

# Value Creation in Private and Public Sector: Impact of Social Entrepreneurship on Identifying the Performance

**B. Vignesh\***

Assistant Professor, M.A, M. Phil Economics, Alpha Arts and Science College, India.  
\*Corresponding Author Email: vignesh.guru2014@gmail.com

## Abstract

The research article has been pointing out on value creation to improve performance of business. In the country, private and public entrepreneurs have played the most effective role as social entrepreneurs. In the marketplace, social entrepreneurs mainly provided services to the social people. In this regard, value creation has helped social entrepreneurs to improve performance. Along with that, this research article has adopted secondary thematic analysis to understand the importance of value creation in social enterprise performance. Value creation has provided a significant strategy to the business organization to develop efficiency in the marketplace.

## Keywords

Customer's satisfaction, Gross Domestic Products (GDP), information and communication technologies (ICT), value creation

## INTRODUCTION

Value creation is the strategy that helps to improve entrepreneurship performance in the marketplace. In the business performance, organizations have used work and resources to create value in the marketplace that increases effectiveness of the organizations. Along with that, this research has discussed the impact of value creation on private and public sectors entrepreneurship performance. In this regard, this research study has included secondary data analysis to understand the importance of value creation in entrepreneurship performance.

## Rational

In the business performance, proper structure and effective strategic plan have helped to improve the business performance of the organization in the marketplace. In the past, private social entrepreneurship has faced different issues such as *poor-quality products, high market competition, improper marketing strategy.*

Company	Revenue	Loss
Flipkart	Rs1952 crore (2.5x)	Rs2306 crore (2.1x)
Amazon	Rs2275 crore (2.2x)	Rs3572 crore (2.1x)
eBay	Rs392 crore (3x)	Rs262 crore (1.5x)
Shopclues	Rs178 crore (2.2x)	Rs383 crore (3.8x)
FirstCry	Rs174 crore (1.5x)	Rs123 crore (2x)
Pepperfry	Rs98 crore (4x)	Rs154 crore (2x)

**Figure 1:** Loss of private social entrepreneurs (Source: [7]. 2021)

Along with that, private entrepreneurs have decreased the profit of the business organizations. In India, significant private entrepreneurs are *Amazon, Flipkart, eBay,*

*Shopclues* and others. In India, these private social entrepreneurs have faced higher losses than revenue. According to the above-mentioned figure, the loss of Flipkart was **2306 crore** and the loss of Amazon was **3572 crore**, higher than the profit of the organizations ([7]. 2021). In this regard, value creation has helped to increase efficiency of the organization.

## PSUs lost half of the efficiency in the last ten years

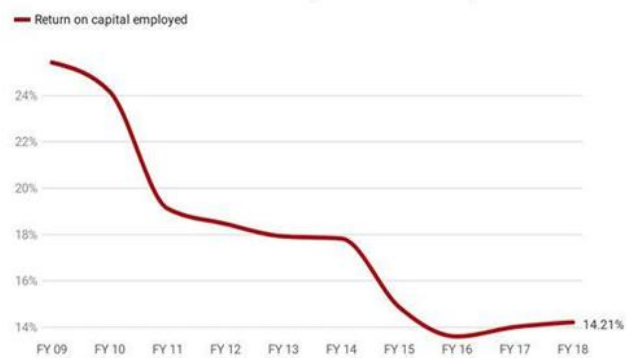


Chart: Dipu Rai • Source: Public Enterprises Survey 2017-18: Vol-I • Created with Datawrapper

**Figure 2:** Loss of public social entrepreneurs (Source: [11] 2018)

On the other hand, public social entrepreneurs of India have faced different issues such as *lack of national values, poor technologies, and lack of initiative* has decreased the profit of the organizations. The above-mentioned figure represents ten years of loss of public sector entrepreneurs in India ([11] 2018). In this regard, value creation plays the most effective role to develop the performance of public and private sectors entrepreneurship in India.

## Research objectives

- To discuss the role of value creation in public and private entrepreneurship.

- To analyse the effect of value creation in social entrepreneurship performance.
- To understand the importance of value creation to develop public and private entrepreneurship performance.

### Research questions

- What kind of role plays value creation in public and private entrepreneurship?
- How value creation affects social entrepreneurship performance?
- Why is value creation important to develop public and private entrepreneurship performance?

### Role of value creation in social entrepreneurship

Social entrepreneurship is a field that helps to understand the goal of the business. In this regard, value creation is the most significant strategy that helps to improve performance to mitigate the goal of the organization. Social entrepreneurship mostly deals with social people. According to [3] (2018), **better product and service quality** has helped the business organization to fulfil customers' demand and increase the efficiency of the business organization. Along with that, value creation **increases personal profit** of the business organization. Moreover, value creation activity helps to **identify new products** for the business organization that **expand the economic activity** of social entrepreneurship. [1]. (2018), argued that in social entrepreneurship, value creation has helped to build effective relationships between the business organization and customers that increase organizational popularity in the marketplace. In the business performance, stakeholders, leadership, supplies play the most effective role. Along with that, value creation strategy has helped to establish strong bonding among the stakeholder, suppliers, and leaders of the entrepreneurship that help to improve the performance of the organization.

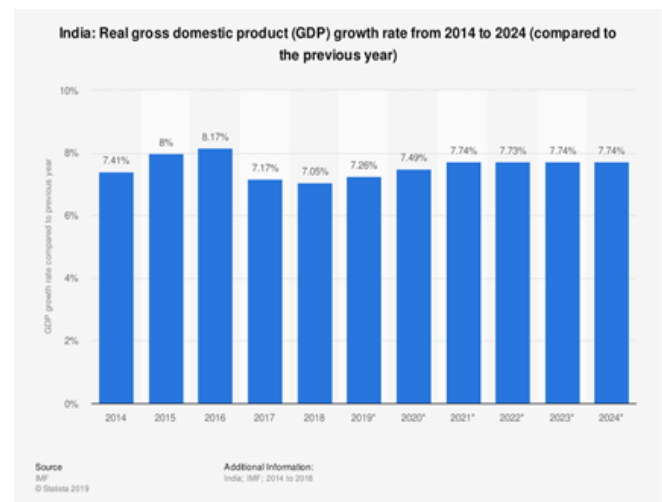
### Impact of value creation on social entrepreneurship performance

Social entrepreneurs have provided services to society. In the marketplace, public sector entrepreneurship and private sector entrepreneurship both provide products and services to the social people. In the words of [10]. (2019), value creation has helped provide effective strategies such as **cost reduction strategy, increase employment ability strategy** to improve sales and marketing of the business organization. In the business performance, communication with the customers has increased the effectiveness of the business organization. In this regard, value creation has increased the profit of the business organizations. In public and private entrepreneurship organizational structure advantages have provided **faster growth** of the business organizations. In the public sector value creation has improved access to capital of the business organizations. [5] (2018), argued that this strategic approach has provided an opportunity to the employees to increase their ability to improve **the quality** of the products. In social entrepreneurship, value creation has

helped to understand the choice of the customers in the marketplace. In this regard, according to the value creation of the public and private sectors, business organizations have **made products based on the customer's choice** that help to improve organizational profits. Along with that, value creation has increased efficiency of the business organization in the marketplace.

### Evaluation of value creation in public and private entrepreneurship performance

In the marketplace, entrepreneurship plays the most significant role to develop the business. In the words of [9]. (2019), value creation has provided structural advantages that indicate organizational effective management to the business organization to increase profit. In the public sector, value creation has provided proper guidance to the business entrepreneurship for holistic development. The public sector consists of governments and all publicly controlled or publicly funded agencies, enterprises, and other entities that deliver public programs, goods, or services. The main aim of the public sector is to provide welfare services to the people in society. In business performance, value creation has provided a marketing plan and improved stakeholder confidence to improve future performance that helps to increase efficiency.



**Figure 3: GDP growth of private sector**  
(Source: [8] 2018)

Moreover, in the private sector, value creation strategy has helped to improve product quality to increase sales. On the other hand, the most significant advantage of value creation is increased customer satisfaction that helps to increase profit of the organization ([8] 2018). The above-mentioned figure has represented the 2014 to 2024 Gross Domestic Products (GDP) growth of private sector entrepreneurship. [4]. (2019) Value creation has helped to improve financial performance of public and private entrepreneurship. Along with that, social business organizations have adopted advanced technologies to progress the business in the marketplace. The **automation technologies, advanced software** has improved business performance of public and private entrepreneurs.

## METHODOLOGY

Methodological part of the research study has helped to identify appropriate techniques to analyse the research topic. This research article has discussed the impact of value creation in public and private sector performance. Along with that, the research study “*Entrepreneurs’ individual-level resources and social value creation goals: The moderating role of cultural context*” has selected a primary survey method to understand the importance of value creation to fulfil the social goals of the business organizations ([2] 2019). This research study has surveyed the adult populations to get actual data of value creation in public and private social entrepreneurs. In this regard, this research study included a sample of 2000 adults from 50 different countries to analyse the role of value creation in public sector and private sectors performance. This research study has conducted statistical analysis to get the result of the primary survey. According to the selected research study, this research article has adopted secondary thematic analysis to understand the past impact of value creation in social entrepreneurship performance. In the research study, secondary data has helped to establish a comparative study that increases the relevance of the research.

## DATA ANALYSIS

### Thematic analysis

#### *Theme 1: Contribution of value creation on public and private social entrepreneurs*

In business performance, employees play the most significant role to improve business efficiency in the marketplace. Along with that, the value creation strategy has helped to increase the satisfaction of the employees in the business organization. In the past, employees of private sectors have faced different issues such as **lack of skills and experience, low motivation, and performance issues**. Along with that, value creation has helped to take advanced initiative for social entrepreneurs to satisfy employees and fulfil employees’ requirements. On the other hand, in public sectors employees have faced issues due to **poor communication, planning, inadequate monitoring and evaluation** ([6]. 2018). These factors have decreased entrepreneurs' performance in the marketplace. In this regard, value creation has helped to take advanced technologies such as **automation technology, information, and communication technologies (ICT)** that helped to improve employees' performance and build effective communication that help to increase profit of the entrepreneurs. Moreover, value creation strategy has provided skill development training to the employees that help to improve organizational efficiency in the marketplace.

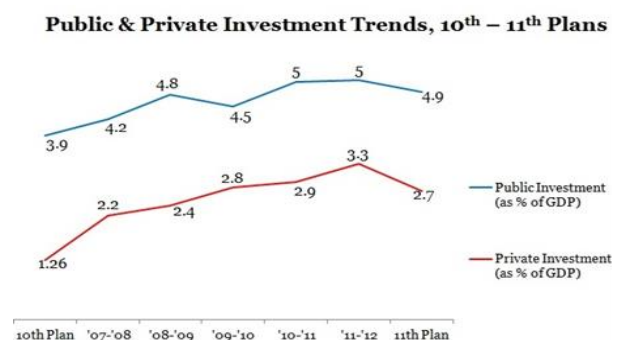
#### *Theme 2: Improvement of social entrepreneur’s performance through value creation*

Value creation strategy has helped to improve social business performance in the market. One of the most

effective benefits of value creation is to **create social-economic value** for the business organization through increased brand value. In the market, effective product quality is one of the most significant ways that help to **improve organizational popularity** in the marketplace. Along with that, value creation has improved product quality and introduced new products to enhance the customer's area of the business organization. Value creation has improved social entrepreneurs' performance through a **cost-saving approach**. In the business performance, higher rate of cost of the business organization has decreased the profit of the social entrepreneurs. Along with that, value creation has helped to manage the cost of the public and private social enterprise through increased ability of the employees. On the other hand, an effective teamwork environment has **increased organizational efficiency** ([12] 2018). In this regard, value creation has improved communication among the employees that provide better services to the customers and enhance customers' area in the marketplace. Customer enhancement has improved enterprises' performance and increased the profit of the business organizations.

#### *Theme 3: Analysis of value creation adaptation in public and private entrepreneurship performance*

In the public and private sector entrepreneurship, value creation has developed the business from a financial perspective. In the marketplace, entrepreneurs' financial performance has helped to increase profit of the organization. In the past, the public sectors and private sector social entrepreneurs failed to fulfil the requirements of the customers. Along with that, value creation has increased revenue for business entrepreneurs. In the present time, most of the business organizations have faced high market competition in the market. In this regard, value creation has helped to improve entrepreneurship performance through adaptation of value creation strategy.



**Figure 4:** GDP contribution of public and private entrepreneurs  
(Source: [13]. 2021)

In the nation, public and private social entrepreneurs have helped to improve economic conditions. In this regard, India has the 10th year financial plan to improve social entrepreneurs. According to the plans, private sector and public sector entrepreneurs have contributed to GDP that

helps to improve countries' financial condition. In the 11th year, the public sector has contributed **4.9% of the country's GDP** to improve the financial performance of the nation ([13]. 2021). The value creation strategy has helped social entrepreneurs to improve organizational performance in the marketplace.

### CONCLUSION

Value creation is one of the most significant approaches that help to develop private and public sector performance in the marketplace. In the past, social entrepreneurs have faced different issues. Along with that, value creation has helped to improve brand popularity in the marketplace that increases profit if the business organizations. In this regard, the value creation strategy has helped to satisfy the customer's demand in the marketplace. In this regard, customer satisfaction has enhanced customers' areas of the business organization and financial profit as well. In this regard, value creation helps to develop the performance of social entrepreneurs.

### REFERENCE

- [1] Aquino, R.S., Lüick, M. and Schänzel, H.A., 2018. A conceptual framework of tourism social entrepreneurship for sustainable community development. *Journal of Hospitality and Tourism Management*, 37, pp.23-32.
- [2] Brieger, S.A. and De Clercq, D., 2019. Entrepreneurs' individual-level resources and social value creation goals: The moderating role of cultural context. *International Journal of Entrepreneurial Behavior & Research*.
- [3] Dwivedi, A. and Weerawardena, J., 2018. Conceptualizing and operationalizing the social entrepreneurship construct. *Journal of Business research*, 86, pp.32-40.
- [4] Galindo-Martín, M.Á., Castaño-Martínez, M.S. and Méndez-Picazo, M.T., 2019. Digital transformation, digital dividends and entrepreneurship: A quantitative analysis. *Journal of Business Research*, 101, pp.522-527.
- [5] Hlady-Rispal, M. and Servantie, V., 2018. Deconstructing the way in which value is created in the context of social entrepreneurship. *International Journal of Management Reviews*, 20(1), pp.62-80.
- [6] Howell, R., van Beers, C. and Doorn, N., 2018. Value capture and value creation: The role of information technology in business models for frugal innovations in Africa. *Technological Forecasting and Social Change*, 131, pp.227-239.
- [7] Lartey, P.Y., Kong, Y., Afriyie, S.O., Santosh, R.J. and Bah, F.B.M., 2021. Knowledge management issues in India: a public sector perspective. *International Journal of Public Administration*, 44(3), pp.215-230.
- [8] Mohanty, B.K. and Krishnankutty, R., 2018. Determinants of profitability in Indian banks in the changing scenario. *International Journal of Economics and Financial Issues*, 8(3), p.235.
- [9] Nenonen, S., Storbacka, K. and Windahl, C., 2019. Capabilities for market-shaping: Triggering and facilitating increased value creation. *Journal of the Academy of Marketing Science*, 47(4), pp.617-639.
- [10] Rawhouser, H., Cummings, M. and Newbert, S.L., 2019. Social impact measurement: Current approaches and future directions for social entrepreneurship research. *Entrepreneurship Theory and Practice*, 43(1), pp.82-115.
- [11] Sreedharan V, R. and Raju, R., 2018. Development of a Green Lean Six Sigma model for public sectors. *International Journal of Lean Six Sigma*, 9(2), pp.238-255.
- [12] Tate, W.L. and Bals, L., 2018. Achieving shared triple bottom line (TBL) value creation: toward a social resource-based view (SRBV) of the firm. *Journal of Business Ethics*, 152(3), pp.803-826.
- [13] Weerawardena, J., Salunke, S., Haigh, N. and Mort, G.S., 2021. Business model innovation in social purpose organizations: Conceptualizing dual social-economic value creation. *Journal of Business Research*, 125, pp.762-771.