in nature, demonstrate different foci. They help to show that entrepreneurship can flourish in these organizations. Barriers to entrepreneurship are discussed. New models are created, thus, paving the way for entrepreneurial progress in health and human services organizations.

Phillips and Garman identify barriers to entrepreneurship in health care organizations. The structure and development of the U.S. health care system is traditionally patient care driven; thus, investing in new and risky opportunities has not gained momentum. Complex organizational forms, on the one hand, depend on each other for collaboration; yet on the other, compete for the same resources. A third barrier is behavioral, where patterns of entrepreneurial behavior conflict with culture and expected behaviors of established organizations. To overcome these barriers, the authors propose that managers pursue entrepreneurship through disruptive innovation.

Grazier and Metzler state that absence of entrepreneurial activity is due to lack of financial support. They explore the potential capability for application of alternative capital acquisition models currently used in non-health care ventures and in the investor-owned health care sector, and examine their potential use to support and encourage entrepreneurship in health care. Viable models to access capital include venture capital funding, commercial lending, and government funding through the Advanced Technology Program. Identifying appropriate corporate forms can also assist health care entrepreneurs to secure additional funding. Shared partnerships and joint ventures would be simple options for health care entrepreneurs to exploit market opportunities.

Guo develops an integrated systems model to outline entrepreneurship management processes. Unlike other entrepreneurship models, this model is unique because it combines entrepreneurship and management. Environmental and organizational factors affect entrepreneurial activities. To engage in entrepreneurial activities, health care managers must perform entrepreneurial roles, including that of designer, strategist, innovator, risk taker and communicator. The entrepreneurial manager is responsible for recognizing opportunities, creating innovations and change and investing organizational resources to bring about successful outcomes of patient satisfaction, improved quality and better performance, which ultimately results in organizational survival and growth.

Borkowski and Gordon use institutional isomorphism to explain the lack of entrepreneurship in health care—coercive, mimetic and normative. As health care organizations adapt by becoming more similar in structure, clinical and behavior, then there is little time or resources available for entrepreneurship. To promote entrepreneurship activities in health care, they propose that

firm-level opportunities which engage in entrepreneurial managerial behaviors should be incorporated with appropriate organizational culture and structure. In the case of improving health care quality, health care organizations need to transform themselves into opportunistic and innovative firms, which can be achieved through entrepreneurship processes.

McCleary, Rivers and Schneller provide a diagnostic approach to understanding entrepreneurship in health care. Since the U.S. health care system is extensively privatized, then entrepreneurial activities would be attractive. In fact, they argue that drivers of entrepreneurship such as the growth of new knowledge, changes in customer perceptions, changes in industry and market structure, aging populations, and process improvement present new challenges for the industry and lends new opportunities, thus, fostering a rich environment for entrepreneurship. Three factors—predisposing, enabling and reinforcing—contribute to entrepreneurship activities in the health care industry. They conclude that this research can be used as a self-assessment tool for individuals intent on entrepreneurial venture.

* The papers in this symposium have been double blind peer-reviewed.

Copyright of *Journal of Health & Human Services Administration* is the property of Southern Public Administration Education Foundation and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.