

# Public entrepreneurial opportunities: How institutional logics shape public servants' opportunity evaluation

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## Abstract

Which entrepreneurial opportunities do public servants find appealing, and what influences their evaluation? Our investigation of 14 Norwegian municipal entrepreneurial projects indicates that public servants positively assess the attractiveness of welfare, economic, and participatory opportunities. Their evaluations are shaped by public sector logics. Our contribution is twofold: first, we connect the discourse on entrepreneurial opportunities with that of institutional logics, demonstrating that evaluations of public entrepreneurial opportunities depend on the presence and hierarchy of state, market, and community logics. This underscores the limited yet meaningful agency of public servants in these evaluations. Second, we illuminate underexplored public entrepreneurial opportunities by proposing a taxonomy that categorizes them based on the interplay of state, market, and community logics.

## Evidence for practice

- When evaluating entrepreneurial ideas, consider the existing institutional context in your region, as it shapes the opportunities you can pursue and their appeal to stakeholders.
- Identify whether welfare, economic, and/or participatory opportunities are most appealing for you to pursue. Recognize that each type requires different combinations of means and ends.
- Adapt communication to stakeholders by emphasizing economic benefits to private partners, community benefits to residents, and public goals to public officers. This enhances stakeholder support and resource mobilization.

## INTRODUCTION

Public servants, defined as employees, middle, and top managers in national and local government organizations, traditionally engage in tasks such as providing policy advice, implementing political decisions, delivering services, and stewarding public interests (Rhodes, 2016). Recent evidence shows they increasingly engage in entrepreneurial activity to address contemporary challenges such as COVID-19, climate change, and societal aging (Audretsch et al., 2020; Gullmark & Clausen, 2023). This entrepreneurial activity involves mobilizing and deploying resources to create public, social, and economic value,

transforming the social and economic status quo under conditions of uncertainty (Hayter et al., 2018). A critical aspect of this activity is evaluating the attractiveness of entrepreneurial opportunities (Mitchell et al., 2021).

Public entrepreneurial opportunities involve novel combinations of means and ends in response to political, economic or social changes, leading to new products, creative applications of traditional methods, and non-profit rewards, all under conditions of uncertainty (Zerbinati & Souitaris, 2005). To leverage these opportunities in public sector organizations, public servants need such abilities as a desire for organizational change, media expertise, and securing political support for their initiatives

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(Gullmark & Clausen, 2023; Zerbinati & Souitaris, 2005). Additionally, politicians and top managers must cultivate an entrepreneurial culture that empowers lower-level public servants to recognize and pursue entrepreneurial opportunities (Gullmark, 2021).

Individuals play a crucial role in evaluating and pursuing appealing opportunities (Haynie et al., 2009). However, our understanding of how public servants approach and engage with these opportunities in the context of the public sector remains limited (Gullmark & Clausen, 2023). Scholars increasingly recognize that positive evaluations from potential stakeholders within a specific institutional framework shape individuals' evaluations of opportunities (Alvarez et al., 2020; Fisher et al., 2017). Therefore, there is a need for deeper insights into how the unique institutional context of the public sector influences entrepreneurial public servants' perceptions of opportunity attractiveness (Audretsch et al., 2020; Saebi et al., 2019). Addressing this gap is important because the constellation of logics in the public sector differs from that in the private sector (Vickers et al., 2017). Existing frameworks rely on market logic, suggesting that only profit-generating opportunities are attractive to exploit (Gümüşay, 2018; Shane & Venkataraman, 2000). However, relying solely on market logic in nonmarket settings limits the scope of otherwise attractive opportunities (Gümüşay, 2018). Therefore, we need a new framework that incorporates diverse institutional logics in the opportunity evaluation process and allows for positive assessment of opportunities that create not only economic but also social and public value.

We address this gap and meet this need by exploring how public servants evaluate entrepreneurial opportunities within the public sector. We draw on an institutional logics perspective that conceives logics as “organizing principles” of societal order (Friedland & Alford, 1991, p. 248). This perspective incorporates macro structures to explain how institutions both enable and constrain action, thereby situating public servants in an institutional context. We explore how institutional logics and their interplay within the public sector influence public servants' positive evaluation and pursuit of entrepreneurial opportunities (Thornton et al., 2012). To achieve this, we conduct a multiple case study of 14 entrepreneurial projects in three Norwegian municipalities. Our research explores the following question: Which public entrepreneurial opportunities do public servants find appealing, and how does the interplay of institutional logics within the public sector affect their evaluation?

Our study contributes in two ways. First, we enrich the literature on opportunity evaluation and public sector entrepreneurship by presenting a more comprehensive perspective that emphasizes the pivotal role of institutional logics in assessing public entrepreneurial opportunities (Klein et al., 2010; Mitchell et al., 2021). We find that institutional logics guide public servants in evaluating entrepreneurial opportunities, from initial judgments to

strategies for resource mobilization, stakeholder support, and objective setting. This emphasizes the limited agency that entrepreneurial public servants possess when evaluating public entrepreneurial opportunities.

Second, building on previous research (Austin et al., 2006; Shane & Venkataraman, 2000), we provide insights into public entrepreneurial opportunities and introduce a taxonomy that classifies them into three types—welfare, economic, and participatory. This classification, grounded in the interaction of state, market, and community logics, improves our understanding of entrepreneurial public servants' roles in launching and advancing new public sector products, services, and programs (Audretsch et al., 2020).

## THEORETICAL BACKGROUND

Entrepreneurship encompasses diverse forms, such as strategic, academic, institutional, and public sector entrepreneurship (Bradley et al., 2021). While closely linked to the concept of innovation, entrepreneurship, and innovation are distinct (Bradley et al., 2021; Hitt et al., 2011). Innovation transforms ideas into novel or improved products, services, or technologies, while entrepreneurship focuses on the identification, evaluation, and exploitation of opportunities (Hitt et al., 2011). This article bridges these concepts by focusing on innovative entrepreneurship. It involves “the creation of new products, services, production methods, or business models likely to spur firm growth, generate value-added jobs, and create individual, corporate, and societal wealth” (Bradley et al., 2021, p. 168).

The essence of entrepreneurship, regardless of its manifestation, lies in the concept of entrepreneurial opportunities (Shane & Venkataraman, 2000). Since its introduction, scholars have devoted significant attention to this concept as a core element of entrepreneurship (Alvarez et al., 2020). A key issue in this debate is how individuals evaluate the potential value of recognized opportunities for generating future goods and services (Wood & McKelvie, 2015).

Opportunity evaluation involves “individuals' judgments and beliefs regarding the degree to which events, situations and circumstances construed as an entrepreneurial opportunity represent a personally desirable and feasible action path” (Wood & McKelvie, 2015, p. 256). Growing research on opportunity evaluation reveals that not only individuals but also potential stakeholders and the broader social system influence the perceived attractiveness of entrepreneurial opportunities (Alvarez et al., 2020). To secure support for their conceptualized opportunity, entrepreneurs must convincingly demonstrate its legitimacy to key stakeholders (Fisher et al., 2017). In the public sector, for instance, entrepreneurs need to secure support and resources from key stakeholders such as government agencies, residents, community groups, media, and private sector

organizations (Baldwin, 2019). However, different stakeholder groups operate according to distinct institutional logics, each with unique norms, beliefs, and evaluation processes for determining what constitutes an appealing opportunity (Fisher et al., 2016). Recent studies suggest that entrepreneurs can enhance the perceived attractiveness of their opportunity by institutionalizing the structural elements of their entrepreneurial narratives and using framing strategies to manage legitimacy judgments across diverse audiences (Fisher et al., 2017; Suddaby et al., 2023). These insights indicate that adopting an institutional logics perspective provides a valuable theoretical framework for analyzing the dynamic interplay among individual agency, institutional influences, and diverse audiences during opportunity evaluation (Fisher et al., 2017).

An institutional logic comprises “the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences” (Thornton et al., 2012, p. 2). The existing literature identifies seven distinct institutional logics: market, family, religion, corporation, community, profession, and state (Thornton et al., 2012). Each logic incorporates specific belief systems and “cognitive maps” that provide actors with a common frame of reference regarding what constitutes legitimate means and ends (Gümüşay, 2018). These logics represent ideal types that “provide a rich yet generalizable understanding of the varied processes that shape the observed institutional outcome” (Thornton et al., 2012, p. 53).

Logics can serve as resources and repertoires for potential action to be purposefully drawn from and employed strategically (Dalpiaz et al., 2016; McPherson & Sauder, 2013) or as structuring axioms that prescribe and proscribe means and ends for cognition and action (Greenwood et al., 2011; Pache & Santos, 2010; Thornton et al., 2012). Individuals and organizations are both shaped by institutional context and agentic in their response to and possibly even impact on institutions, especially given the existence of multiple logics (Gümüşay et al., 2024).

The prevailing conception ties opportunities inherently to profitability and therefore “implicitly bases [them] on a market logic [that] narrows the overall set of potential opportunities” (Gümüşay, 2018, p. 209). This suggests that the market, as a distinct type of institutional logic, is merely one among several important logics shaping individuals’ evaluation of opportunities (Battilana & Dorado, 2010). Relying solely on the market logic within a nonmarket setting restricts the evaluation and pursuit of opportunities, despite clear evidence of entrepreneurial activity. Within each institutional setting, diverse institutional logics shape the cognition, beliefs, and behaviors of individuals involved, thereby influencing their understanding of what constitutes opportunities and

entrepreneurial activity (Gümüşay, 2018; Zhao & Lounsbury, 2016). Incorporating different institutional logics expands the conceptualization of entrepreneurship and entrepreneurial opportunities beyond the market logic’s narrow focus on potential future profit from exploiting opportunities (Gümüşay, 2018).

Previous research indicates that different institutional logics can coexist and be compatible in the public sector. For example, Vickers et al. (2017) observed that the interplay of logics among the state, market, and civil society shaped innovations in the public sector. This suggests that the market logic from New Public Management (NPM) reforms (Meyer et al., 2014), along with the community logic from recent New Public Governance (NPG) reforms (Lindsay et al., 2021), have integrated into the constellation of logics in public sector organizations. It remains unclear whether this is the only constellation of logics in the public sector. If so, it would significantly impact the opportunity evaluation process conducted by entrepreneurial public servants.

The public sector represents a unique and underexplored institutional context in entrepreneurship research (Gullmark & Clausen, 2023). While most existing studies concentrate on profit-seeking entrepreneurs evaluating opportunities in new ventures (Pahnke et al., 2015), our understanding of how entrepreneurial public servants evaluate opportunities in non-market institutional settings remains limited (Saebi et al., 2019). As an institutional context for entrepreneurship, the public sector establishes boundary conditions for entrepreneurial research (Audretsch et al., 2020). Therefore, it is particularly compelling to explore how the opportunity evaluation process unfolds within these specific boundary conditions of the public sector.

The public sector’s institutional environment provides a distinct context for entrepreneurship, characterized by unique challenges and opportunities (Audretsch et al., 2020; Klein et al., 2010). Table 1 details these key distinctions, highlighting differences between state action, public sector entrepreneurship, and private sector entrepreneurship.

Similar to public bureaucrats engaged in state action, entrepreneurial public servants derive their roles and discretionary space from existing political bureaucracy and governance practices (Gullmark & Clausen, 2023). Additionally, their entrepreneurial activities primarily rely on revenues from taxes and duties—which are unrelated to performance—and are supplemented by private and volunteer contributions (Bernier & Hafsi, 2007; Vickers et al., 2017). Moreover, public servants balance state-established political goals and policymaking that serve the public interest with economic objectives and community development (Klein et al., 2010; Torfing et al., 2019).

Like profit-seeking entrepreneurs, public servants’ entrepreneurial activity originates from attributes such as professional contacts and knowledge of internal structures and processes (Zerbinati & Souitaris, 2005).

**TABLE 1** Key differences between state action, public sector entrepreneurship, and private sector entrepreneurship.

Aspect	State action	Public sector entrepreneurship	Private sector entrepreneurship
Institutional Environment	Traditionally shaped by the state logic	Shaped by the interplay of state, market, and community logics	Traditionally shaped by the market logic
Incentives	Legal obligations	Combines legal obligations with market and community needs	Driven by financial rewards and profit motives
Revenue generation	Funded by taxes and public budgets	Combines public funding (taxes, grants) with revenue streams from private partnerships and volunteer contributions	Generated from market transactions, tied to performance
Objectives	State-established political goals and policymaking	State-established political goals and policymaking, economic objectives, and community development	Focused on maximizing profit, market share, and serving shareholders
Rewards	Altruism, public service, and social impact	Career advancement, social recognition, professional visibility, and political career opportunities	Monetary profit, personal financial gain, and market success
Manifestation	Focused on delivering public goods and policies	Creates innovative public services, programs, and projects	Creation of new ventures/start-ups
Nature of competition	Minimal or no competition; often operates as a monopoly or with exclusive rights	Limited competition, with collaboration between entities	High competition to deliver desired products and services
Measurement of success	Assessed by adherence to political or societal goals	No standard measures of benefits and costs	Measured in monetary terms, allowing success or failure assessment
Appropriation	Public value creation and capture	Public, economic, and social value creation and capture	Focus on economic value creation and private value capture

Source: Audretsch et al. (2020), Bernier and Hafsi (2007), Dhliwayo (2017), Klein et al. (2010), Vickers et al. (2017), and Zerbinati and Souitaris (2005).

However, their primary goal is to enhance public, economic and social value for all citizens, not to pursue economic value creation for private gain (Klein et al., 2010). Rather than seeking profit, public servants aim for career advancement, social recognition, professional visibility, and opportunities to enter political careers as rewards for their entrepreneurial efforts (Zerbinati & Souitaris, 2005). The absence of a clear profit motive likely explains why entrepreneurial public servants seldom create new ventures or start-ups, which are classic manifestations of entrepreneurship in the private sector (Gartner, 1985).

Entrepreneurial public servants, unlike their private sector counterparts, operate in an environment lacking private ownership, market prices, and competition (Dhliwayo, 2017). Instead, they navigate complex objectives characterized by broad political, economic, and societal goals (Klein et al., 2010). These goals are not only challenging to quantify in monetary terms but are also numerous and varied (Bernier & Hafsi, 2007). Consequently, unlike private sector entrepreneurs, public servants cannot measure success through privately appropriated benefits (Dhliwayo, 2017; Klein et al., 2010).

While public sector entrepreneurship fosters innovation and public, economic, and social value (Dhliwayo, 2017), blending public and private mechanisms and logics carries inherent risks of socially harmful outcomes (Vickers et al., 2017). Baumol (1996) categorizes entrepreneurial

activity as productive (e.g., innovation, value creation), unproductive (e.g., rent seeking), or destructive (e.g., organized crime), depending on how societal structures and incentives allocate entrepreneurial effort. Public sector entrepreneurship, with its unique institutional logics and weaker market-based accountability mechanisms, may be particularly susceptible to unproductive or destructive forms. For example, rent-seeking behaviors, regulatory capture, and cronyism can arise when public-private collaborations prioritize personal or short-term gains over long-term public, economic, and social value creation. Therefore, while public sector entrepreneurship holds promise, its outcomes are not uniformly positive and require robust governance and accountability mechanisms to maximize societal benefits while minimizing risks (Torfing et al., 2019).

Additionally, not every non-routine activity by public servants qualifies as “entrepreneurial.” Only those activities that involve novel combinations of means and ends in response to political, social, or economic changes, under conditions of uncertainty, qualify as “entrepreneurial” (Zerbinati & Souitaris, 2005). Public servants act on only a subset of recognized entrepreneurial opportunities (Dhliwayo, 2017). During the evaluation process, stakeholders may deem a recognized opportunity unappealing (Fisher et al., 2017). Consequently, even if an entrepreneur finds an opportunity appealing, they may not pursue it if key stakeholders consider it unattractive (Haynie et al., 2009).

Despite some insights into public servants' entrepreneurial activity, our understanding of how they assess opportunity attractiveness within the unique institutional environment of the public sector remains limited (Gullmark & Clausen, 2023). To bridge this knowledge gap, our study investigates how institutional logics within the Norwegian public sector influenced entrepreneurial public servants' evaluations of the attractiveness of 14 entrepreneurial opportunities across three municipalities.

## METHODS

### Research design

Our study builds theory through multiple case studies. Guided by our explorative research question, we chose the municipal sector in Norway as our research site. Norway is a democratic unitary state with the central government holding ultimate sovereignty. Its generalist local authority system ensures that all municipalities have the same responsibilities and functions (Norwegian Ministry of Local Government and Modernisation, 2014). Norwegian municipalities rely primarily on public funding from taxes and duties to provide a wide range of services and public goods, including healthcare, education, infrastructure, and business development (Gullmark, 2021). They also emphasize public sector entrepreneurship (Gullmark, 2021; Torfing et al., 2019).

Recognizing the intangible nature of entrepreneurial opportunities, we aimed to identify public entrepreneurial opportunities by analyzing relevant public sector projects associated with innovative entrepreneurship (Bradley et al., 2021). Our case selection involved purposive sampling, targeting municipalities actively pursuing entrepreneurial opportunities, specifically those nominated for or winning the Norwegian Innovation Award for the Municipal Sector. Such selection ensured consistency and comparability in entrepreneurial projects, as applying for awards indicates adherence to norms (Khair, 2010). However, this approach risked selection bias. To mitigate this, we chose organizations representing a broad range of the award winners/nominators and the broader population of Norwegian municipalities. We selected three municipalities—Asker, Narvik, and Arendal—for our case studies, located in the eastern, northern, and southern regions of Norway, respectively. These municipalities varied economically, with Asker being more prosperous than Arendal and Narvik. Their approaches to innovation ranged from systematic (Asker, Narvik) to unstructured (Arendal). The governance of these municipalities included centrist (Arendal), left-wing (Narvik), and right-wing (Asker) majorities, and they varied in size from large (Asker) to medium (Arendal) and relatively small (Narvik).

During our initial search, we found that each municipality had an innovation department or an individual responsible for overseeing entrepreneurial activities. We

requested from these representatives lists of successful and ongoing projects deemed innovative and entrepreneurial, specifically those employing methods markedly different from traditional approaches. Our initial sample comprised 36 projects.

Next, we gathered detailed information about the listed projects from various sources. From the original 36 projects, we selected 29 that met our criteria for innovation and entrepreneurship (Bradley et al., 2021). From these, we chose a diverse sample representing various themes and municipal responsibilities, resulting in 14 distinct cases across different departments (see Table 2). As these projects were ongoing, their ultimate success remained uncertain. This helped us avoid survivor bias. Additionally, ongoing projects offered richer and more diverse data for exploring public entrepreneurial opportunities than completed projects, thereby reducing information bias.

### Data collection

We used four data sources for data collection: (1) project-level semi-structured interviews, (2) follow-up emails from project managers, (3) archival data, and (4) municipality-level semi-structured interviews. These multiple sources provided a comprehensive understanding of the examined entrepreneurial projects, allowing us to identify how public servants evaluated the attractiveness of the opportunities and the core characteristics associated with them. Table 2 presents detailed data for each case.

In 2016, we conducted 22 interviews with project-level informants using a semi-structured interview guide. We employed “why” and “how” questions to gather examples and explore the informants' understanding of the phenomena. These project-level interviews provided detailed insights into the sources and progress of the entrepreneurial projects. Additionally, seven municipality-level interviews offered a broader perspective on the projects and discussed the organizational-level impact of public sector entrepreneurship in the focal municipalities.

In 2018, we sent follow-up emails to all project managers requesting reports on the projects' progress since 2016. All 14 project managers responded, providing detailed descriptions of the development, implementation, and results of their projects.

The archival material included project descriptions, applications, reports, brochures, presentations, project websites, and media coverage. This archival data highlighted key aspects such as the projects' nature, organization, and achieved results. It supplemented the informants' narrative accounts of how the opportunities emerged and developed. Additionally, the archival data offered a real-time perspective on the opportunity-framing process, complementing the informants' retrospective and narrative descriptions.

**TABLE 2** Overview of the collected data.

Number of project	Entrepreneurial project	Project-level informant	Secondary data	Municipality-level informant
1	3D modeling for urban development	Project initiator/manager (35 min of interview) 1 follow-up email	Four internal reports and documents (66 pages)	<i>Municipality of Arendal</i> Municipality department manager (40 min of interview)
2	Cycling on familiar paths	Project manager (29 min of interview) 1 follow-up email Project group member (20 min of interview)	Internal document (28 pages) Newspaper article (2 pages)	Municipality Chief Administrative Officer (64 min of interview) Project manager of a municipal umbrella organization (54 min of interview)
3	Daily life rehabilitation	Project manager (35 min of interview) 1 follow-up email	Internal report (67 pages) PowerPoint presentation (26 slides)	
4	Exemplary math education	Project manager (29 min of interview) 1 follow-up email	Four internal documents (48 pages)	
5	Fire prevention teddy bear	Project initiator/manager (49 min of interview) 1 follow-up email	Three internal reports (26 pages) Leaflet (5 pages) PowerPoint presentation (30 slides) Excel file with data	
6	Integration on two wheels	Project manager (32 min of interview) 1 follow-up email	Internal reports and documents (45 pages)	
7	Knowledge harbor	Project manager (41 min of interview) 1 follow-up email	Two PowerPoint presentations (35 slides) External actor report (32 pages) Eight internal documents (35 pages) Project website	
8	Long-open library	Project initiator/manager (42 min of interview) 1 follow-up email	Two PowerPoint presentations (9 slides) Poster Three internal documents (34 pages)	
9	The Dream Bank	Deputy mayor/project initiator (35 min of interview) 1 follow-up email	Two internal reports (27 pages in total) PowerPoint presentation (5 slides) Project website	
10	Community development program	Project manager (55 min of interview) 1 follow-up email Project group member (34 min of interview)	Six internal documents (227 pages) Project website Video about the project (11 min)	<i>Municipality of Asker</i> Municipality department manager (41 min of interview) Municipality top manager (42 min of interview)
11	Eco-friendly swimming pool	Project manager (22 min of interview) 1 follow-up email Project group member (52 min of interview)	Two internal documents (51 pages) PowerPoint presentation (18 slides) Project website	
12	Safer daily life	Project manager (25 min of interview) 1 follow-up email Project group member (21 min of interview)	Two internal reports (67 pages) Project website	
13	Welfare lab	Project manager (31 min of interview) 1 follow-up email Project group manager (23 min of interview)	Three internal documents (164 pages) Video about the project (21 min) Project website	
14	Business development program	Project initiator/manager (60 min of interview) 1 follow-up email Project group member (58 min of interview) External project partner (27 min of interview) External project partner (43 min of interview)	Four leaflets (4 pages) 77 internal documents (508 pages) 19 PowerPoint presentations (327 slides) 15 Excel files with data Project website	<i>Municipality of Narvik</i> Municipality Chief Administrative Officer (25 min of interview) Former Mayor (65 min of interview)
Total	14 projects	798 min of interview with project-level informants and 14 follow-up emails from project managers	1406 pages of internal and external documents, 450 PowerPoint slides, 16 Excel files with data, 7 project websites, 1 poster, 32 min of videos about the projects	331 min of interview with municipality-level informants

## Data analysis

Drawing on the “Gioia method” (Gioia et al., 2013), we explored the narratives of our knowledgeable informants to uncover emerging patterns of behavior and beliefs related to how entrepreneurial public servants evaluated the attractiveness of public entrepreneurial opportunities. We then connected these patterns to the theory of institutional logics, integrating them with existing literature through iterative comparison (Reay & Jones, 2016).

We initially coded primary and secondary data using an open-ended approach, developing detailed codes for each entrepreneurial project. This within-case coding resulted in 587 first-order codes. In the next phase, we performed a cross-case analysis, merging similar codes, which reduced the total to 252. This analysis revealed recurring patterns centered around three key themes: sources of opportunities, resource mobilization, and desired objectives. Our informants operated within a context where the traditional public administration (PA), NPM, and NPG paradigms coexisted. These paradigms were present across all projects and dimensions. We realized that the theory of institutional logics provided a suitable framework to explain our findings, concluding that the interplay of state (PA), market (NPM), and community (NPG) logics shaped public entrepreneurial opportunities and their evaluation (Thornton et al., 2012).

With this insight, we analyzed the data by iteratively connecting text segments and generated codes (Reay & Jones, 2016). Our aim was to identify patterns, variations, and commonalities among codes. Informed by informant perspectives and secondary data, our framework highlighted three categories of public entrepreneurial opportunities. The analysis showed that state logic predominantly influenced nine opportunities, market logic directed two, and community logic primarily shaped three opportunities. Although state, market, and community logics collectively informed all opportunities, one typically prevailed as the dominant influence. We identified dominant logics by the presence of terms such as “main,” “dominant,” and “crucial” within informants’ narratives and secondary data sources. Conversely, descriptors like “additional,” “of some importance,” or “minor” indicated supplementary logics. Other logics, such as profession and corporation logics, had minimal to no influence. This process reduced the initial codes to a total of 46.

Through iterative refinement, we enhanced the coding process and reduced the first-order codes to 18 (Gioia et al., 2013; Reay & Jones, 2016). To organize these 18 codes, we developed corresponding second-order themes based on existing literature, such as means and ends (Gioia et al., 2013). To advance theoretical contributions, we distilled these themes into abstract overarching dimensions: welfare, economic, and participatory opportunities. This novel categorization, visually summarized in Figure 1, provides an overview of our data structure.

## RESULTS

Our findings show that the combined influences of state, market, and community logics within the public sector shaped how entrepreneurial public servants perceived and pursued opportunities (Figure 2, left side). These public servants assessed opportunities based on their alignment with a constellation of these logics. We identified three such constellations, each corresponding to distinct types of public entrepreneurial opportunities (Figure 2, middle).

The first type, welfare opportunity, emerged when public interests were paramount, with public sector resources as the primary means and a main focus on enhancing public goods and social services. This type was guided by a constellation of logics primarily influenced by the state logic (Figure 2, top right corner). The second type, economic opportunity, primarily arose from market imbalances, with the private sector providing dominant means and a goal centered on improving organizational performance. This type was guided by a constellation of logics primarily driven by the market logic (Figure 2, middle-right box). The third type, participatory opportunity, stemmed primarily from community interests, with the local community resources as the primary means and the main objective being community development and involvement. This type was guided by a constellation of logics predominantly influenced by the community logic (Figure 2, bottom right corner).

Table 3 provides an overview of the individual entrepreneurial opportunities that underpin our findings. Subsequent sections present exemplary cases of welfare (“Safer Daily Life,” Asker), economic (“Business Development Program,” Narvik), and participatory (“The Dream Bank,” Arendal) public entrepreneurial opportunities. For additional evidence regarding the distilled theoretical dimensions, themes, and categories, see Table 4.

### Welfare opportunities

#### Public interests as the main source

Welfare opportunities primarily addressed unmet public interests, which arose from the underproduction of public goods and political agendas. The “Safer Daily Life” was initiated by the project manager, who was influenced by the “Health Directorate’s recommendation for digitalizing healthcare services” and “the national transition from analog to digital systems” (Project manager). The interviewed project worker noted that while “others in our department continued using traditional methods” to provide safety services for the elderly, the project manager “was one of the first to recognize the potential of the digitalization agenda.”

Welfare opportunities, while rooted in public interests, also emerged from technological advancements in the market. The manager of the “Safer Daily Life” project noted that “in the early 2010s, many new technologies emerged,”

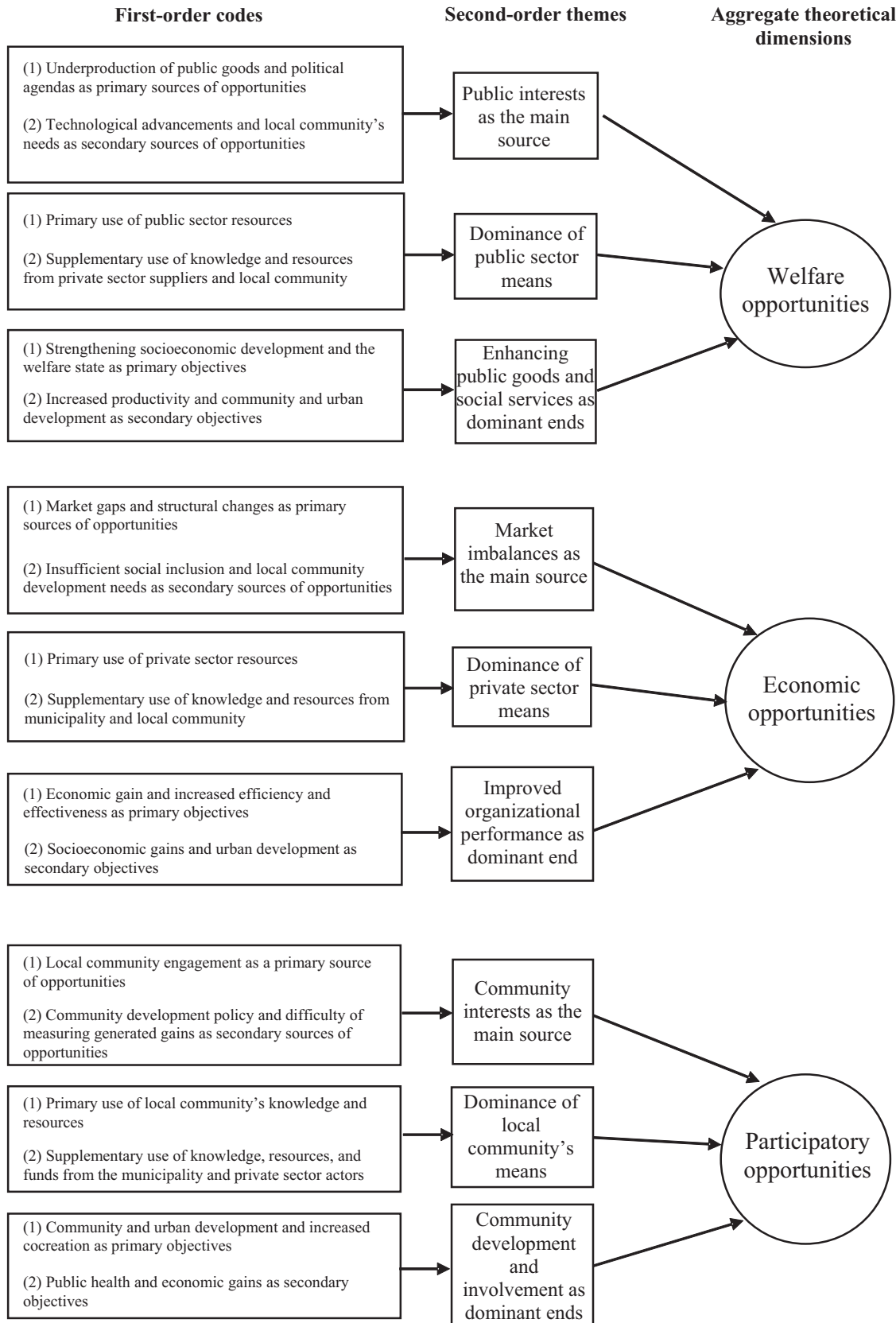
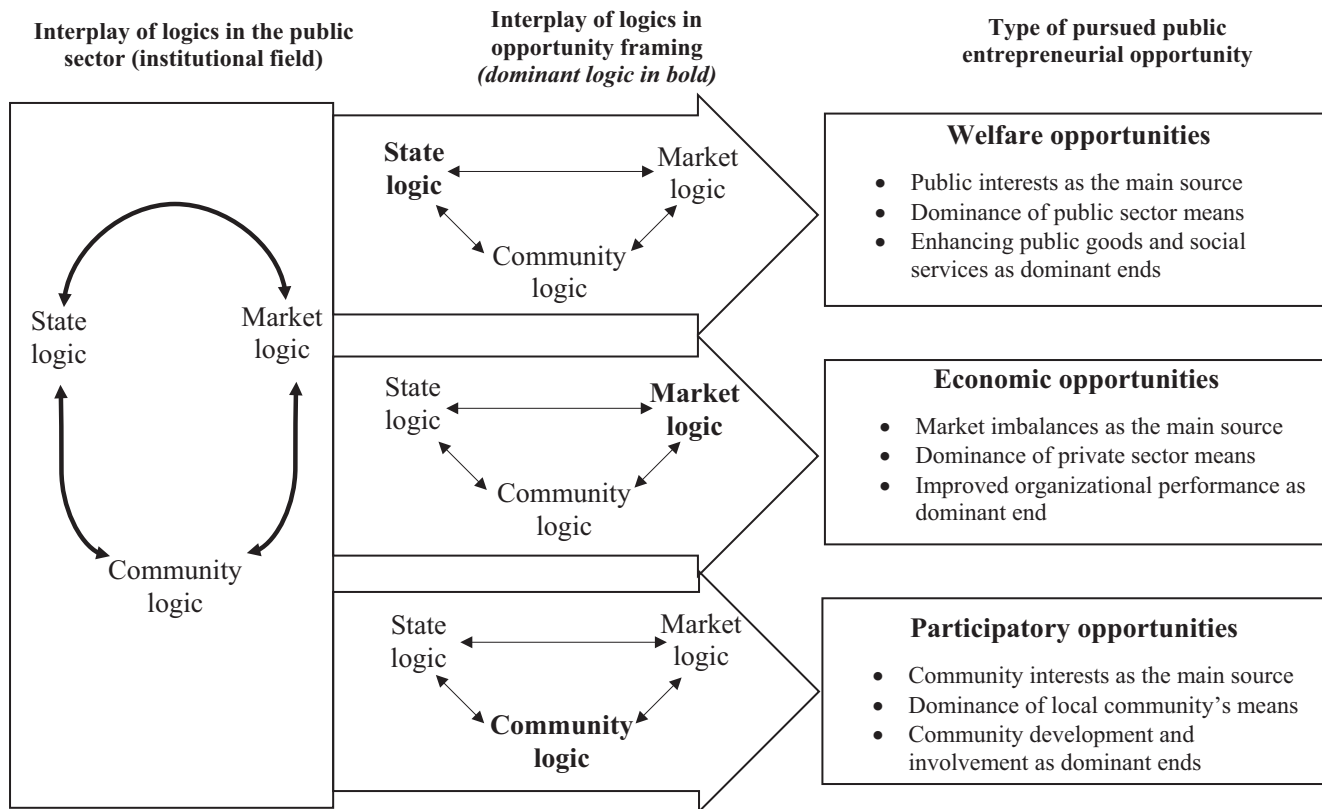


FIGURE 1 Data structure.





**FIGURE 2** The influence of institutional logics on the evaluation of public entrepreneurial opportunities.

facilitating “comprehensive digital platforms.” She believed these advancements had the potential to disrupt “the delivery of safety and welfare services for the elderly.” This belief inspired her to “rethink how and what we do here.”

Secondary source of welfare opportunities were also the specific needs of the local community. The “Safer Daily Life” project partially emerged as local voluntary organizations for the elderly urged the municipality to “find creative solutions enabling the elderly to live longer at home,” emphasizing that they “still had much to offer to the local society” (Project worker).

“Several surveys and feedback from users, families, and caregivers,” along with “a consultancy firm’s report from last summer,” further confirmed to the project manager that “the elderly requiring safety and welfare services were not living well.” After obtaining approval from top management and initiating cooperation with a neighboring municipality, she resolved to develop a comprehensive digital security and monitoring platform for elderly residents. Despite uncertainties about the availability of suitable digital technology, she actively began mobilizing knowledge and resources to realize her idea.

### Dominance of public sector means

Public sector resources primarily funded welfare opportunities. The manager of the “Safer Daily Life” project observed that “financial support from political leaders

and funding from the County Governor were crucial” for advancing and timely implementing the project. She also stated that although she mobilized resources from other actors, “they were minor compared to the municipal and public sector funding.”

Knowledge and resources from private sector suppliers constituted one group of supplementary means used to pursue welfare opportunities. The manager of “Safer Daily Life” revealed that she contacted private firms to help her “understand what could be purchased and what our needs were.” She further highlighted that private actors offered “suggestions” and “developed concrete products and systems that we could purchase.”

The other group of supplementary means comprised the knowledge and resources of residents and voluntary organizations. The manager of the “Safer Daily Life” project acknowledged that by “forming partnerships with local volunteer organizations for the elderly,” she accessed resources from these organizations’ national-level funds. These funds financed “training sessions for the elderly in using new digital safety technologies.”

### Enhancing public goods and social services as dominant ends

The primary ends of welfare opportunities were to strengthen socioeconomic development and the welfare state. The manager of the “Safer Daily Life” project

**TABLE 3** Overview of the examined public entrepreneurial opportunities.

Entrepreneurial project	Type of opportunity	Description of the public sector opportunity
3D Modeling for urban development	Welfare opportunity	Development of an interactive 3D map visualization of existing and planned buildings to ensure better urban planning and communication with residents.
Cycling on familiar paths		Provision of indoor stationary cycles for nursing home residents that are connected to screens and imitate cycling on paths that are familiar to the residents to improve their physical health.
Daily life rehabilitation		Development of an interdisciplinary and universal model of rehabilitation for elderly residents with a health condition to improve their physical health.
Exemplary math education		Provision of a new pedagogic method of teaching mathematics to improve the skills of pupils in mathematics, to increase their interest in the subject, and to decrease and prevent drop out.
Eco-friendly swimming pool		Construction of a new, innovative, and eco-friendly swimming pool facility to improve swimming offering in the municipality and to revitalize deteriorated local area.
Fire prevention teddy bear		Provision of fire safety education in nurseries using a teddy bear and activity booklet to disseminate fire safety knowledge to families in a local community.
Integration on two wheels		Provision of traffic and bicycle training by the adult education center for newly arrived immigrant women to increase their mobility, physical activity, knowledge about traffic safety, and language skills.
Long-open library		Provision of increased access to publicly accessible knowledge in the library through new technology, new ways of organizing, and through extending the opening hours.
Safer daily life		Development of a new, holistic, user-oriented model of a digital security and monitoring platform to improve the offered health and care services.
Business development program	Economic opportunity	Model of private-public joint funding aimed at stimulating job creation through innovative and entrepreneurial initiatives in the municipal district.
Knowledge harbor		Provision of a new and attractive meeting place, in the form of a building complex, for businesses, voluntary, and public actors to stimulate idea exchange, knowledge sharing, and job creation.
Community development program	Participatory opportunity	Development of a new knowledge- and involvement-based method to facilitate local area and community development that is based on increased commitment among citizens and other local organizations.
The Dream Bank		Development of an interactive website to gather and follow up on local area and community development ideas from residents to build desired public goods and infrastructure.
Welfare lab		Development, in cooperation with civic voluntary actors, of a holistic model for municipal services that increases citizen involvement in the local community.

indicated that its key objectives included “reducing the reliance of elderly residents on institutional care” and “improving social welfare.” The project worker concurred, emphasizing that the project primarily sought to “enhance support for our aging population” and “boost public trust.”

Besides their primary goals, welfare opportunities also aimed to enhance the productivity of public and social services. Secondary data related to the “Safer Daily Life” project revealed that the “additional goals of the project for the municipalities of Asker and Bærum are: (...) (2) to provide more cost-effective (...) healthcare services” (Note for the suppliers 2015, p. 2).

Welfare opportunities also supported community and urban development ends. The project worker in the “Safer Daily Life” project emphasized that the project’s secondary goals included “strengthening the sense of community,” “building stronger community bonds” and “improving urban living for all residents.”

The manager reflected on her role in “balance[ing] different expectations” within the “Safer Daily Life” project. Although her primary focus was securing approval from municipal officials to “develop and deliver a robust public

service for the elderly,” she also recognized the need to “connect the project’s goals to the expectations of other societal actors”. To achieve this, she tailored her communications to ensure stakeholders “perceived the project as relevant to them.” For private sector suppliers, she described the project as part of “our strategic partnership” and as an opportunity to “strengthen their corporate social responsibility profile.” For local community actors, she framed the project as “fostering community solidarity” and “establishing a culture of inclusion.”

## Economic opportunities

### Market imbalances as the main source

Economic opportunities primarily arose from market imbalances due to market gaps and significant structural changes within municipal districts. In Narvik, “the collapse of the local solar cell industry (...) and the relocation of the headquarters of a large private cruise company” represented significant structural changes (the Mayor of

**TABLE 4** Theoretical dimensions and illustrative data.

Theoretical dimensions and categories	Illustrative data
<p>Welfare opportunities</p> <p>1. Public interests as the main source</p> <p>A. Underproduction of public goods and political agendas as primary sources of opportunities</p> <p>B. Technological advancements and local community's needs as secondary sources of opportunities</p> <p>2. Dominance of public sector means</p> <p>C. Primary use of public sector resources</p> <p>D. Supplementary use of knowledge and resources from private sector suppliers and local community</p> <p>3. Enhancing public goods and social services as dominant ends</p> <p>E. Strengthening socioeconomic development and the welfare state as primary objectives</p> <p>F. Increased productivity and community and urban development as secondary objectives</p>	<p>A1: "We are continuously affected by the political situation. Suddenly, the town council can decide that they want to have more refugees here" (Project manager, "Integration on Two Wheels").</p> <p>A2: "This project is essential for us. This is because, at the national level, The Norwegian Directorate for Civil Protection wanted us to focus more on the private households" (Project manager, "Fire Prevention Teddy Bear").</p> <p>B1: "I thought: 'They've got modern touch screen technology in China somewhere or America, but we hadn't been able to find the type I needed'" (Project manager, "3D Modeling for Urban Development").</p> <p>B2: "The elderly residents desired an offer that helps them be independent much longer than before. And as you can see, we listened to them" (Project manager, "Daily Life Rehabilitation").</p> <p>C1: "Our project was developed because of the Innovation Award that our municipality received...The municipality got NOK 1M and decided to distribute these funds to new innovative projects" (Project manager, "Integration on Two Wheels").</p> <p>C2: "Financing: 41M—central government and municipal funds; 10M—Enova [public agency]; 1M—Innovation Norway [public agency]" (PowerPoint presentation, 2016, p. 26; project: "Eco-Friendly Swimming Pool").</p> <p>D1: "We got some money from a local wealthy figure to buy the premium version of the software so we could expand our digital cycling routes" (Project manager, "Cycling on Familiar Paths").</p> <p>D2: "We needed to recruit "bicycle hosts," that is, volunteers who could be together with our residents during their cycling session" (Project manager, "Cycling on Familiar Paths").</p> <p>E1: "Our project contributes to creating a more knowledge-based society by developing good knowledge and skills in mathematics among our pupils.... I always say—skilled pupils will play a crucial role in shaping the future society" (Project manager, "Exemplary Math Education").</p> <p>E2: "The increase in the number of elderly people will be dramatic in the following years... The model that we want to pursue...is an important contribution to sustaining our welfare system" (Pilot project—"Daily Life Rehabilitation." Annual report 2016, p. 2).</p> <p>F1: "The municipality must provide services to our inhabitants cheaper and better. Cheaper, because we won't get any more money...and we must actually do things more effectively. We also must do them better" (Project manager, "3D Modeling for Urban Development").</p> <p>F2: "Now...Arendal's library—the city's meeting place" (Poster 2015; project: "Long-Open Library").</p>
<p>Economic opportunities</p> <p>1. Market imbalances as the main source</p> <p>G. Market gaps and structural changes as primary sources of opportunities</p> <p>H. Insufficient social inclusion and local community development needs as secondary sources of opportunities</p>	<p>G1: "The municipality decided to relocate the old harbor from the city center to a place called Eydehavn... 20 km further east... we also observed departure of large private companies from the city due to limited development opportunities" (Project manager, "Knowledge Harbor").</p> <p>G2: "The companies in the city were struggling to find suitable premises ...They expressed the need for a cluster where businesses and other organizations could meet and benefit from knowledge spillovers" (Project manager, "Knowledge Harbor").</p> <p>H1: "We offered adult education services in old premises with poor-quality classrooms... So, we felt they [politicians] want us to...provide the adult education center with premises of the same high quality as in other municipal schools." (Project manager, "Knowledge Harbor").</p>

(Continues)

TABLE 4 (Continued)

Theoretical dimensions and categories	Illustrative data
<p>2. Dominance of private sector means</p> <p>I. Primary use of private sector resources</p> <p>J. Supplementary use of knowledge and resources from municipality and local community</p> <p>3. Improved organizational performance as dominant end</p> <p>K. Economic gain and increased efficiency and effectiveness as primary objectives</p> <p>L. Socioeconomic gains and urban development as secondary objectives</p>	<p>H2: "We repeatedly heard that the municipality needs to actively transform depleted areas here... this project represented a new beginning for this area" (Project manager, "Knowledge Harbor").</p> <p>I1: "It [the construction] is entirely financed by private capital... We brought in a lot of private capital. By the time we finish here, the investments of private investors will exceed NOK 1 billion" (Project manager, "Knowledge Harbor").</p> <p>I2: "[The project] will address the identified needs and problems by... attracting R&amp;D resources from local firms" (Notes from the workshop on economic development in the municipality of Arendal 2015, p. 1; project: "Knowledge Harbor").</p> <p>J1: "The municipality's role includes selling plots of land, preparing area plans, entering into development agreements, serving as a driving force and catalyst for the project's content" (PowerPoint presentation 2012, p. 8; project: "Knowledge Harbor").</p> <p>J2: "The municipality's current focus is on creating the desired content [within the 'Knowledge Harbor'] as requested by the residents of Arendal" (PowerPoint presentation 2012, p. 18; project: "Knowledge Harbor").</p> <p>K1: "Having many businesses here is very important to us—they create jobs and pay taxes that finance our municipal tasks. So, in a long-term... this project leads to major financial gains for the municipality" (Project manager, "Knowledge Harbor").</p> <p>K2: "This project has significantly improved our effectiveness in terms of business development" (Project manager, "Knowledge Harbor").</p> <p>L1: "The politicians expect this project... to proactively attract new residents to the area" (Project manager, "Knowledge Harbor").</p> <p>L2: "Improving living conditions in the region... revitalizing the depleted area of Arendal—all of these should also be the focus of this project" (Report to Arendal's city council 2008, 3; project: "Knowledge Harbor").</p>
<p>Participatory opportunities</p> <p>1. Community interests as the main source</p> <p>M. Local community engagement as a primary source of opportunities</p> <p>N. Community development policy and difficulty of measuring generated gains as secondary sources of opportunities</p> <p>2. Dominance of local community's means</p> <p>O. Primary use of local community's knowledge and resources</p>	<p>M1: "The parents' committee of a primary school reached out to us expressing concern about the pupil composition and social integration in the area" (Project manager, "Community Development Program").</p> <p>M2: "We conducted interviews with residents as our starting point... We aimed to gain insight into their perceptions of municipal services and understand their long-term priorities" (Project manager, "Welfare Lab").</p> <p>N1: "In May 2013, the politicians decided that the municipality should work specifically with this area... through our project. So, it was a citizens' initiative that was politically processed, and that resulted in the project" (Project manager, "Community Development Program").</p> <p>N2: "We lacked effective methods to measure the gains achieved through community development... and lacked an investor's perspective, but in a different socio-economic context" (Project manager, "Welfare Lab").</p> <p>O1: "In January 2015, we invited the residents to talk about ideas... regarding how to further develop the area... we also asked them to describe resources that they can contribute with" (Project manager, "Community Development Program").</p> <p>O2: "We are particularly concerned with participation... We ensure that people get a good understanding of their problems, and, at the same time, we are close enough that we understand where the problems exist" (Project worker, "Welfare Lab").</p>

TABLE 4 (Continued)

Theoretical dimensions and categories	Illustrative data
P. Supplementary use of knowledge, resources, and funds from the municipality and private sector actors	P1: "We also received some money from the municipality. NOK 1,5M per year was allocated to develop the area." (Project manager, "Community Development Program"). P2: "This spring we will organize procurement...we want to acquire competencies of external consultants in the areas where we do not have such competencies" (Project manager, "Welfare Lab").
3. Community development and involvement as dominant ends	
Q. Community and urban development and increased cocreation as primary objectives	Q1: "Our primary goal was to encourage citizen contributions and cocreation... and to increase participation in municipal decision-making." (Project worker, "Community Development Program"). Q2: "The project places the residents in the center of interests... Our project will pave the way for more cocreation with the residents and voluntary organizations" (Final report on the pilot-study phase of the "Welfare Lab" project 2015, p. 34).
R. Public health and economic gains as secondary objectives	R1: "Another goal of this project is to improve the health of people in the local community." (Project manager, "Community Development Program"). R2: "What we achieve through this project provides significant long-term cost savings, and this benefit is shared between the state and the municipality" (Project manager, "Welfare Lab").

Narvik). The manager of "Business Development Program" revealed that regional and state agencies "had their ideas on how to fill the [resulting] void." However, she argued that "none of these proposals fit Narvik's needs." Drawing on insights from "countless informal chats with local businesses and the chamber of commerce," she recognized an economic opportunity in utilizing "the strong desire to fill the void with local entrepreneurship."

Additionally, economic opportunities emerged from local economic policies addressing insufficient social inclusion. The worker involved in the "Business Development Program" reported that the project was "partly shaped by local policies aimed at combating labor market exclusion." He stated that although the Norwegian Labour and Welfare Administration "offered courses to help the unemployed return to work," many found these insufficient to substantially enhance "their potential and desire to become self-employed."

Another secondary source of economic opportunities was the local community's development needs. Our informants indicated that residents of Narvik expressed concern that "many large businesses here do not really care about our local society" (Project worker) and that "Narvik does not emphasize green, sustainable development" (Mayor of Narvik).

After securing approval from regional authorities and the mayor, the manager of the "Business Development Program" learned that other municipalities had previously launched development programs with varied success. Despite this uncertainty, the project manager proceeded to mobilize resources to exploit the opportunity "believing in the soundness of my idea."

## Dominance of private sector means

Entrepreneurial public servants primarily mobilized private sector resources to exploit economic opportunities. The manager of the "Business Development Program" stated that "without the financial contribution from local businesses, it [the project] would not be possible." We found that the project manager's ability to "visualize the benefits of innovation and local entrepreneurship for each firm," combined with "a large network in Narvik" was essential to mobilize the necessary private funds to trigger regional entrepreneurship funding.

Entrepreneurial public servants supplemented the private sector means with municipal knowledge and resources. In the "Business Development Program," the project manager successfully pitched the idea to politicians, resulting in "25% of the funds used to trigger regional funds for new ventures [coming] from our budget" (Mayor of Narvik).

We also found that entrepreneurial public servants mobilized local community's knowledge to complement private sector means in pursuing economic opportunities. For example, by inviting residents to send emails and call the municipality, the manager of the "Business Development Program" enabled their contribution to the project. They provided "innovative ideas for new ventures, offered feedback, and cocreated the program's content."

## Improved organizational performance as dominant end

Economic opportunities primarily targeted economic gain and enhanced efficiency and effectiveness. In the

“Business Development Program,” politicians and top managers expected the project to produce economic benefits for the municipality by being “more effective in creating jobs than the funds alone would suggest” and by generating “more tax revenues in the coming years” (Mayor of Narvik). Private local businesses, however, anticipated “lower costs in funding innovation activities” and “cluster effects from new venture creations” (Project worker).

Economic opportunities also aimed at achieving socio-economic gains. For instance, the secondary goal of the “Business Development Program,” was to “increase the population by at least several hundred” (Chief Administrative Officer, Narvik).

We found that economic opportunities were also oriented towards goals related to local community development. The manager of the “Business Development Program” informed us that they deliberately allocated approximately “around one-quarter of our funds” to “businesses working on strengthening local tourism, green initiatives, and ideas aimed at making the city more attractive.”

The manager of the “Business Development Program” revealed that she used “more relatable language for each audience” when discussing the project’s goals. In conversations with local businesses, she emphasized the “return on their contribution,” with politicians, she highlighted “population growth and new jobs,” and with residents, she focused on “a vibrant community and sustainability.” She observed that “this nuanced approach to balancing these goals” was essential for the project’s success.

## Participatory opportunities

### Community interests as the main source

The primary source of participatory opportunities was community interests emerging from local community engagement. The concept for “The Dream Bank” project arose from “the large number of proposals (...) we constantly received from engaged residents concerning local community development” (Project manager). The project manager revealed that his “long experience in the cultural department” had led him to consider how to “more actively engage the local community and residents” and “utilize this visible untapped potential from residents’ engagement.”

Participatory opportunities also emerged from municipal community development policies that addressed challenges such as residential segregation and social isolation. In Arendal, the community development policy called for urban and community development initiatives in the Moltemyr district. The manager of “The Dream Bank” project explained that “because of this policy,” he decided to “limit the project to the area around Moltemyr school (...) rather than extending it to the entire Arendal.”

The third source of participatory opportunities stemmed from challenges in quantifying the outcomes of community development programs. The manager of “The Dream Bank” project expressed frustration over the inability to “show politicians, residents, and firms the measurable results of municipal projects and programs.” He revealed that his desire to “find a way to measure outcomes in public sector projects” served as a minor driving force behind “The Dream Bank” project.

Although many supported more active resident involvement in urban development decision-making due to an increased emphasis on cocreation in the Norwegian public sector, few engaged in such projects because “they found managing so many participants from diverse backgrounds very challenging” (Project manager). The search for successful examples of resident involvement led the project manager to the concept of “dream banks” implemented in several municipalities in Norway. After contacting “the person behind the ‘dream banks,’” he adapted this concept for the Moltemyr district. The project manager admitted that he “was unsure if this was something that our community really needed.” Consequently, he “organized a large meeting with the police, school, residents, and other local actors.” Encouraged by the “very positive feedback,” he decided to launch the project.

### Dominance of local community’s means

In pursuit of participatory opportunities, entrepreneurial public servants primarily utilized the community’s knowledge and resources. The manager of “The Dream Bank” stated, “voluntary work is central to our project.” To illustrate, he highlighted the “local school’s outdoor area makeover initiative,” which “began with a resident’s idea.” The most crucial resources for this initiative were the “100 volunteers” he mobilized to “install the equipment and improve the area.”

Both the public and private sector contributed funding to projects pursuing participatory opportunities. For the local school’s outdoor area makeover initiative within “The Dream Bank” project, the project manager mobilized “resources from both municipal and private sectors” to “fund the new playground equipment.” He noted, “the cost of the equipment was minimal compared to what we would have spent on installation without the help of volunteers.”

### Community development and involvement as dominant ends

Participatory opportunities primarily emphasized community and urban development and increased cocreation. The main objectives of “The Dream Bank” were to “build identity and ownership in the area, emphasizing that

residents best understand their needs,” and to encourage residents to “get involved in their community, so they feel part of what’s happening in their neighborhood” (Project manager).

Participatory opportunities included secondary goals related to public health and economic gains. The manager of “The Dream Bank” revealed that one additional goal was to combat public “mental health issues caused by loneliness and isolation.” He noted, “projects like this, which work towards better neighborhoods, help counteract that problem.” Additionally, another secondary goal involved developing a “digital solution to measure engagement,” which quantifies “the precise number of ‘dreams’ and ideas from residents that turn into tangible results” (Project manager).

The manager of “The Dream Bank” project revealed that he “was aware of the multiple stakeholders in the public sector.” He believed that “adapting my communication helped bridge the gap between diverse expectations.” This approach “fostered a sense of shared purpose” and “made everyone feel valued for their contributions.” When seeking support and resources for the project, the manager emphasized “empowering local voices” to residents and voluntary organizations. He highlighted “the need for more co-creation” in discussions with public officers and promoted “market visibility as socially responsible” in conversations with private sector organizations.

## DISCUSSION

Entrepreneurs consider various factors when evaluating the attractiveness of entrepreneurial opportunities (Haynie et al., 2009). Our study explores how the institutional context affects entrepreneurial public servants’ evaluations of public entrepreneurial opportunities, making two key contributions. First, we reveal the profound effects of institutional logics on their evaluations, shaping initial evaluations, resource mobilization, support gathering, and goal-setting. Second, we expand the concept of entrepreneurial opportunities to include those public sector opportunities entrepreneurial public servants find worth pursuing. We elaborate on these contributions in the following sections.

### Constellation of logics and entrepreneurial opportunity evaluation

Recent studies emphasize the necessity for individuals to persuade themselves and potential stakeholders of the attractiveness of entrepreneurial opportunities (Mitchell et al., 2021; Suddaby et al., 2023). Securing support from key stakeholders is crucial for promoting a favorable perception of these opportunities (Fisher et al., 2016). The challenge lies in establishing and navigating normative

expectations and demands among diverse stakeholders with varying institutional logics (Baldwin, 2019; Fisher et al., 2017; Pahnke et al., 2015). Research demonstrates the effectiveness of employing framing strategies and narratives that align with stakeholders’ dominant institutional logics (Fisher et al., 2017; Suddaby et al., 2023). However, there is limited research on how entrepreneurial public servants within the same public sector organization manage conflicting normative expectations from various groups to enhance the perceived value of recognized opportunities (Fisher et al., 2017; Pahnke et al., 2015; Vickers et al., 2017).

Our findings address these knowledge gaps by revealing how entrepreneurial public servants navigate conflicting normative expectations and demands during the evaluation and exploitation of opportunities. They do this through various constellations of three institutional logics: state, market, and community. In the public sector, these servants balance expectations and demands from three primary sources: (1) politicians, regulatory obligations, and the influence of traditional PA thinking (state logic); (2) private sector firms and the influence of NPM thinking (market logic); and (3) demands from residents, the voluntary sector, and the influence of NPG thinking (community logic).

When evaluating opportunities arising from unmet public needs, entrepreneurial public servants typically employed the state logic to navigate the complex interplay of political expectations, regulatory frameworks, and accountability mechanisms inherent in public sector initiatives. This approach aligned with public mandates and leveraged municipal or public sector resources to enhance service delivery while managing bureaucratic constraints, market dynamics, and local aspirations (Bernier & Hafsi, 2007; Gümüşay, 2018). Conversely, when addressing market imbalances, entrepreneurs utilized the market logic to access private sector resources and integrate competitive strategies, efficiency-driven processes, and performance metrics. This required reconciling public goals with market dynamics and local aspirations, fostering innovation within municipal performance constraints (Gümüşay, 2018; Klein et al., 2010). Lastly, when focusing on unmet community needs, the community logic prevailed, necessitating deep engagement with local norms, values, and participatory practices. This strategy involved mobilizing community resources, fostering community involvement, and balancing local aspirations with broader municipal goals and market dynamics, illustrating the complex dynamics of community-centered entrepreneurship (Bernier & Hafsi, 2007; Saebi et al., 2019).

Why do state, market, and community logics influence how entrepreneurial public servants evaluate opportunities, mobilize resources, gather support, and set goals? We speculate that the specific constellations of these logics observed in the public sector arise from Norwegian municipalities experiencing multiple, competing conceptions of the state over the past three decades. The

incumbent state logic of the public sector has faced challenges from two reform streams: NPM-oriented and NPG-oriented reforms. NPM-oriented reforms introduced market logic into public organizations by transitioning from bureaucratic to business-like management and promoting cooperation with private firms, including public-private partnerships (Meyer et al., 2014). More recent NPG-oriented reforms have incorporated community logic by encouraging participatory service co-creation with citizens and nonprofits to meet their needs (Lindsay et al., 2021). These shifts illustrate that logic constellations can change across both time and space (Bohn & Gümüşay, 2024). The introduction of market and community logics into the state corroborates research by Quattrone (2015) on long-term logic evolution and by Yan et al. (2021) on the dynamic interplay of logics over time. Our study contributes to this discussion by highlighting the evolving nature of logic constellations within the public sector.

Furthermore, we found that entrepreneurial public servants tailored their opportunity narratives by skillfully combining the three institutional logics. They emphasized the sources of opportunities, means, and ends associated with the dominant logic and supplemented them with sources, means, and ends from the secondary logics. This approach allowed them to adeptly manage institutional complexity and its impact on their projects (Greenwood et al., 2011). Our findings bridge two views of institutional logics: as toolkits (McPherson & Sauder, 2013), and as structuring axioms (Thornton et al., 2012). We propose that while the constellation of logics forms a macro-structure offering various options for entrepreneurial public servants, the choice of which logic to prioritize reflects individual agency and the importance of strategic thinking. This view speaks to work that stresses the significance of both the commitment from actors to, and their situatedness in, institutions (Gümüşay et al., 2024). It also aligns with research emphasizing the importance of distinct logic constellations in particular contexts (Värlander et al., 2016) and organizational engagement with these constellations (Sadeh & Zilber, 2019).

This also addresses the fundamental question of explaining embedded agency and the balance between structure and agency (Battilana & Dorado, 2010; Greenwood et al., 2011). The relationships among logics within constellations differentially affect entrepreneurs (Goodrick & Reay, 2011; Meyer et al., 2014). Our findings show that entrepreneurial public servants shape these relationships by prioritizing one logic over others within the constellation. In essence, while the available logics within a constellation constrain the choices of entrepreneurial public servants, they actively exercise their agency by strategically organizing these logics. This strategic organization reveals consistent patterns in how institutional logics interact within public entrepreneurial opportunities.

Building on this insight, our findings introduce boundary conditions that clarify the consistent structure of the

interplay among institutional logics in public entrepreneurial opportunities. Unlike prior research, which highlights variability (Vickers et al., 2017) or focuses on specific pairs of logics (Meyer et al., 2014), we find that public entrepreneurial opportunities inherently involve three logics: state, market, and community. In these opportunities, one logic consistently dominates. This boundary condition applies specifically to public sector contexts where these three logics interplay, rather than to contexts dominated by a single logic or lacking the influence of community or market logics.

## Public entrepreneurial opportunities

Our study also expands the existing body of research on public entrepreneurial opportunities (Audretsch et al., 2020; Zerbini & Souitaris, 2005). Despite a wealth of evidence on entrepreneurial activity within public sector organizations, the specific opportunities that draw the interest of entrepreneurial public servants have not received enough attention (Gullmark & Clausen, 2023; Klein et al., 2010). Moreover, the way the public sector's institutional context affects public servants' evaluations of which entrepreneurial opportunities to pursue remains unclear (Alvarez et al., 2020; Saebi et al., 2019).

Contributing to this scholarly discourse, our study offers new insights into public entrepreneurial opportunities and presents a taxonomy for their classification. We specifically focused on opportunities that appeal to both entrepreneurial public servants and their key stakeholders (Baldwin, 2019; Mitchell et al., 2021). This focus does not imply that entrepreneurial public servants only find the types we have identified appealing. Instead, our theoretical framework suggests that acknowledging the prevailing institutional logics can make these identified opportunities more appealing to both public servants and stakeholders, thereby increasing the chances of their exploitation (Fisher et al., 2017; Suddaby et al., 2023).

Our study identifies three types of public entrepreneurial opportunities for entrepreneurial public servants: welfare, economic, and participatory. Different combinations of state, market, and community logics shape these opportunities, resulting in three distinct constellations of logics. Entrepreneurial public servants pursue welfare opportunities when state logic dominates, engage in economic opportunities when market logic prevails, and explore participatory opportunities when community logic takes precedence.

How do public entrepreneurial opportunities differ from those that profit-seeking and social entrepreneurs pursue? Our study shows that entrepreneurial public servants target a broad spectrum of opportunities. Like profit-seeking entrepreneurs (Alvarez et al., 2020), they capitalize on market imbalances and harness market resources to enhance organizational performance (economic opportunities). Similarly, they align with social



entrepreneurs (Austin et al., 2006; Saebi et al., 2019) by valuing opportunities that resonate with community interests, leverage local resources, and aim to foster community development and involvement (participatory opportunities). Additionally, entrepreneurial public servants foster public interests, utilize public sector resources, and aim to improve public goods and social services, such as infrastructure, healthcare, and education (welfare opportunities). Profit-seeking entrepreneurs often overlook these opportunities due to limited financial returns, and social entrepreneurs find them challenging due to significant resource requirements (Austin et al., 2006; Klein et al., 2010). We speculate that broader public sector goals and a societal shift toward involving public servants in entrepreneurial activities traditionally reserved for the private and third sectors (NPM-oriented and NPG-oriented reforms) drive the growing appeal of economic and participatory opportunities among public servants (see also Dhliwayo, 2017; Vickers et al., 2017).

## CONCLUSION

While our study provides compelling evidence of how public servants evaluate entrepreneurial opportunities in the public sector, we acknowledge its pilot nature and limitations, and suggest directions for future research. One limitation of our study is its focus on the Norwegian municipal sector. Nevertheless, our findings may apply to other countries, as the influence of institutional logics on public entrepreneurial opportunities likely extends beyond Norway. However, the appeal of specific opportunities to public servants may differ across countries due to distinct historical, cultural, and political contexts. For example, in the US, New Zealand, and Australia, where NPM is more prevalent compared to Nordic countries (Torfing et al., 2019), market-driven public sectors may lead public servants to prioritize economic opportunities. Future comparative research should examine how public entrepreneurial opportunities vary internationally, enhancing the generalizability and scope of our findings.

Additionally, by focusing only on ongoing, equally successful entrepreneurial projects, we recognize a risk of sample bias. Future research should thus include both successful and unsuccessful projects to uncover reasons for failures, even with positive initial evaluations. Additionally, exploring if traditional and social entrepreneurs perceive a broader range of opportunities could offer valuable insights. Despite these limitations, we hope our findings stimulate further research into the complex relationship between institutional logics and entrepreneurial opportunities, encouraging deeper exploration of public sector entrepreneurship.

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