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## **THE DECISIVE ROLE OF STRATEGIC HUMAN RESOURCES MANAGEMENT IN THE SUCCESS OF ENTREPRENEURSHIP AND INNOVATION IN THE MODERN ENTERPRISE: A PRACTICAL MODEL**

The role of human resources (HR) is a decisive element that implements institutional development and inter-organizational transfer, in cooperation with the role of entrepreneurship which promotes knowledge, skills, experiences through leaders, and joint venture to redesign and analyse the influence of different roles of top managers, intermediate managers and employees, as well as HR inter-organizational practices in this transfer. The hypotheses of this paper are based on a new model using the complementary relationships between six selected variables.

Nowadays, enterprises must improve their flexibility and gain competitive advantages by nurturing entrepreneurs through their operations. Entrepreneurship and innovation play an indispensable role in improving productivity and promoting economic growth. There are many definitions for corporate entrepreneurship and development, although all are based on entrepreneurial behaviour including innovation, pro-activeness and risk-taking, or HR analytics (HRA) and skills perspective. Entrepreneurial behaviour is based on achieving and exploiting market opportunity to raise the enterprises' innovative capacity. Innovation in HRA enables the processes of corporate entrepreneurship and plays a key role in entrepreneurial enterprises as a catalyst in organizational development and growth. Research on the role of HRM – leadership in the entrepreneurial process is only now beginning to emerge, but comprehensive and rigorous theoretical models that relate both areas insufficiently explain this role. However, initiatives in the fields of HRA and entrepreneurship are well-developed and recognized in the discipline, and interests in this combined area have expanded greatly since 2000, with the appearance of more rigorous empirical studies.

The main objective of this paper is to investigate the relationships between HR and efficient leadership, corporate entrepreneurship, innovative enterprise, joint venture, performance from different points of view/approaches and to present a methodological model that relates to this new approach.

**Keywords:** HR analytics, leadership, entrepreneurship, innovation, performance

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## 1. INTRODUCTION

The subject of the intersection between HRM, leadership, entrepreneurship, innovation, joint venture and performance takes on an increasing importance during the last decade because earlier scholars did not focus their research and studies on the interchangeability and complementarities of these topics.

Currently, the literature on HRA and leadership in entrepreneurial firms, innovation and joint venture tries to determine how far this line of research had progressed. Pioneer researchers analysed these topics in the literature and identified the limitations of this field, while looking for future lines of research. HR analytics invests in talents and competencies of all persons in organizations using big data and the strategic style of management. Leadership here is considered as leverage used in any means to properly manage the organization toward achieving set goals. Entrepreneurship would encourage the building of relationships among employees; between employees and the organization; and between employees and key organizational stakeholders. Joint ventures facilitate initiatives and creative ideas put forth by leaders and management and talented employees. Innovation is the result of these necessary inter-relationships because they represent essential channels of flow of knowledge and information, which are the building blocks of ventures, innovations and new opportunities.

Some specialists and practitioners of management and economy recognize HRM, leadership, entrepreneurship and innovation as key mechanisms for stimulating entrepreneurial initiatives within firms, and most studies have approached the phenomenon within the context of large corporations, but few information is known about its characteristics in small and medium-sized enterprises.

How do HRA practices promote an appropriate working environment for entrepreneurship? The main studies show that the creation of personal relationships and the development of open communication between owner-leaders and HR, and among employees themselves, can help to explain the dynamics of entrepreneurial behaviour in organizations. Communication tools are important, not only for promoting entrepreneurial activities, but also for creating the appropriate work environment to carry out other resource management practices that stimulate entrepreneurial behaviours to become innovative.

This paper aims to discuss the intersection between HRA and leadership with corporate entrepreneurship, to encourage all HR to play an essential role in the innovative performance of corporate entrepreneurship and to orient future research in HRM and economy in entrepreneurial firms by enabling them to better understand the direction in which the field is going and what gaps remain.

The paper also highlights different HRM factors of entrepreneurial behaviour and their influence on corporate entrepreneurship and innovation or venture by presenting a model easily used in organizations for achieving results from different empirical contexts such as small and medium-sized firms or big enterprises.

In the theoretical part of the paper, we will present the literature concerning key elements of the HR analytics, leadership, entrepreneurship, innovation and joint venture relationship. In the practical part, we present our practical model of intersection of these components in modern enterprises (which we developed as part of our academic work and consulting at the Gaziantep University to improve the socio-economic integration of the young or migrants to this region and to reduce the unemployment rate and migration to other countries) for improving performance and raising the productivity of enterprises or for applying the appropriate style of management.

## **2. THEORETICAL PART**

### **2.1. Literature review**

In the past ten years, many scientists and practitioners have been interested in the relationship between HRM and entrepreneurship and innovation, but few of them present the intersection of HR analytics with leadership, entrepreneurship, innovation and performance.

The contribution of this research is to put forth an approach based on a practical model which explains this perspective and methodology. A number of key constructs have emerged as being important to the promotion of modern enterprises. This review is focused on the various HR analytics practices that are believed to influence leadership, entrepreneurship, joint venture, innovation and performance.

First, HR analytics is an area in the field of analytics that refers to applying analytic processes to the HR department of an organization in the hope of improving HR performance and therefore achieving a better return on investment at the organizational level. HR analytics aims to provide insight into each process by gathering data and then using it to make relevant decisions about how to improve these processes [30]; it can help resolve big problems and issues surrounding these requirements. Applying HR analytics will guide managers to answer questions and gain insight from the information at hand, and then to make relevant decisions and take appropriate actions [9]. Several large, innovative organizations have started building these kinds of HR analytics departments with great success in the past years (Google, HP, SAS), and an overview of the HR analytics benefits, proposed by SAS [4].

Second, the leadership assumes the role of the intersection of the exchange of knowledge (tacit and explicit) as well as other resources (between leadership and employees, and between leadership and employees, external partners or stakeholders) [32, 33, 34, 35]. Leadership is fundamentally a moral undertaking because it involves people, their hopes, dreams and aspirations. Human-centred leaders have

technical and moral competences and obtain results by helping people grow and flourish in a carefully crafted environment so that they can freely choose to deliver exceptional results, and trust them to head in the right direction in accord with company purpose and principles. Results-centred leaders need to have command and apply control models of leadership to keep everything and everyone moving in the right direction [28].

Third, entrepreneurship is supported by organizational learning, as suggested by several scholars of (CE) corporate entrepreneurship [22]. Entrepreneurship is a strategic orientation involving the regeneration of products, processes, services, strategies or even whole organizations [18]. Regarding human capital, HRM and HR development argue that in the creation, development and sustainability of new ventures human resources play a critical role, and without their development or the recognition of this importance the future of a new enterprise is somewhat precarious [7].

There are success factors linking HR practices to entrepreneurship, these include the appropriate use of rewards, the provision of management support for innovation, the availability of resources for innovation, an organizational structure conducive to learning and cooperation and individual risk taking [27].

Here is the true essence of being an entrepreneur: “It seems to be in the blood, that quality to run with a dream, also essential: A love of risk and a high tolerance for ambiguity” [41]. Many people believe that entrepreneurs are a special group of individuals who have the necessary skills and talents needed to be an excellent business owner. However, in reality, many entrepreneurs are just like anybody else, but they have the desire to change the world with the gifts and talents they possess [53].

Fourth, innovative activities require a willingness on the part of organizational members to take on risk. Agency theory suggests that individual agents may be risk averse relative to principals as a result of their inability to diversify personal risk [21]. This assumption about the internal and external exchange of knowledge is founded upon the formation of trust and social capital [11]. Therefore, training and development practices are expected to have a positive influence on the formation of social capital and trust, and the presence of discretionary behaviours. There is a lack of consensus as to the degree of risk that organizational entrepreneurs must assume, although it is considered lower than that assumed by entrepreneurs acting independently. However, there is an agreement that entrepreneurial organizations require a greater degree of risk acceptance on the part of their employees [10].

## **2.2. Key elements of the relationship among selected variables**

### **2.2.1. Importance of HR analytics in modern enterprises**

HR analytics represents the top stage of the HRM evolution which includes all elements related to HR. It began expanding in modern firms and organizations a few years ago, especially in the USA, Japan, Canada, Northern Europe and West-

ern Europe, but in the emerging and sub-developing countries this approach stayed far from this stage. Now, the practice of HRM and entrepreneurship explains the relationship between HRM, leadership, entrepreneurship, and organizational culture for promoting innovation and performance in modern enterprises.

Table 1. The five main stages of HRM according to Meri [42]

Period	Time period	Levels/Stages	Activities
1	1970-1900	1-Workers Affairs	Implementation of workers affairs: employment, wages, upgrades, medical, pension. - Director of the Department of workers affairs: specialist in law or other specialties.
	1970-1985	2-Personnel Management	Implementation of the previous level, and: Recruitment and selection, training and development, reward and compensation, performance evaluation, career management and planning. - Director of the Department of Personnel: specialist in general management.
	1985-2005	3-HRM	Implementation of the 2 previous levels, and: Strategic management, learned and flexible organization, participative management, leadership, HR auditing, competencies management. - Considering HR as an asset and a renewable resource. - Director of the Department of HRM: specialist in HRM.
2	2005-2012	4-HR Metrics	Implementation of the 3 previous levels, and: <b>Recruiting metrics, retention metrics, training and development metrics, staffing metrics, leadership metrics, talent management metrics, and HR Metrics Pro.</b> Director of the Department of HR Metrics: specialist in HR metrics.
3	2012-.....	5-HR Analytics	Implementation of the 4 previous levels, and: Providing future insight on the business, predicting data, building analytic models at the lowest levels of the business — at the individual HR level, looking for predictable behaviours, propensities, data business rules, finding quantifying patterns in the data using complex mathematical models, predicting future outcomes. Director of the Department of HR analytics: specialist in HR analytics.

These practices are important tools for creating and reinforcing an organization's culture and values. Therefore, they are useful in considering how HRM may indirectly influence entrepreneurship through the creation of an innovation supportive culture.

### 2.2.2. The role of efficient leadership in modern enterprises

**We all influence people in our lifetime, and we each have the responsibility of leadership, we influence others by what we say and do – and by how we do our work.** There is a need for truly great leaders, leaders who are trustworthy, ethical, good, and honest and who have high personal standards. The world is looking for honest and upright leaders, in leadership roles with greater or lesser responsibilities. What is a leader? “A leader is a person who influences people to accomplish a purpose.” How does one become a leader? “A leader correctly assesses a situation and knows how to take the next step.”

Whether you know it or not, whether you believe it or not, you’re a leader or an influencer! Leadership is simply the ability to turn a dream or a vision of a desired future state into reality through the cooperation with other people. To be leaders, we need each other to reach our goals, each of us has only some of the skills needed to do a great job, and we need to surround ourselves with people to fill in our gaps. Understanding your strengths and the strengths of others is the key to effective leadership. **The people you want to influence will not rise to a higher standard of excellence than the one they observe in you. The key to being a good leader is endurance – being a non-quitter.** Leaders don’t arise from the comfort zone. Leaders are not people with exceptional talent; they are people who learn from their mistakes and get up and try again. Persistence is the key to effective leadership: **set measurable goals and work toward accomplishing them.** You will find that many times you may have to work alone, you will probably be lonely. People are looking for leaders who are willing to give it all they have, and they will follow – for a while. **When you are in the leadership role, you have to solve problems. As leaders, we have to be responsible, no matter how unpleasant that is. Running away is not an option.** Facing problems and dealing with them by making good decisions is the difference between a leader and a follower. **Being a leader means being a servant. You are always on call.** A leader works hard. Don't expect your staff or the next generation to do what is right if they see you doing what is wrong. It is of utmost importance to have high ethical standards to be an effective leader; **find the power to change your life and your world – let God be your guide** [36].

Human-centred leadership puts people first and integrates the moral and technical dimensions of leadership. The world is focused on results, there is an overwhelming tendency to consider and reward the technical aspects of leadership. Technical leadership includes all skills and competencies that one needs to perform well in order to lead in business, government and society. Moral leadership involves leading people in the right direction, to do what is suitable, to become the best version of themselves and in particular creating the environment in which that

can happen. Human-centred leaders create environments in which people can flourish, and trust them to head in the right direction in accord with purpose and principles. Human-centred leaders build a technical edifice on a moral foundation, and so become great leaders in business, government and society [28].

### **2.2.3. Organizational change culture and entrepreneurship, innovation in modern enterprises**

Organizational change or culture is one of the domains of HRM which influences leadership, entrepreneurship and innovation. Organizational culture is an important source of sustained competitive advantage as it possesses the characteristics of a strategic asset, namely scarcity, inimitability, value-creation and non-tradability [6]. In a comparison of new business development practices of successful and unsuccessful firms, MacMillan (1987) reports that successful firms had in common the ability to create a venture with culture by inspiring pervasive commitment throughout the division, by avoiding extrinsic incentives and promoting intrinsic rewards.

Effective leaders were able to build confidence in subordinates needed to experiment and take on additional risk. This was achieved by providing encouragement and the necessary managerial support to develop from an existing competence base. Support included providing the freedom to act without rigid constraints and monitoring. Most studies do not explicitly address HRM practices, and the results of these studies suggest that HRM can influence entrepreneurship and innovation through the creation of entrepreneurial change and a culture organization which promotes entrepreneurship with intrinsic rewards, delegates responsibility and avoids overly rigid controls. Finally, the studies propose that HRM influences creativity and innovation by creating a supportive culture. They found that perceived management support and organizational reward systems promote an innovation supportive culture.

### **2.2.4. The influence of corporate entrepreneurship and HRM on modern enterprises**

Certain scholars proposed models for understanding entrepreneurship in relation to HRM. These models focus on [7]:

1. traits,
2. cognitive-based behaviour,
3. human and social capital.

Thus, entrepreneurship is a strategic orientation involving the regeneration of products, processes, services, strategies or even whole organizations [18]. The first

dimension involves the conceptualization of HRM practices and its relationship with entrepreneurship. Some researchers focused on individual HRM practices, such as compensation [2, 3], while others examined the influence of entire HRM systems. The growing popularity of the systems perspective reflects interest in the impact that the HR function has on organizational performance. Entrepreneurship is an important aspect of firm performance that HRM systems are expected to influence.

Studies of HRM systems take a perspective that has become increasingly popular in examinations of HRM and firm level outcomes [26]. It is generally proposed that when HRM practices are internally consistent, they reinforce one another so that their sum is a synergistic influence upon desired employee behaviours [19]. Hornsby, Kuratko, and Montagno [27] identify five success factors linking HR practices to entrepreneurship. These include: the appropriate use of rewards, the provision of management support for innovation, the availability of resources for innovation, an organizational structure conducive to learning and cooperation and individual risk taking.

Twomey and Harris [51] report evidence of a correlation between the presence of a bundle of HR practices (selection, training, and performance management, rewards and career development practices) and the encouragement of entrepreneurial behaviours and entrepreneurship. Unfortunately the inferences from this study are limited due to the correlational nature of the evidence and the use of a single source for data. Finally, Hayton [29] distinguishes discretionary HRM practices from traditional practices. Discretionary practices, such as incentive pay, employee suggestion schemes and formal employee participation programs are those which encourage employee commitment, cooperation, knowledge sharing and voluntary, extra-role behaviours. In contrast, traditional HR practices focus on defining jobs, staffing jobs through a matching process and monitoring prescribed performance. In a study of US small and medium-sized enterprises, Hayton [29] provides evidence that discretionary practices promote entrepreneurship and this relationship is stronger for firms operating in high technology industries.

One common thread in these studies of HRM practices and entrepreneurship is the need for HR systems to support informal employee contributions, to encourage cooperation and to avoid unnecessary bureaucratic constraints on behaviour. However, when examining details of these practices, important contingencies such as technology, strategy, environment or firm life-cycle are rarely considered. A further limitation in current research on HR systems and overall entrepreneurship is a general absence of theory [29].

Entrepreneurs have been described in the following ways: high risk takers, innovators and inventors, individuals who want to be their own boss and individuals who love to think and live outside of the box. Entrepreneurs have many character-



istics that enable them to start their own business and be successful at it. The following are seven basic characteristics of a “true entrepreneur” [53]:

- Characteristic 1: True entrepreneurs have no choice but to start their own business because they are unable to find employment or had been fired from a job.
- Characteristic 2: True entrepreneurs will “keep their eyes open” when starting and running their own business. They understand the risks and setbacks.
- Characteristic 3: True entrepreneurs do not start their own business for the money, but to give something back to society and to add value to others lives.
- Characteristic 4: True entrepreneurs are very passionate about their business and very optimistic at the same time.
- Characteristic 5: True entrepreneurs have no problem with starting from scratch or trying out new ideas to generate revenue for their business.
- Characteristic 6: True entrepreneurs have the ability to overhaul a current business industry or create a new business industry.
- Characteristic 7: True entrepreneurs have self-confidence, a strong sense of reality, are very motivated and action oriented.

However, there are many misconceptions about what it takes to be a true entrepreneur. Many individuals believe that anyone who starts their own business comes from another planet or has special talents that make them stand out from the crowd. Many people believe that entrepreneurs are a special group of individuals who have the necessary skills and talents needed to be an excellent business owner. There are many myths and misconceptions out there regarding what it takes to become an entrepreneur [53]:

- Myth 1: Entrepreneurs are from another planet, flamboyant, impulsive, and daredevils.
- Myth 2: Entrepreneurs are blind optimists, self-centred, and selfish.
- Myth 3: Small business owners cannot compete with the big boys of “big business”.
- Myth 4: Entrepreneurs need a lot of money to promote their business – many successful entrepreneurs understand that one can market a small business on a shoestring budget.
- Myth 5: Entrepreneurs only start their own business to make lots of money. In the first two to five years of a new business, the owner will lose money or break-even.
- Myth 6: Entrepreneurs are born and not made. Some people certainly naturally possess more socially entrepreneurial characteristics than others.
- Myth 7: Entrepreneurs are not afraid to take risks. The best entrepreneurs did indeed take some risks when it came to starting their own business, but they understood those risks before starting their business.

### 2.2.5. Innovation, joint venture and performance in modern enterprises

In spite of the fact that entrepreneurship can be divided into three categories: corporate venturing, strategic entrepreneurship and innovation, these elements cannot be seen as fully independent from each other. For instance, there is a close link between corporate venturing activities and both strategic entrepreneurship and innovation. The strength of the link mainly depends on the objective of a corporate venturing initiative: some corporate venturing activities such as internal or external venturing may serve as a vehicle to introduce innovations, ideas or new products to the market, but other initiatives may lead to strategic renewal due to “significant changes in a company’s business, strategy or competitive profile”. An overview of the aforementioned classification of entrepreneurship and its elements (Corporate Venturing and Strategic Entrepreneurship) is given in Figure 1 [43].

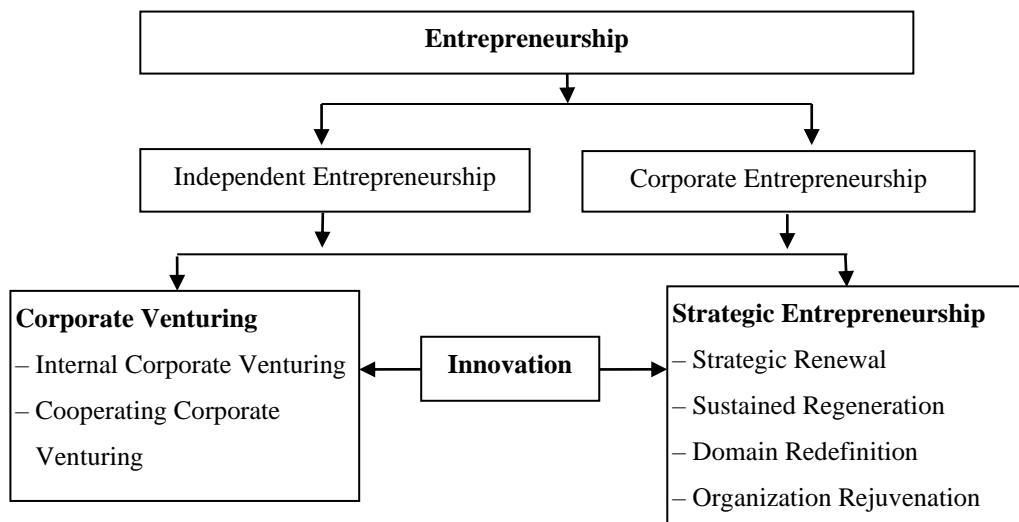


Fig. 1. Classification of corporate entrepreneurship and its components [43]

As already mentioned in the theoretical fundamentals of HRM, an organization is defined as the unification of people who pursue collective goals. Therefore, the behaviour of an organization is substantially determined by its individual members. Depending on the desired level of **entrepreneurship** (Low Level: Repetitive, Predictable Behaviour or High Level: Creative, Innovative Behaviour), an appropriate expression of each attitude (**Low or High**), characteristic or behaviour is required. This relationship is illustrated as follows in Table 2.

Table 2. Relevant employee characteristics for corporate entrepreneurship [13]

Low Level Of Entrepreneurship	Highly Repetitive, Predictable Behaviour	High Level Of Entrepreneurship	Highly Creative, Innovative Behaviour
	Very Short Term Focus		Very Long Term Focus
	Highly Independent Autonomous Behaviour		Highly Cooperative Independent Behaviour
	Very Low Risk Taking		Very High Risk Taking
	Very High Concern for Process		Very High Concern for Results
	High Preference To Avoid Responsibility		High Preference To Assume Responsibility
	Very Inflexible To Change		Very Flexible To Change
	Very Comfortable With Stability		Very Tolerant Of Ambiguity and Unpredictability
	Very Low Task Orientation		Very High Task Orientation
	Focus on Efficiency		Focus on Effectiveness

### 3. PRACTICAL PART

#### 3.1. The impact of a HR analytics system on selected variables in modern enterprises

Some authors propose an assumption that the internal and external exchange of knowledge is founded upon the formation of trust and social capital [11]. This discretionary behaviour in the form of organizational citizenship, trust, and social capital is reciprocally related and is therefore included as a single mediating construct to simplify the model [11]. Social capital and the exchange of knowledge are important mediators in the association between HRM practices and corporate entrepreneurship. This conceptual framework explains the relationship between HRM and CE.

Research by Soriano and Martínez conducted on leadership style and entrepreneurial behaviour confirmed that relationships and participative leadership foster entrepreneurial spirit, among members in firms. Likewise, some studies examined the impact of HR analytics systems on leadership, **entrepreneurship**, joint venture and innovation. Soutaris [48] examines the relationships between HR and innovation in Greek manufacturing firms. He reports that both human capital investments and the incentives offered for contributions to innovation were of major importance with respect to firm innovativeness.

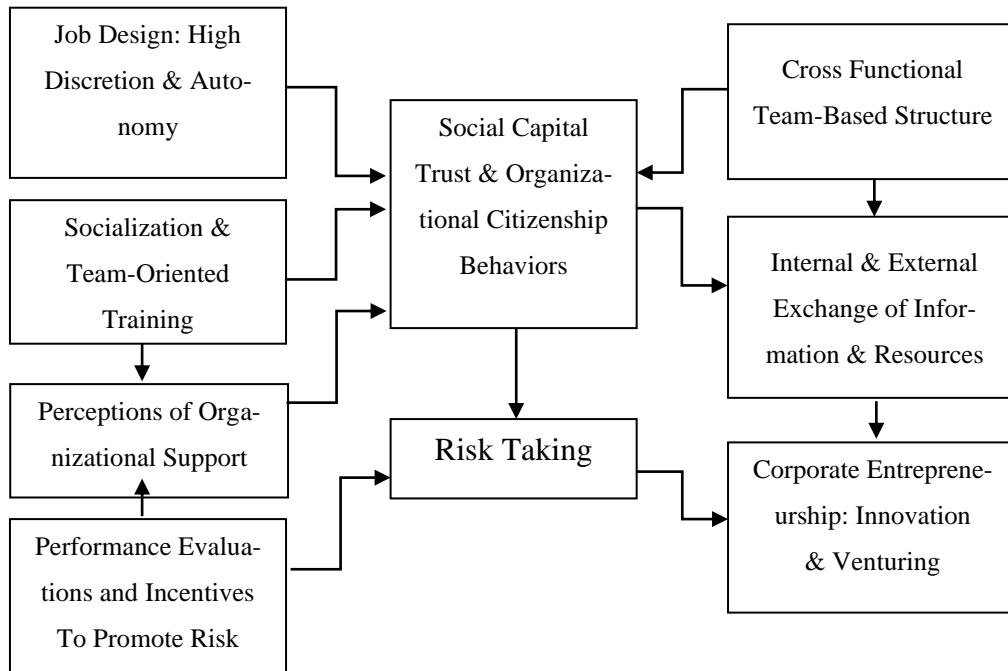


Fig. 2. Conceptual framework for the relationship between HRM and corporate entrepreneurship [29]

Laursen (2002) and Laursen and Foss (2003) propose that new HRM practices (teamwork, delegation and performance-related pay) will have a greater impact on innovation when used in combination and this relationship will vary according to the knowledge-intensiveness of industries because these practices promote decentralization, better coordination and better combination of knowledge and skills.

It is important to acknowledge that HRM practices, levels of corporate entrepreneurship and their interrelationships may be influenced by national culture [29].

A truly entrepreneurial leader has the capability to influence others to embrace the entrepreneurial spirit. Hence, businesses will be able to benefit from the creation of leadership in the organization [39].

Furthermore, the theory of social learning concludes that leaders have the ability to influence the team members' behaviour, creating the conditions necessary for CE; an individual may be found to be lacking competence to perform the role of an entrepreneur, especially in a large organization due to the degree of complexity surrounding the business activity. It is reasonable to propose to firms to create a condition of leadership that cultivates an entrepreneurial spirit in manufacturing firms, and generates an innovative performance in corporations. Figure 3 explains the correlation between HRM, Leadership, Entrepreneurship, Joint venture, and Innovation.

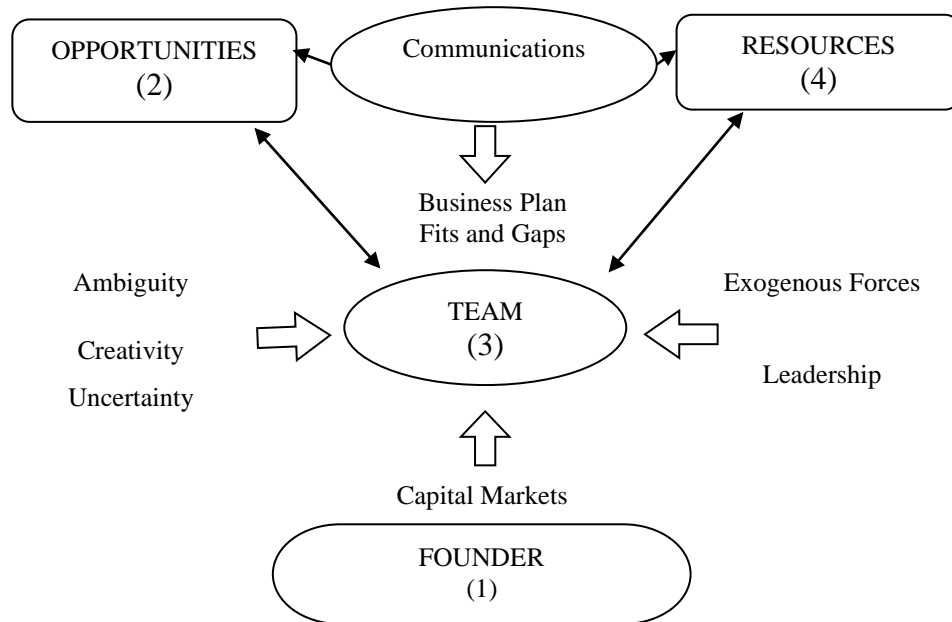


Fig. 3. The correlation between HRM, Leadership, Entrepreneurship, Joint venture and Innovation [49]

### 3.2. The impact of leadership and HRM on entrepreneurship

Leadership is one of the most essential elements for improving enterprises' performance, and leaders are potent sources of managerial rents and hence of sustained competitive advantage [46]. Both Leadership Substitute Theory [38] and Leader-Member Exchange Theory [8] postulate that the association between leadership style and situational favourableness will enhance the effectiveness of leadership in organization. Conversely, HRM implies a concern with anything and everything that relates to the management of the employer-employee relationship [12]. Thus, HRM plays an important role that supports managers in performing HR-related routine business activities [46].

The practice of HRM particularly in formulating HR policies, strategies and procedures to attract and retain the best talent in an organization is indeed shaped by senior management to guarantee business effectiveness [45]. An effective leader is able to adapt to the leadership behaviour or style that meets employees' expectations effectively. Therefore, the association between leadership styles and management of human resources became a critical contributor to business success. The identification of the specific mechanism between leadership and HRM practices should be considered as a central issue in this line of research (Figure 4).

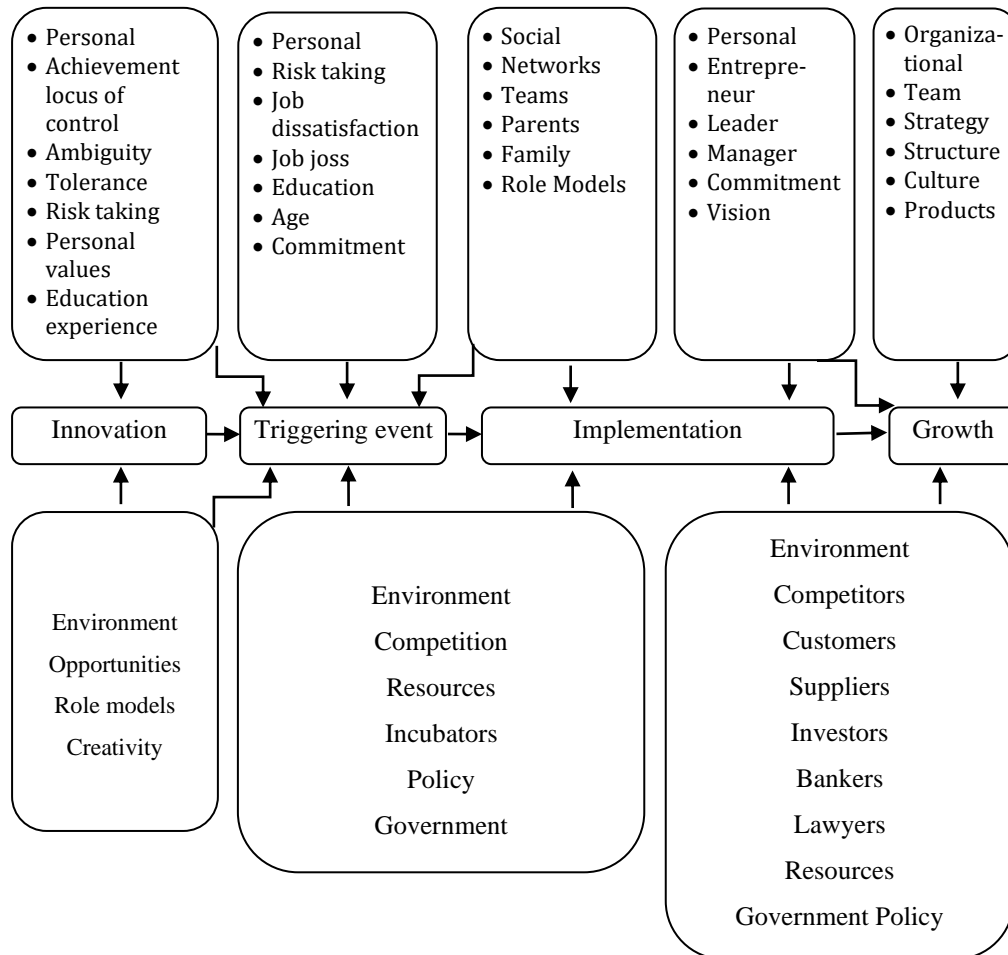


Fig. 4. Model of the entrepreneurial process [16]

The role of HRM is essential in shaping the organizational culture and enhancing the morale of employees and teams. HRM practices such as training and development, performance appraisal, compensation, etc. are often tied to improving learning in organizations and enhancing the motivation of employees. HRM practices are esteemed for having a great impact on adding value to the intellectual capital of firms. Other HRM practices have been investigated, including team based practices, delegation and performance-based pay.

Some researchers investigated HRM practices from a systems perspective. Five key success factors of CE in the US and Canada have been tested and confirmed including: rewards, management support for innovation, resource availability, organizational structure refined for learning and risk taking behaviour [27].

Some studies were conducted in Western countries to measure the contribution of HRM practices in supporting teamwork by minimizing organizational boundaries, and encouraging organizational commitment and informal contribution apart from formal tasks and responsibilities. However, the study of the effect of HRM practices on CE in Malaysia is yet to be carried out for fill the gap by conducting this study [23]. A model incorporating HRM, leadership and entrepreneurship is developed to enhance manufacturing firms' innovative capacity through the cultivation of an entrepreneurial spirit within organizations (Figure 5). According to this model, the greater presence of HRM and leadership will result in greater corporate entrepreneurship in organizations.

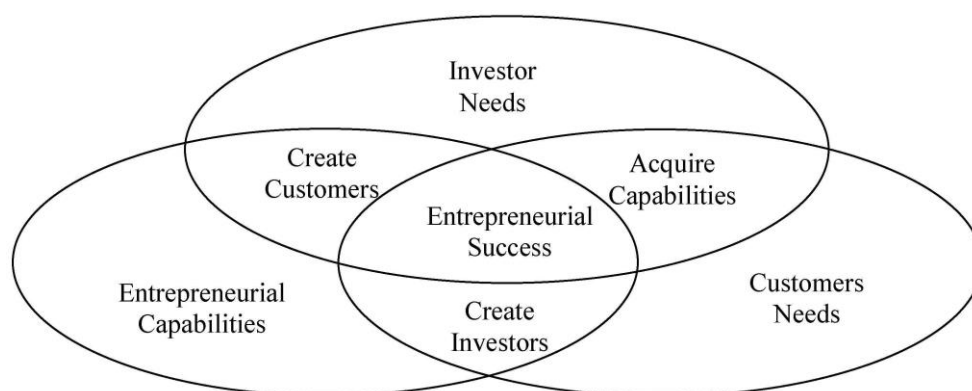


Fig. 5. A model incorporating HRM, leadership and entrepreneurship (own study)

### 3.3. The impact of HRM practices on corporate venturing and innovation

An old study on the relationship between HRM and venturing and innovation focused on reward amounts for executives and technical experts in high technology firms, and claimed that rewards should be increased in order to encourage innovation through compensating the high risks faced [2].

A second important aspect of CE is corporate venturing, which involves the creation of entrepreneurial opportunities through the establishment or acquisition of a new business. This may take place within the structure of the existing firm (internal venturing) or outside in an independent or external venture. As with innovation, a key challenge for firms engaging in venturing activities is the question of how to structure compensation practices. In particular, a central question is how to balance internal equity in the established organization while achieving external equity in the new venture. While external equity supports employee attraction and retention, internal equity supports cooperation and knowledge exchange.

Studies of the contributions that a HRM system can make to corporate venturing often highlight a list of key success factors. The literature on HRM and corporate venturing is less well-developed and more diverse than that for innovation. However, it does return to the two important themes already noted in the literature on HR and innovation: the issue of formal versus informal entrepreneurial roles and the question of risk acceptance [32]. Other authors have noted the importance of corporate entrepreneurs who have access to informal networks. Informal networks evolve in cycles of perspective sharing, trust building and cooperation that enhance the exchange of knowledge and promote organizational learning [1; 11].

The development of social capital is largely the result of informal processes. It has been suggested that when employees engage in discretionary, extra role behaviours that benefit co-workers and the organization, they help build trust, a shared perspective and consequently social capital [11]. Therefore, one would expect that HRM practices that influence employee discretionary helping (citizenship) behaviours will be associated with the development of richer networks of informal relationships, greater trust, social capital and knowledge sharing. The second issue that the literature on HRM and venturing highlights, is the issue of risk. This is consistent with the earlier discussion of HRM and innovation. It also highlights an opportunity for integration across the two streams in that venturing, like innovation, requires employee risk acceptance.

The distinction between the two relates to which types of employees have the opportunity to engage in each of the two activities. While all employees may be encouraged and have the opportunity to engage in innovative activities, the opportunities to engage in venturing may be more restricted. What these two aspects of CE have in common, however, is the need to understand risk profiles of individual employees, in relation to contingencies such as the environment, organization, and also individual differences. It is clear that the development of our understanding of the HRM–CE relationship hinges upon the issue of risk acceptance by employees and managers.

### **3.4. The influence of organisational change (culture) management, corporate entrepreneurship, corporate venturing on innovation and performance**

Pettigrew and Whipp [44] argue that there are no universal rules when it comes to leading and managing change. Several advocates of the emergent approach have suggested sequences of actions that organisations should comply with. However, many of these suggestions tend to be rather abstract in nature and difficult to apply [15]. There are some authors who offer more practical guidance to organisations and managers. Four of these authors are Kanter [32, 33], Kanter et al. [34], Kotter, Luecke [40] (Table 3).



The table below combines the commandments of those authors for executing change in order to identify similarities and differences between these models.

As the emergent approach to change is relatively new compared to the planned approach, it is argued that it still lacks coherence and a diversity of techniques [5]. Another criticism of the emergent approach is that it consists of a rather disparate group of models and approaches that tend to be more united in their scepticism to the planned approach to change than to an agreed alternative [5]. However, according to Burnes [15], the general applicability and validity of the emergent approach to organisational change depends on whether or not one believes that all organisations operate in dynamic and unpredictable environments to which they constantly have to adapt.

Table 3. A comparison of three models of emergent change [49]

<b>Kanter et al.'s Ten Commandments for Executing Change (1992)</b>	<b>Kotter's Eight-Stage Process for Successful Organisational Transformation (1996)</b>	<b>Luecke's Seven Steps (2003)</b>
1) Analyse the organisation and its need for change 2) Create a vision and a common direction 3) Separate from the past 4) Create a sense of urgency 5) Support a strong leadership role 6) Line up political sponsorship 7) Craft an implementation plan 8) Develop enabling structures 9) Communicate, involve people and be honest 10) Reinforce and institutionalise change	1) Developing a vision and Strategy 2) Establishing a sense of Urgency 3) Creating a guiding Coalition 4) Empowering broad-based action 5) Communicating the change in vision 6) Anchoring new approaches in the culture 7) Generating short-term wins 8) Consolidating gains and producing more change	1) Mobilise energy and commitment through joint identification of business problems and their solutions 2) Develop a shared vision of how to organise and manage for competitiveness 3) Identify the leadership 4) Institutionalise success through formal policies, systems, and structures 5) Focus on results, not on activities 6) Start change at the periphery, then let it spread to other units without pushing it from the top 7) Monitor and adjust strategies in response to problems in the change process

### **3.5. The impact of HRM, leadership practices and corporate entrepreneurship on enterprise performance**

The proposed model serves as a fundamental framework for researchers to understand the impact of HRM and leadership on corporate entrepreneurship and enterprise performance. First, it will be wise for enterprises to pay more attention to HRM practices because of their ability to convince manufacturing enterprises to be risk-takers and innovative. Secondly, efficient leadership will improve HRM

practices which guarantee enterprises success in strategizing to maintain certain innovative capabilities. Thirdly, enterprises will benefit by practicing leadership styles which enhance the entrepreneurship spirit in enterprises. By incorporating effective HRM and leadership, the enterprises will fare better in a competitive environment. Thus, HRM, leadership and corporate entrepreneurship are the key elements for enterprises wishing to gain competitive advantage in the dynamic business environment. Previous studies have shown that corporate entrepreneurship enhances an enterprise's capability in upgrading products, processes, services, strategies and even the whole organization.

### 3.6. The proposed new practical model

Our proposed model identifies the relationship between HRM, leadership, entrepreneurship, organisational change (culture), joint venture, innovation and its impacts on enterprise performance (Figure 6).

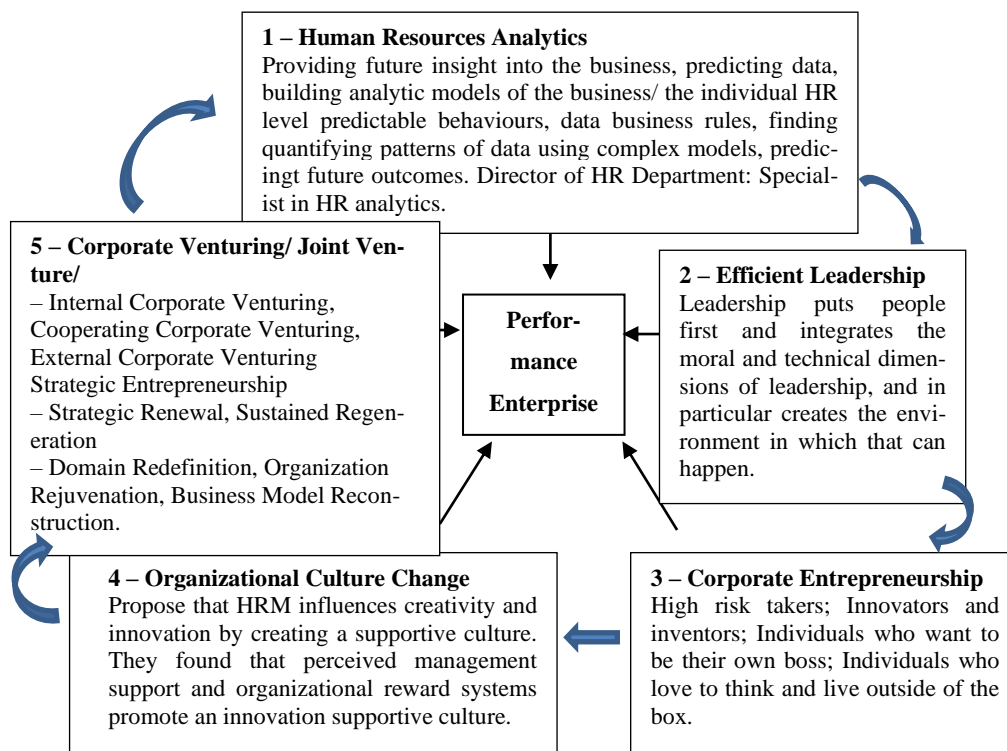


Fig. 6. The practical model of the relationship between HRM, leadership, entrepreneurship, organisational culture change, joint venture, innovation and its impact on enterprise performance (own preparation)

This suggested model will be useful for future projects and new enterprises because it explains the intersection between these elements in modern enterprises. And this model works as a circle for arriving to the performance. It begins by investing in HR analytics (Big data) for choosing and qualifying efficient leadership, then the environment will promote corporate entrepreneurship that will encourage organizational and cultural change in parallel with the joint venture and innovation. When this Circle works perfectly, the performance of the enterprises will be improved, and the enterprise will work in continuous development.

From the postulated inter-relational model, the following recommendations can be mentioned:

- 1) It is vital for new business leaders to take into consideration the key elements of relationships in new modern companies, administrations.
- 2) The new leaders of modern enterprises must be interested in the crucial role of HR Analytics, leadership, entrepreneurship, innovation, venturing on institutional performance.
- 3) The Director of HR analytics is invited to take into account the impact of the intersecting relationship or influence between leadership, entrepreneurship, innovation and joint venturing in new businesses.
- 4) The proposed Practice Model explains a new approach to managing the relationships between key elements mentioned above and the performance in modern companies.

#### 4. CONCLUSION

Based on our practical model proposed to Gaziantep University for the developing Gaziantep region (socio-economic integration of youth and migrants to the region) as well as on the literature review/sources that have chosen according to the key elements of the performance which were discussed in this article, the following conclusions can be drawn:

- There are key elements to the relationship between HR analytics, leadership, entrepreneurship, joint venture, innovation and performance.
- The importance of HR analytics, efficient leadership, organizational change/culture, corporate entrepreneurship, innovation, and joint venture is crucial for the performance in modern enterprises.
- At the practical level, there is an impact of the HR analytics system on the leadership, entrepreneurship, organizational culture, joint venture and innovation in modern enterprises.
- There is interring influence of HR analytics, leadership, organisational change, entrepreneurship, corporate venturing and innovation on the performance in modern enterprises.

- The proposed practical model explains the new approach to managing the relationship between the key elements (HR analytics, leadership, organisational change – culture management, entrepreneurship, corporate venturing, and innovation) and the performance of modern firms.

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**WIODĄCA ROLA STRATEGICZNEGO ZARZĄDZANIA ZASOBAMI  
LUDZKIMI W KREOWANIU PRZEDSIĘBIORCZOŚCI I INNOWACJI  
W NOWOCZESNYM PRZEDSIĘBIORSTWIE: MODEL PRAKTYCZNY**

Zasoby ludzkie są decydującym elementem rozwoju instytucjonalnego i organizacyjnego, a szczególnie w połączeniu z przedsiębiorczością, która promuje wiedzę, umiejętności, doświadczenia liderów oraz wspólne przedsięwzięcia. W literaturze przedmiotu istnieje wiele definicji przedsiębiorczości korporacyjnej, przy czym większość z nich oparta jest na zachowaniu przedsiębiorcy, w tym jego innowacyjności, proaktywności i gotowości do podejmowania ryzyka lub analizy zasobów ludzkich oraz umiejętności. Przedsiębiorcze zachowanie opiera się na realizacji i wykorzystaniu możliwości rynkowych w celu podniesienia zdolności innowacyjnej przedsiębiorstwa. Szczególnie innowacje dotyczące analizy zasobów ludzkich wspierają procesy przedsiębiorczości korporacyjnej. Związane z tym kwestie przywództwa w zarządzaniu zasobami ludzkimi są wprawdzie przedmiotem literatury dotyczącej przedsiębiorczości, niemniej jednak dotychczasowe, kompleksowe modele teoretyczne nie zostały jeszcze w dostatecznym stopniu wyjaśnione. Głównym celem artykułu jest zbadanie zależności pomiędzy zasobami ludzkimi a efektywnym przywództwem, przedsiębiorczością korporacyjną, innowacyjnym przedsiębiorstwem, wynikami przedsiębiorstwa, wspólnym przedsięwzięciem przy uwzględnieniu różnych perspektyw i podejść badawczych, a także przedstawienie nowego, metodologicznego modelu.

**Słowa kluczowe:** zasoby ludzkie, przywództwo, przedsiębiorczość, innowacje, wyniki przedsiębiorstwa

