

Linking Human Resources Practices to Corporate Entrepreneurship: The Mediating Role of Perceived Organizational Support

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Abstract

The purpose of this study was to develop a mediation model in which high-performance human resource practices affect corporate entrepreneurship through perceived organizational support. In accordance with this purpose, firstly, the interrelationships between specific human resources practices (selective staffing, extensive training, internal mobility, employment security, clear job description, result-oriented appraisal, incentive reward, and participation) and corporate entrepreneurship dimensions (new business venturing, innovativeness, self-renewal, proactiveness) were examined. Then, based on social exchange theory, the mediating role of perceived organizational support in the relationship between human resources practices and corporate entrepreneurship was investigated. Data was collected through a survey, in which 258 medium and large scaled firms operating in different

industries in Turkey participated. The results provide empirical evidence for the strong impact of human resources practices on corporate entrepreneurship, and this relationship is mediated by perceived organizational support of employees.

Keywords: Corporate Entrepreneurship, Human Resources Practices, Organizational Support

1. Introduction

As companies move from one stage of their cycle to the next, they often have to revamp their skills and build innovative capabilities to survive, achieve profitability, and stimulate growth. Corporate entrepreneurship activities give these firms a foundation for building and exploiting these capabilities (Zahra et al., 2009). Therefore, corporate entrepreneurship within organizations is regarded as a means towards increased organizational growth, strategic renewal, organizational change, and customer value added services (Shaw et al., 2005). Consequently organizations today are looking for ways to become more and more entrepreneurial. The question that arises here is “What factors foster and facilitate entrepreneurship?” This study breaks the answer into two relevant components: human resources practices and perceived organizational support.

While there are several facilitation strategies available to organizations that can be helpful in fostering an entrepreneurial environment, a successful alignment of the organization’s human resource management practices and policies is possibly the most effective (Rutherford and Holt, 2007) because corporate entrepreneurship rests upon an organization’s ability to learn through both exploration of new knowledge and exploitation of existing knowledge. These learning processes are dependent upon an organization’s intellectual capital and, in particular, human and social capital (Hayton, 2005). In this context, we suggest that human resources management practices as factors shaping human and social capital are vital to foster and facilitate corporate entrepreneurship. High-performance human resource practices enhance employee skills, their participation in decision-making, and their motivation to exert discretionary or spontaneous efforts (Appelbaum et al., 2000), and in doing so become an important driver of corporate entrepreneurship.

Over the past three decades, a growing body of literature has emerged that focuses on the association between human resource management practices and corporate entrepreneurship (Morris and Jones, 1983; Schuler, 1986; Kuratko et al., 1990; Hornsby et al., 1999; Twomey and Harris, 2000; Hayton, 2004; Kaya 2006; Zhang et al. 2008; Schmelter et al, 2010; Zhang and Jia 2010). However, only a few studies have examined the influence of human resource practices on a firm's overall corporate entrepreneurship and explained how human resource practices directly influence corporate entrepreneurship (Zhang et al., 2008). Accordingly, in this study, we aim to extend the existing literature in several ways. Firstly, we analyze the influence of eight specific human resources management practices on overall corporate entrepreneurship: selective staffing, extensive training, internal mobility, employment security, clear job description, result-oriented appraisal, incentive reward, and participation (Zhang and Jia, 2010). Second, by incorporating the construct of perceived organizational support, we attempt to explain the link between human resources practices and corporate entrepreneurship using the social exchange perspective. Our study aims to contribute to the corporate entrepreneurship literature by developing a mediation model in which human resource practices affect corporate entrepreneurship through perceived organizational support.

The purpose of this study is therefore twofold: (1) to analyze the influence of specific human resources practices on corporate entrepreneurship and distinguish between specific human resources practices based on their importance for corporate entrepreneurship; (2) to investigate the mediating role of perceived organizational support in the relationship between human resources practices and corporate entrepreneurship.

2. Literature Review and Hypotheses

2.1 Corporate Entrepreneurship

Since the beginning of the 1980s the phenomenon of entrepreneurship within existing organizations has transformed to corporate entrepreneurship and has attracted the interest of both scholars and practitioners (Antoncic and Hisrich, 2001). Zahra (1995:226) describes corporate entrepreneurship as “the sum of a company’s innovation, venturing and renewal efforts”. Covin and Miles (1999:50) describe corporate entrepreneurship as “the presence of innovation plus the presence of the objective of rejuvenating or purposefully redefining organizations, markets, or industries in order to create or sustain competitive superiority”. Kuratko et al. (2005:700) suggest that corporate entrepreneurship represents a set of behaviors “requiring organizational sanctions and resource commitments for the purpose of developing different types of value-creating innovations”.

Antoncic and Hisrich (2001) considered previous definitions and measures of corporate entrepreneurship and argued that the previous dimensions could be reclassified into these four dimensions: new business venturing, innovativeness, self-renewal and proactiveness. The new business venturing dimension refers to new business creation within an existing organization by redefining the company’s products (or services) and/or by developing new markets. Antoncic and Hisrich (2003) considered this dimension an integral component of entrepreneurship, given the importance of entrepreneurial firms pursuing new business venturing by redefining the company’s products or markets. The new business venturing dimension includes the Lumpkin and Dess (1996) dimension of autonomy, which referred to independent actions of individuals or teams aimed at bringing forth a business concept or vision and carrying it through to completion. The innovativeness dimension refers to product and service innovation with emphasis on development and innovation in technology. Entrepreneurship includes new product development, product improvements, and new production methods and procedures. Covin and Slevin (1991) considered one part of the entrepreneurial posture that reflected itself in the extensiveness and frequency of product innovation and the related tendency of technological leadership. Knight (1997) included the development or enhancement of products, services, and techniques and technologies in production as part of organizational innovativeness. Zahra (1993) included product innovation and technological entrepreneurship as innovative aspects of manufacturing firms. The self-renewal dimension reflects the transformation of organizations through the renewal of key ideas on which they are built. It has strategic and organizational change connotations and includes the redefinition of the business concept, reorganization, and the introduction of system-wide changes for innovation. Zahra (1993) considered the self-renewal construct to

comprise strategic and organizational change and to include the redefinition of the business concept, reorganization, and the introduction of system wide changes for innovation. Covin and Miles (1999) consider the strategic renewal concept to be related to the phenomena whereby the organization seeks to redefine its relationship with its markets or competitors by fundamentally altering how it competes. Finally, the proactiveness dimension is related to aggressive posturing relative to competitors. A proactive firm is inclined to take risks by conducting experiments. It takes initiative (Lumpkin and Dess, 1996) and is bold and aggressive in pursuing opportunities (Covin and Slevin, 1991). The concept of proactiveness “refers to the extent to which organizations attempt to lead rather than follow competitors in such key business areas as the introduction of new products or services, operating technologies, and administrative techniques” (Covin and Slevin, 1986, p. 631). Proactiveness includes initiative and risk taking and the competitive aggressiveness and boldness that are reflected in orientations and activities of top management (Antoncic and Hisrich, 2001).

2.2 Human Resources Practices and Corporate Entrepreneurship

In the existing literature, there is a growing interest in human resources practices as an antecedent to corporate entrepreneurship (Schuler, 1986; Kuratko et al., 1990; Morris and Jones, 1993; Hornsby et al., 1999; Twomey and Harris, 2000; Hayton, 2004; Kaya 2006; Zhang et al. 2008; Schmelter et al, 2010; Zhang and Jia 2010).

Schuler (1986) argues that consistent human resources practices can improve entrepreneurship and suggests that the following employee characteristics are associated with successful entrepreneurial efforts: creative and innovative behavior, risk taking, long-term orientation, focus on results, flexibility to change, cooperation, independent behavior, tolerance of ambiguity, and a preference to assume responsibility. Accordingly, to increase the likelihood of systematic innovation and thereby foster and facilitate entrepreneurship, organizations need to stimulate and reinforce these characteristics via human resource management practices. In a study of 112 firms from a wide range of industries, Morris and Jones (1993) identify five sets of human resources practices associated with corporate entrepreneurship: performance appraisals; compensation; orientation and training; recruitment and career development; and job design. Firstly, Morris and Jones assume that performance appraisals are oriented towards ends rather than means; they measure both individual and group performance; they include innovation and risk taking; they reflect a tolerance for failure; and they take into account a longer time frame for corporate entrepreneurship than for traditional administrative management. Second, in entrepreneurial firms, compensation emphasizes external equity rather than internal equity; base pay is lower and there is a greater amount of pay at risk. Entrepreneurial firms also balance both long and short-term performance and individual and group performance. Third, entrepreneurial firms invest more time and effort in orientation and there is more group oriented training. Fourth, entrepreneurial firms emphasize the external labor market and offer a variety of career paths. Finally, job designs tend to be less structured and more complex, offering more discretionary authority and freedom. Hornsby, Kuratko, and Montagno (1999) identify five success factors

linking human resources practices to corporate 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. Hayton (2004) 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 behaviors. In contrast, traditional HR practices focus upon defining jobs, staffing jobs through a matching process, and monitoring prescribed performance. In a study on US small and medium sized enterprises, Hayton (2004) provides evidence that discretionary practices promote corporate entrepreneurship and that this relationship is strongest for firms operating in high technology industries.

The widely documented relationship between human resource practices and corporate entrepreneurship has been explained in a variety of ways. One explanation is that enhancement of employee skills and of the motivation to use those skills leads to creativity improvement (Sun et al., 2007). Employees will not only use their skills to enhance core job performance but will also suggest innovative ideas that will improve corporate entrepreneurship. High-performance human resource practices consist of finding ways of investing in employees' knowledge and skills. However, some kinds of tacit knowledge remain intangible, idiosyncratic and difficult to imitate or duplicate, even though they play a vital role in corporate entrepreneurship. From the perspective of social exchange theory, the employment relationship will obligate employees to reciprocate the organization's inducements with discretionary role behaviors such as organizational citizenship behavior to contribute more to the organization (Podsakoff and MacKenzie, 1997). On the other hand, if there is a low degree of organizational citizenship behavior in the work context, employees will have no motivation or inclination to contribute more creative ideas for corporate entrepreneurship (Zhang et al., 2008).

2.3 The Mediating Role of Organizational Support

Recent research has shown the utility of conceptualizing perceived organizational support as a factor capable of mediating the relationship between independent and dependent variables. For example, Wayne et al. (1997) found that perceived organizational support affected the association between human resource practices and affective commitment, organizational citizenship behaviors, and the intent to quit. Moreover, Allen et al. (2003) reported that perceived organizational support mediated the relationship between commitment and decision-making, job security, and fairness of rewards. Rhoades et al. (2001) found that perceived organizational support influenced the relationship between commitment and organizational rewards, procedural justice, and supervisor support. Further, Moorman et al. (1998) reported that perceived organizational support mediated the association between perceived organizational support and extra-role behaviors. Perceived organizational support has also been shown to alter the perceived supervisor support–voluntary turnover relationship

(Eisenberger et al., 2002). Finally, recent research has shown that procedural justice perceptions affect work outcomes (e.g., commitment, satisfaction, intent to quit) via the influence of perceived organizational support (Masterson et al. 2000). Based on these studies, it appears that perceived organizational support possesses great potential to influence many work relationships (Hochwarter et al., 2003).

organizational support suggests that employees develop perceptions regarding the degree to which their organization values their contributions and the amount of concern exhibited towards their wellbeing. The underpinnings of perceived organizational support are derived from social exchange theory which was developed to explain interpersonal relationship maintenance in the context of the work environment. Once individuals assess the organizational support they receive, they act in accordance with a norm of reciprocity. Thus, when an individual perceives the organization to be supporting them by valuing their contribution to the organization and by indicating concern for their well-being, the individual will then feel obligated to be committed to the organization and will show this commitment through increased work efforts (Ring, 2010).

To support the idea that perceived organizational support mediates the relationship between human resources practices and corporate entrepreneurship, human resources practices must be considered as an antecedent of perceived organizational support. High-performance human resource practices are important for managing the employment-organization relationship, particularly through programs such as skills training, long-term-result-oriented appraisals, and significant open-ended rewards. By satisfying the employees' needs, these practices foster the perception among employees that they are receiving a high level of organizational support. Based on this discussion, high-performance human resource practices appear to contribute to employees' perceived organizational support (Zhang and Jia 2010).

According to social exchange theory employees who perceive their organizational environment as supportive will feel obligated to reciprocate with behaviors that are beneficial to the organization. From this viewpoint, it could be expected that perceived organizational support mediates the effects of human resources practices on corporate entrepreneurship, because positive feelings about the organization and its supportive nature could positively influence employees' receptivity towards the organization's efforts to introduce and implement corporate entrepreneurship (Rutherford and Holt, 2007). Antoncic and Hisrich (2004) also suggest that organizational support characteristics such as management support, work discretion, rewards, time availability, and loose intra-organizational boundaries have been seen to be crucial organizational elements impacting corporate entrepreneurship.

According to Zhang and Jia (2010), if the perceived organizational support is positive, employees will be proactive and innovate on their own initiative. If the perceived organizational support is negative, however, employees will lack motivation or inclination to contribute creative ideas for corporate entrepreneurship. Thus, we expect that the perceived organizational support will mediate the relationship between human resource practices and corporate entrepreneurship. This leads us to suggest that:

H₁: Perceived organizational support mediates the effects of human resource practices on corporate entrepreneurship.

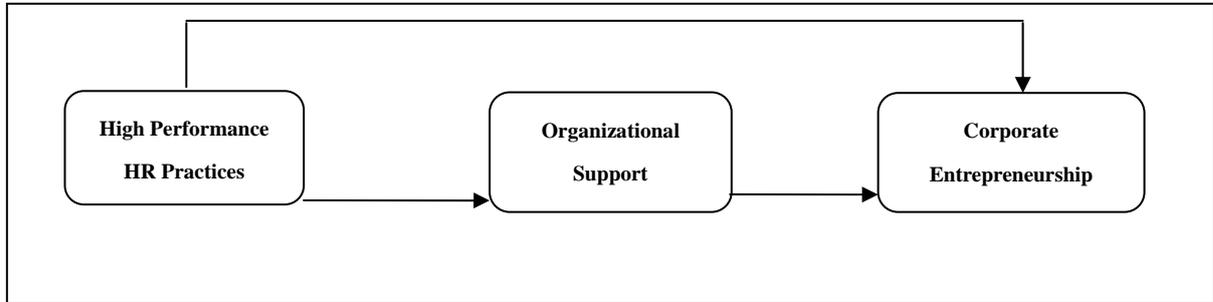


Figure 1. Research Model

3. Methodology

3.1 Sample and Data Collection

This research was applied to establishments which operate in Istanbul, are members of the Chamber of Industry of Istanbul, are medium and large sized companies, have more than 50 employees, and apply HR functions. There was no restriction on the sector. Samples were selected from the Istanbul Chamber of Industry database randomly.

Face-to-face surveys and online surveys were conducted on the middle and top level managers. After the translation of the measures, a back-translation by a professional translator was used to check the accuracy of the original translation. The two versions were compared to ensure accuracy. After the survey process, 271 surveys were filled and 258 of them were approved. 76.2% of the firms were medium sized companies with workers between 50 and 250 and the rest of the firms were large sized with more than 250 workers. 54,3% of all respondents were male. The respondents' ages were mostly between 20 and 40, and nearly all of the respondents were graduates or held higher degrees.

Table 1. Demographics of Respondents

	f	%
Sex		
Female	118	45.7%
Male	140	54.3%
Age		
20-29	154	59.7%
30-39	76	29.4%
40-49	13	5.1%
50 Or More	15	5.8%
Education		
Primary	6	2.3%
High School	9	3.5%

Graduate	152	58.9%
Postgraduate	88	34.1%
Doctorate	3	1.2%

3.2 Measures

The survey prepared for the research consisted of 61 questions. As seen in Table 2, the measure of corporate entrepreneurship (Antoncic and Hisrich, 2003; Özdemirci, 2011) had 16 items, the measure of High Performance HR Practices (Zhang and Jia, 2010) had 28 items, and the measure of Perceived Organizational Support (Eisenberger et al., 1997, Rhoades et al., 2001, Zhang and Jia, 2010) had 8 items. There were also 8 questions about the demographics and 1 question about firm size. Likert Scale-5 was used in all questions.

Table 2. Measures Used in Research

Measure	Developers	Item
Corporate Entrepreneurship	Antoncic and Hisrich (2003); Özdemirci (2011)	16
High Performance HR Practices	Zhang and Jia (2010)	28
Organizational Support	Eisenberger et al. (1997), Rhoades et al. (2001), Zhang and Jia (2010)	8

3.3 Analysis and Data Extraction Method

Structural equation modeling (SEM) was used for testing the research model. Before the SEM process, PASW Statistics 18 was used for exploratory factor analysis, reliability analysis and correlation analysis. After these analyses, confirmatory factor analysis and model testing was applied by Lisrel 8.51.

3.4 Factor Analysis and Reliabilities

After the factor analysis, three factors which can be labeled “New Business Venturing - Self Renewal”, “Innovativeness” and “Proactiveness” emerged in Corporate Entrepreneurship Measure; six factors which can be labeled “Clear Job Descriptions – Result Oriented Appraisal”, “Extensive Training”, “Selective Staffing”, “Employment Security”, “Participation”, “Internal Mobility” emerged in High Performance HR Practices Measure; and one factor which can be labeled “Organizational Support” emerged in Perceived Organizational Support Measure. In the corporate entrepreneurship measure, “New Business Venturing” and “Self Renewal” dimensions were conjoined in one dimension. In the High Performance HR Practices Measure, “Clear Job Descriptions” and “Result Oriented Appraisal” were conjoined and the “Incentive Reward” dimension disappeared. Organizational Support remained as a single dimension, as it had been originally.

Table 3. The Results of Expletory Factor and Reliability Analysis

Corporate Entrepreneurship

Factor Name	Items	Factor Loadings	Factor Extraction (%)	Reliability Analysis (Cronbach's Alpha)
New Business	CE16 Pursuing new businesses in new industries	.890	45.975	.852
Venturing – Self	CE15 Broadening business lines in current industry	.850		
Renewal	CE14 Applying competitor based strategies	.651		
	CE13 Aggressive and competitive behaviors	.632		
	CE12 Changing competitive strategy	.623		
Innovativeness	CE1 Openness for employee's ideas	.872	14.532	.854
	CE3 Incentives for analytical solutions of employees	.808		
	CE2 Authorization of employees	.770		
	CE4 Supporting new ideas and projects	.709		
Proactiveness	CE10 Risk taking in uncertain conditions	.890	10.392	.842
	CE11 Adventurous characteristics of top managers	.839		
	CE9 Tendency to apply risky projects	.651		
		TOTAL	70.898	
		Kaizer Meyer Olkin Measure of Sampling Adequacy	.841	
		Bartlett Test of Sphericity	Chi-Square 1791.75	
			df 66	
			Sig. .000	

High Performance HR Practices

Factor Name	Items	Factor Loadings	Factor Extraction (%)	Reliability Analysis (Cronbach's Alpha)
Clear Job Descriptions – Result Oriented Appraisal	HR18 All the duties are accurately described	.803	44.276	.923
	HR20 Objective performance appraisals	.788		
	HR17 Up-to-date job descriptions	.747		
	HR19 Every employee has performance objectives	.746		
	HR21 Long-term and group-based appraisals	.716		
Extensive Training	HR16 The duties are clearly defined	.646	11.601	.929
	HR7 Formal training programs to teach new hires	.846		
	HR5 Extensive training programs	.825		
	HR6 Training programs for employees every few years	.824		
Selective Staffing	HR8 Formal training programs are offered to employees	.689	6.611	.948
	HR3 Importance placed on staffing process	.827		
	HR4 Extensive efforts in selection	.787		
	HR2 Long-term employee potential is emphasized	.779		
Employment Security	HR1 Great effort for selecting the right person	.770	5.662	.833
	HR15 Employees are the last to get downsized	.790		
	HR12 Employees stay with org. for as long as they wish	.784		
	HR14 It is very difficult to dismiss an employee	.772		
Participation	HR13 Job security is almost guaranteed	.755	4.909	.837
	HR26 Individuals are allowed to make decisions	.835		
	HR27 Employees are provided to suggest improvements	.812		
	HR25 Employees are often asked to participate decisions	.769		
Internal Mobility	HR28 Open communications with employees	.688	4.331	.797
	HR10 More than one promotion positions	.824		
	HR11 Supervisors know employees' career aspirations	.605		
	HR9 Clear career paths in organization	.555		
		TOTAL	77.389	
		Kaizer Meyer Olkin Measure of Sampling Adequacy		.883
		Bartlett Test of Sphericity	Chi-Square	5758.039
			df	300
			Sig.	.000

Organizational Support

Factor Name	Items	Factor Loadings	Factor Extraction (%)	Reliability Analysis (Cronbach's Alpha)
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Organizational Support	OS4 Caring employees' goodness	.805	55.850	.886
	OS1 Valuing employees' contributions	.802		
	OS2 Appreciating employees' extra efforts	.754		
	OS5 Noticing the extraordinary performance	.744		
	OS6 Caring general satisfaction	.736		
	OS7 Concerning about employees	.725		
	OS8 Taking pride in employees' accomplishments	.723		
	OS3 Caring complaints	.681		
		TOTAL	55.850	
		Kaizer Meyer Olkin Measure of Sampling Adequacy	.868	
		Bartlett Test of Sphericity	Chi-Square	1066.327
			df	28
			Sig.	.000

The results are confirmed by Confirmatory Factor Analysis (CFA) as in Table 4. The fit index values are mostly between admissible limits. (Anderson and Gerbing, 1984; Cole, 1987; Marsh, Balla and Mc Donald, 1988).

Table 4. The Results of Confirmatory Factor Analysis (CFA)

	LATENT VARIABLES	OBSERVED VARIABLES	GFI	AGFI	CFI	NFI	RFI	RMSEA	SRMR
Corporate Entrepreneurship	3	12	0.97	0.93	0.99	0.98	0.95	0.043	0.041
High Performance HR Practices	6	25	0.87	0.76	0.92	0.90	0.83	0.081	0.050
Organizational Support	1	8	0.98	0.95	0.99	0.99	0.96	0.048	0.029

After the exploratory and confirmatory factor analysis, the theoretical model is shaped as shown in Figure 2. The six dimensions of High Performance HR Practices (Clear Job Descriptions – Result Oriented Appraisal, Extensive Training, Selective Staffing, Employment Security, Participation, Internal Mobility) are predictor variables, Organizational Support is a mediator, and the three dimensions of Corporate Entrepreneurship (New Business Venturing – Self Renewal, Innovativeness, Proactiveness) are dependent variables.

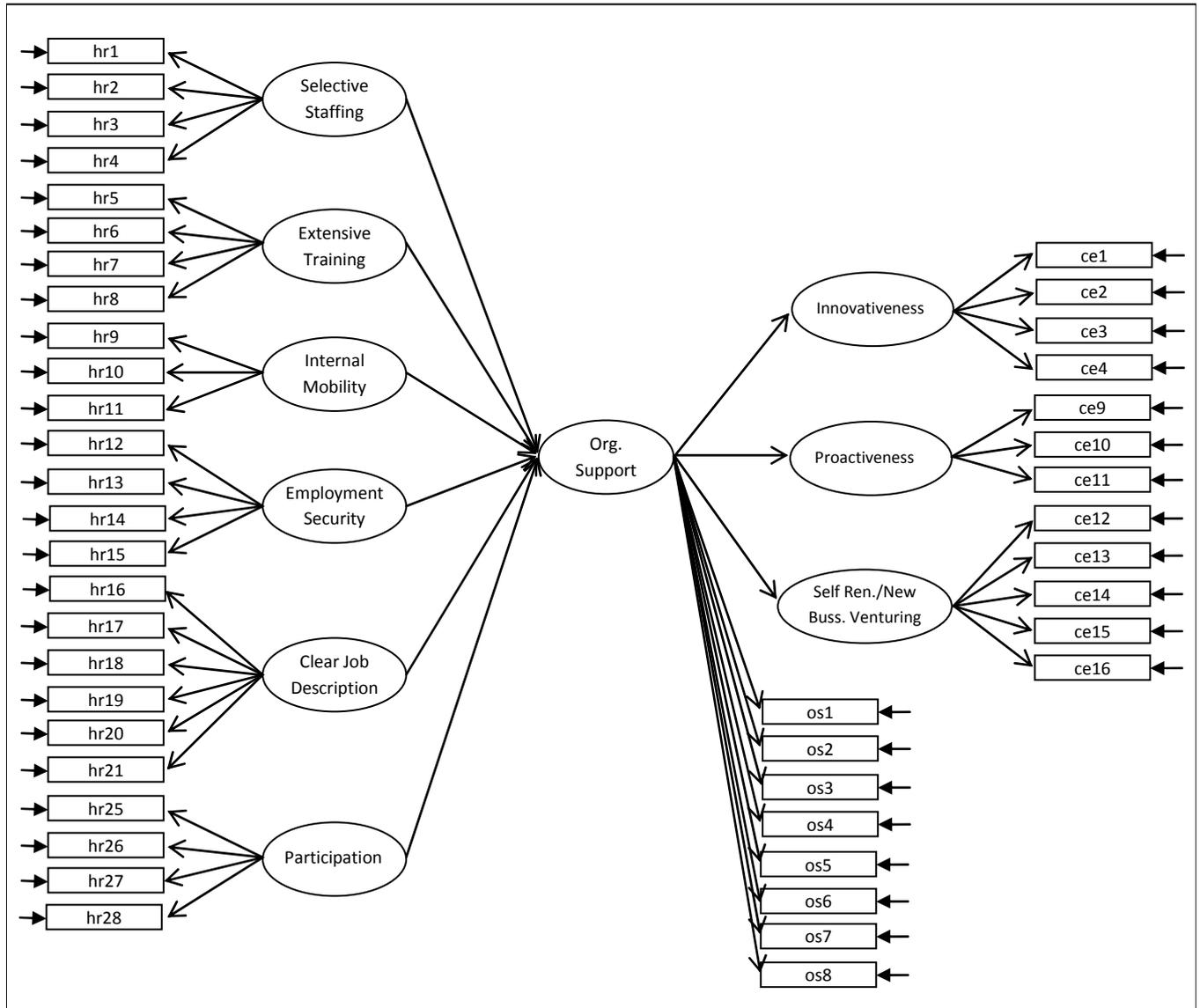


Figure 2. Theoretical Model after the Exploratory and Confirmatory Factor Analysis

4. Results and Discussion

4.1 Correlations

Means, standard deviations and Pearson correlation tests between the factors are shown in Table 5. As expected, all of the high performance HR activities positively and strongly affect corporate entrepreneurship. These scores are in accordance with the literature (Schuler, 1986; Kuratko et al., 1990; Morris and Jones, 1993; Hornsby et al., 1999; Twomey and Harris, 2000; Hayton, 2004; Kaya 2006; Zhang et al. 2008; Schmelter et al, 2010; Zhang and Jia 2010). Although the correlation table shows that corporate entrepreneurship, high performance human resources practices and organizational support are strongly correlated,

the relations will be clear after the structural equation model.

It is also seen that medium and big scaled companies of the Istanbul market focus more on performing selective staffing (Mean=3,23) than on the other HR activities. Especially internal mobility and extensive training do not seem to be preferred frequently. By the way, companies are mostly aware of the importance of organizational support, which is vital for sustainable high performance. Corporate entrepreneurship scores are similar to each other.

Table 5. Correlation Tests

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10
1.SS	3.23	1.22	1									
2.ET	2.65	1.23	.562**	1								
3.IM	2.61	1.02	.612**	.598**	1							
4.ES	2.95	1.00	.467**	.262**	.298**	1						
5.CJD - ROA	2.95	1.08	.665**	.674**	.654**	.351**	1					
6.PAR	2.89	0.95	.432**	.276**	.373**	.436**	.339**	1				
7.OS	3.27	0.91	.500**	.234**	.433**	.457**	.459**	.633**	1			
8.SR - NBV	3.28	0.91	.387**	.312**	.397**	.313**	.324**	.328**	.318**	1		
9.PRO	3.17	1.00	.199**	.177**	.278**	.282**	.225**	.472**	.407**	.557**	1	
10.INN	3.23	0.89	.407**	.245**	.379**	.324**	.390**	.702**	.592**	.454**	.519**	1

Sample Size=258, *p<0.05, **p<0.01

SS: Selective Staffing, ET: Extensive Training, IM: Internal Mobility, ES: Employment Security, CJD-ROA: Clear Job Description-Result Oriented Appraisal, PAR: Participation, OS: Organizational Support, SR-NBV: Self Renewal – New Business Venturing, PRO: Proactiveness, INN: Innovativeness

Before generating the structural equation model, hierarchical regression analysis is applied to the data to see the pattern for the mediation model. This technique was used frequently for proving the mediation model until the 1990s. This technique contains three steps. In the first step, the relationship between predictor and mediator has to be significant. In the second step, the effect of the predictor on the dependent variable has to be significant. In the third and last step, when looking for the common effect of mediator and predictor on the dependent variable, the predictor has to lose its significant effect while the mediator must not. (Baron and Kenny, 1986). As seen in Table 4, all dimensions of the predictor (high performance human resources practices) are strongly correlated with the mediator (organizational support) and, as seen in the first lines (Model 1) of the analysis in Table 5, all dimensions of the predictor (high performance human resources practices) strongly affect the dependent variable (corporate entrepreneurship).

Table 6. Analysis of the mediator role of organizational support between high performance hr practices and corporate entrepreneurship by hierarchical regression test.

	Model 1		Model 1		Model 1		Model 1		Model 1		Model 1		Model 1
	(Constant)	5.023	(Constant)	5.278	(Constant)	5.032	(Constant)	5.099	(Constant)	5.122	(Constant)	5.041	
	SS	0.231**	ET	0.185**	IM	0.282**	ES	0.227**	CJD-ROA	0.219**	PAR	0.252**	
Dependent:	R2=0.146		R2=0.094		R2=0.154		R2=0.094		R2=0.102		R2=0.104		
SR - NBV	Model 2		Model 2										
	(Constant)	4.747	(Constant)	4.694	(Constant)	4.704	(Constant)	4.734	(Constant)	4.756	(Constant)	4.816	
	SS	0.181**	ET	0.149**	IM	0.227**	ES	0.154**	CJD-ROA	0.152**	PAR	0.162**	
	OS	0.133*	OS	0.208**	OS	0.144**	OS	0.178**	OS	0.172**	OS	0.148*	
	R2=0.164		R2=0.155		R2=0.177		R2=0.130		R2=0.135		R2=0.121		
	Model 1		Model 1		Model 1		Model 1		Model 1		Model 1		Model 1
	(Constant)	2.647	(Constant)	2.793	(Constant)	2.466	(Constant)	2.345	(Constant)	2.558	(Constant)	1.737	
	SS	0.163**	ET	0.144**	IM	0.271**	ES	0.281**	CJD-ROA	0.209**	PAR	0.497**	
Dependent:	R2=0.036		R2=0.028		R2=0.074		R2=0.076		R2=0.047		R2=0.220		
PRO	Model 2		Model 2										
	(Constant)	1.714	(Constant)	1.596	(Constant)	1.586	(Constant)	1.552	(Constant)	1.657	(Constant)	1.435	
	SS	-0.005	ET	0.07	IM	0.122*	ES	0.121	CJD-ROA	0.045	PAR	0.377**	
	OS	0.451**	OS	0.425**	OS	0.388**	OS	0.387**	OS	0.423**	OS	0.199*	
	R2=0.160		R2=0.167		R2=0.172		R2=0.171		R2=0.161		R2=0.237		
	Model 1		Model 1		Model 1		Model 1		Model 1		Model 1		Model 1
	(Constant)	2.274	(Constant)	2.765	(Constant)	2.374	(Constant)	2.385	(Constant)	2.286	(Constant)	1.329	
	SS	0.298**	ET	0.177**	IM	0.330**	ES	0.288**	CJD-ROA	0.322**	PAR	0.66**	
Dependent:	R2=0.163		R2=0.056		R2=0.140		R2=0.102		R2=0.149		R2=0.491		
INN	Model 2		Model 2										
	(Constant)	1.225	(Constant)	1.206	(Constant)	1.204	(Constant)	1.259	(Constant)	1.194	(Constant)	0.964	
	SS	0.108*	ET	0.082*	IM	0.132**	ES	0.061	CJD-ROA	0.123**	PAR	0.514**	
	OS	0.507**	OS	0.554**	OS	0.516**	OS	0.549**	OS	0.513**	OS	0.241**	
	R2=0.362		R2=0.357		R2=0.364		R2=0.349		R2=0.363		R2=0.526		

Regression Coefficients are given; Sample Size=258, *p<0.05, **p<0.01

SS: Selective Staffing, ET: Extensive Training, IM: Internal Mobility, ES: Employment Security, CJD-ROA: Clear Job Description-Result Oriented Appraisal, PAR: Participation, OS: Organizational Support, SR-NBV: Self Renewal – New Business Venturing, PRO: Proactiveness, INN: Innovativeness

When focusing on the second line (Model 2) in Table 5 for the third step, it becomes obvious that the mediator effects of organizational support between high performance hr practice and corporate entrepreneurship in 18 combinations of our model are:

Selective Staffing → Organizational Support → Proactiveness

Extensive Training → Organizational Support → Proactiveness

Employment Security → Organizational Support → Proactiveness

Clear Job Description/Result Oriented Appraisal → Organizational Support → Proactiveness

Employment Security → Organizational Support → Innovativeness

It also becomes obvious that the key human resources practice on corporate entrepreneurship dimensions is participation. When its common effect with organizational support on self renewal/new business venturing, proactiveness and innovativeness is considered, it can be seen that participation still has powerful direct effects on all corporate entrepreneurship dimensions. These findings are also in line with the findings of Hornsby, Kuratko, and Montagno (1999); Hayton (2004) and Sun, Aryee and Law (2007).

Starting with this pattern, after several iterations applied on Lisrel 8.51, the best-fit model appeared as seen in Figure 3. The fit index values of the model were mostly between the admissible limits. While “extensive training”, “employment security” and “innovativeness” were excluded from the model, “internal mobility” and “new business venturing” were included in the final “best-fit” model. The direct effects of participation decreased the model fit scores. These changes probably occurred because of the differences between unique and holistic analysis techniques.

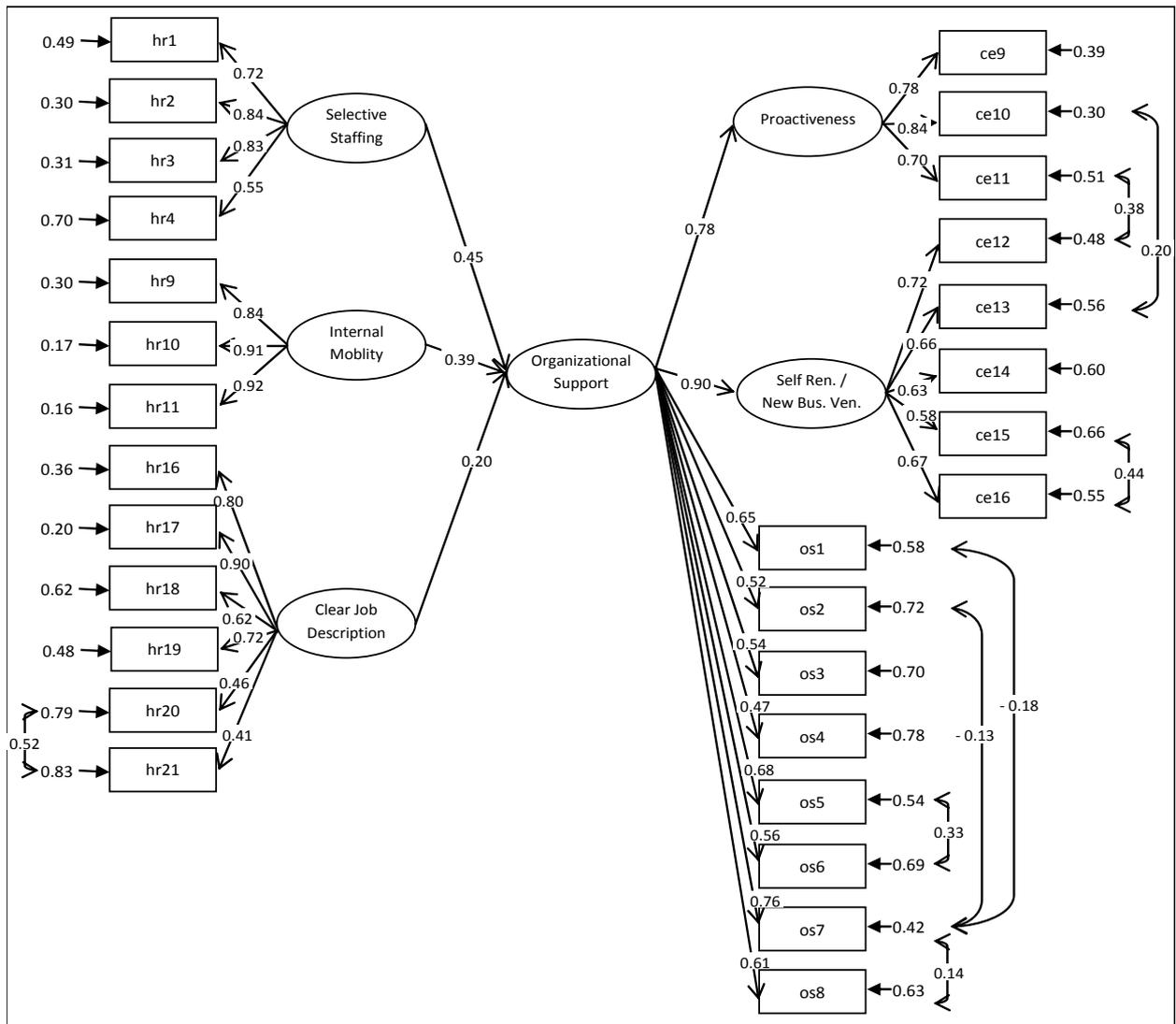


Figure 3. The Best - Fit Structural Equation Model (Standardized solution is reported. Fit indexes are: GFI:0,86; AGFI:0,76; CFI:0,90; NFI:0,86; RFI:0,80; RMSEA:0,093; SRMR:0,085)

The model shows that proactiveness and self renewal/new business venturing of the firm are related to the three vital high performance human resources practices which are selective staffing, internal mobility and clear job description, and which can only be effective with the perception of organizational support. In other words, the effects of high performance human resources practices on proactiveness and self renewal/new business venturing lose their significance if they do not cause organizational support perception. This model also generates an overall view for the hypothesis of Antoncic and Hisrich (2004); Rutherford and Holt (2007) and Zhang and Jia (2010).

We can easily see the importance of internal mobility, selective staffing and clear job description-result oriented appraisal in non-entrepreneurial organizations such as public utilities which mostly lack these facts. Most of them also lack organizational support like caring employees' goodness, valuing employees' contributions, and appreciating employees' extra efforts, noticing the extraordinary performance, caring general satisfaction, concerning about employees, taking pride in employees' accomplishments and caring complaints. As seen in Figure 3, although internal mobility, selective staffing and clear job description-result oriented appraisal are vital for innovativeness and proactiveness, they make no sense without perception of organizational support. This means that innovativeness and proactiveness are the result of the perception of organizational support which are generated by high performance human resources practices.

5. Conclusion

The results show that the positive effects of high performance HR activities on corporate entrepreneurship are very obvious. All dimensions of high performance HR activities, which are selective staffing, extensive training, internal mobility, employment security, clear job description-result oriented appraisal, and participation, directly or indirectly affect corporate entrepreneurship. The reason is that the key factor for corporate entrepreneurship is the learning process of the firms which depends on human capital. Therefore, high performance HR practices are vital for enhancing employee skills and their motivation. It's also clearly seen that participation is the most effective HR activity for developing corporate entrepreneurship. Participation of employees in decision-making does not only raise their motivation or commitment, but also increases the total creativity and the quality of new ideas.

On the other hand, if a firm lacks organizational support like caring employees' goodness, valuing employees' contributions, appreciating employees' extra efforts, noticing the extraordinary performance, caring general satisfaction, concerning about employees, taking pride in employees' accomplishments and caring complaints, most of the high performance HR activities do not affect proactiveness and self renewal/new business venturing. Our findings show that perceived organizational support does not only mediate the relations between HR activities and commitment, and organizational citizenship behavior, but also mediates the relations between HR activities and corporate entrepreneurship. Just as social exchange theory states, employees who perceive their organization as supportive feel obligated to be beneficial to the organization. In this kind of positive climate, which involves management support and work discretion, employees are more proactive and innovative, and they contribute creative ideas for corporate entrepreneurship. After this study, we have more specific arguments and a comprehensive model for defending this fact.

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