

Human Resource Management Practices as Corporate Entrepreneurship Enablers at a Telecommunications Entity in South Africa

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Abstract

In the context of highly changing business practices, the HRM is also facing turbulence and is having new expectations from its stakeholders. In particular the need for an entrepreneurial outlook of the HRM function is rapidly emerging. The purpose of this study was to explore HRM practices that are enablers of corporate entrepreneurship. The study adopted the philosophy of pragmatism and collected quantitative data. A top ranked organisation in the telecommunications sector was identified for the collection of data. With the assistance of the Managers of the organisations a survey questionnaire was issued to 300 employees of the entity to complete. The questionnaire required respondents to indicate their agreeableness on the adoption or implementation of certain HRM strategic activities in the entity after which Exploratory Factor Analysis was performed to reduce the many practices in to underlying constructs. The study found seven factors as HRM practices for corporate entrepreneurship and these are: (1) autonomy and empowerment, (2) provision of resources, (3) reward structure, (4) training and development programs, (5) continuous learning and adaptation, (6) capability to attract proactive and innovative people and (7) organisational competitive advantage. Organisations are recommended to strengthen their HRM practices for improved corporate entrepreneurship.

Keywords: *Entrepreneurship, Corporates, HRM, Strategy, Business Management, Competitiveness.*

Introduction

The World Economic Forum [WEF] (2025) reports that existing skills are transforming owing to the dynamic context that characterise modern times. It is reported that 39% of existing skills will be transformed or outdated. In particular most professions and jobs will require analytical skills, innovativeness and calculated risky taking. This demonstrates the relevance of entrepreneurial behaviour and skills across all fields. This study focuses the HRM functions as it can be vital for enabling corporate entrepreneurship in organisations. The concept of entrepreneurship has become of interest at various levels and is considered a dimension of socio-economic development that cannot be avoided. Entrepreneurs exist at individual levels while intrapreneurs persons who are part of organisations who drive entrepreneurship in teams and groups. This study focuses of corporate entrepreneurship which describes entrepreneurial actions by a corporate. Corporate entrepreneurship focuses on strategic organisational renewal, (redefining markets through new competitive approaches), organisational rejuvenation (improving competitive position through new processes, structures and resources) and sustained regeneration (creation of new products or services through new initiatives (Kuhn, Eymann, Urbach & Schweizer, 2016; van der Westhuizen & Rensburg, 2022).

Human Resource Management Practices

The HRM function is associated with the performance of such people related tasks as employee selection, training, performance appraisal, career planning, compensation, employee development and performance management among other various tasks (Jethy & Mohanty, 2021). While the role and functions of the HRM function can be defined generally, there is wide acceptance that the HRM function has become dynamic as it adapts to present contexts and as it shapes for a new future. In Schultz (2021), observed that factors such as technological demands, emphasis on data, ethical demands, need for change, business orientation as well as human-machine interactions and collaborations in artificial intelligence have meant new ways in HRM.

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In view of these observations, this study made specific focus on the position and nature of HRM in driving corporate entrepreneurship in the South African context.

Corporate Entrepreneurship

In the study of Appiah (2019), corporate entrepreneurship (CE) is defined in terms of the organizational learning activities that arise from creative thinking, collaboration, coordination as well as personal dedication. Corporate entrepreneurship when considered in this way has a human development side to foster their mental and psychological propensity for entrepreneurship. In this way the HRM function in corporates has been considered to have a powerful position with the enhancement of corporate entrepreneurship (Appiah, 2019). As posited in Appiah (2021), it is the focus of the HRM function to develop and promote people-oriented actions to promote corporate competitiveness. In the present dynamic environment, there is need to refocus and rethink the nature of HRM practices. Following this argument, this study considers the entrepreneurial perspective of the HRM function in corporate entrepreneurship. Interest in the role of HRM in enhancing corporate entrepreneurship as indicated in previous research exist. More recent work such of that of Salih, Ahmed, & Shaaban (2022) considered the nature of electronic HRM (e-HRM) in enhancing corporate entrepreneurship. In their study of the promotion of corporate entrepreneurship through electronic HRM practices, Salih et al. (2020) found that there is a positive relationship between the adoption of e-HRM practices and corporate entrepreneurship. Earlier studies (Montoro-Sánchez & Soriano, 2011) have also recognised the indispensable role of appropriate HRM practices in enhancing corporate entrepreneurship. The present study will seek to determine the principal determinant HRM factors that promote corporate entrepreneurship in the context of the telecommunications sector in South Africa.

Enablers of Corporate Entrepreneurship

Within the notion that corporate entrepreneurship is becoming an necessity in this everchanging business context, it has become important to explore the enablers of corporate entrepreneurship (van der Westhuizen & Rensburg, 2022). While these enablers can be broadly explored across various business functions and dimensions, the present study focuses on related to HRM within the South African telecommunications sector. Broad factors such as business venturing, organisational renewal, proactiveness, innovativeness as well as risk-taking having been identified in the literature as key enablers of corporate entrepreneurship (Khun et al., 2016; van der Westhuizen & Rensburg, 2022). The HRM enablers of HRM practices for successful corporate entrepreneurship as were considered from the perspective of the Resource Based View (RBV) theory. This theory views organisations as bundles of resources which can be exploited to get valuable, inimitable, unique and difficult to copy competitive advantage (Barney, 1991; Assensoh-Kodua, 2019). In this way people are also considered a key resources that can yield competitiveness. The ability of the people to make strategic contribution and shape the future of entities through various contributions from this view. In this way entrepreneurial recruitment and selection, Entrepreneurial training and development, empowerment and autonomy, entrepreneurial performance management as well as appropriate rewards and compensation may be central in developing a unique HRM for corporate entrepreneurship.

The essence of HRM for corporate entrepreneurship has largely been conceptualised within the concept of strategic HRM (Mathushan & Kengatharan, 2022). Among the various perspectives of strategic HRM, strategic HRM and corporate entrepreneurship (CE) have also been viewed through the lens of the Resource-Based View (RBV) (Yi-Ying, Hughes, Hodgkinson, Chang & Seih, 2021). From this perspective, HRM connects with corporate entrepreneurship through the existence of a systems that develops valuable, rare as well as human capital. These are sources of sustainable competitive advantage as advanced in the RBV theory (Yi-Yang et al., 2021; Mathushan & Kengatharan, 2022). In essence, developing a strategically aligned HRM practices of recruitment, training and performance management result in the development the necessary knowledge, skills and capabilities that can foster an entrepreneurial culture (Ho, Soo, Tian & Teo, 2024). This alignment enables organisational adaptability and better positioned to take advantage of new opportunities thereby converting human talent into a key driver and enabler of innovation and growth (Mathushan & Kengatharan, 2022; Ho et al., 2024). HRM practices have been considered as critical for

cultivating human capital resources essential for corporate entrepreneurship when viewed from the perspective of the RBV.

Methodology

The study was formulated from the philosophy of positivism which is based on the collection and analysis of quantitative data to respond to the objectives of a study (Park, Konge & Artino, 2020). In this way, the study was quantitative based on the collection data using a five-point likert questionnaire that was developed based on the literature. Informed from the RBV theory as well as from the literature on HRM, HRM related enablers of employability were identified and were used to formulate a questionnaire that also included some statements informed from the RBV. The statements sought to establish whether statements of HRM as the driver of HRM entrepreneurship at a major telecommunications entity were supported. The study was following judgmental sampling in the selection of one of the five major telecommunications entities in South Africa. Wide literature was conducted to ensure the collection of data from the most successful enterprise among the recognised five major telecommunications that dominate South Africa. After the identification of the most successful in terms of market share and reported net worth as found in general online publications, contact was made to the organisational management to seek the completion of a questionnaire. The consisted of assessing agreeableness that certain HRM practices that are known in the literature to improve corporate entrepreneurship existed and have had significant impact on the competitive position of the enterprise. For ethical reasons, the management requested that they would administer the survey questionnaire themselves across various levels and groups in their organisation. Important ethical considerations such as the need to ensure that participants participate anonymously and voluntary participation as well as privacy and confidentiality were discussed before the management sought responses to the data and excluded all the biographical information of participants. Three hundred individuals within the entity completed the survey questionnaire which was then analysed followed exploratory factor analysis to establish the most important HRM related factors for advancing corporate entrepreneurship.

Results

EFA was conducted using Direct Oblimin as the extraction technique was used. The EFA was conducted on sections B and C of the questionnaire. These sections contained the HRM related factors for enabling corporate entrepreneurship as well as items from four items from the RBV theory. The appropriateness of the data for EFA was first analysed by considering the results of the KMO and Bartlett's test. Table 1 presents the results of the KMO and Bartlett's test for the HRM factors as well as the RBV factors which were the independent variables of this study.

Table 1: KMO and Bartlett's Test

| | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .778 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 9382.641 |
| | df | 276 |
| | Sig. | .000 |

As provided in Table 1, there was enough correlation to support the use of EFA. This was indicated by the value of the Kaiser-Meyer-Olkin (KMO) as a measure of sampling adequacy. The KMO (0.770) was greater than the threshold of 0.60 while the significance levels ($p=0.001$) of Bartlett's test of sphericity, was lower than which $p < .05$. It was then concluded that EFA was appropriate. After determining the KMO and Bartlett's test values the analysis then sought to establish the number of factors for extraction using eigenvalues. The EFA process revealed the essence of seven factors with eigenvalues above 1.0 and which explained 79.6% of the variance in the data analysed (as provided in Table 2).

Table 2: Total Variance Explained

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings ^a |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|--|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total |
| 1 | 6.002 | 25.007 | 25.007 | 6.002 | 25.007 | 25.007 | 5.581 |
| 2 | 4.865 | 20.272 | 45.279 | 4.865 | 20.272 | 45.279 | 5.339 |
| 3 | 2.891 | 12.044 | 57.323 | 2.891 | 12.044 | 57.323 | 2.863 |
| 4 | 1.925 | 8.021 | 65.344 | 1.925 | 8.021 | 65.344 | 2.003 |
| 5 | 1.359 | 5.661 | 71.005 | 1.359 | 5.661 | 71.005 | 1.438 |
| 6 | 1.052 | 4.382 | 75.387 | 1.052 | 4.382 | 75.387 | 1.189 |
| 7 | 1.017 | 4.239 | 79.626 | 1.017 | 4.239 | 79.626 | 1.151 |
| 8 | .930 | 3.877 | 83.503 | | | | |
| 9 | .911 | 3.796 | 87.298 | | | | |
| 10 | .761 | 3.172 | 90.470 | | | | |
| 11 | .641 | 2.673 | 93.142 | | | | |
| 12 | .564 | 2.350 | 95.492 | | | | |
| 13 | .302 | 1.259 | 96.751 | | | | |
| 14 | .233 | .972 | 97.723 | | | | |
| 15 | .162 | .674 | 98.397 | | | | |
| 16 | .114 | .477 | 98.874 | | | | |
| 17 | .083 | .346 | 99.220 | | | | |
| 18 | .064 | .268 | 99.487 | | | | |
| 19 | .044 | .185 | 99.673 | | | | |
| 20 | .024 | .100 | 99.772 | | | | |
| 21 | .020 | .083 | 99.856 | | | | |
| 22 | .018 | .073 | 99.929 | | | | |
| 23 | .012 | .048 | 99.977 | | | | |
| 24 | .005 | .023 | 100.000 | | | | |

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

The rotated pattern matrix was then used to adequately analyse the factor loadings of the observed variables and to see how they are clustered into the seven factors established in this study.

Table 2: Pattern Matrixa

| | Component | | | | | | |
|--|-----------|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Entrepreneurial capacity is a key quality in our hiring decisions. | .983 | | | | | | |
| The entrepreneurial capabilities of our employees are a critical source of our competitive advantage. | .970 | | | | | | |
| Our reward system is designed to compensate individuals for their innovative ideas that lead to successful projects. | .967 | | | | | | |
| Performance meetings emphasis on learning from failed innovations and not punishing risk-takers. | .953 | | | | | | |
| I am motivated to take ownership of my job and to make decisions with no constant supervision. | .949 | | | | | | |
| Employees have the freedom to undertake innovative projects independently. | .886 | | | | | | |
| Our enterprise provides enough resources to allow people to start new ideas. | .985 | | | | | | |

| | | | | | | |
|--|------|-------|-------|-------|-------|-------|
| We recruit individuals who can do their job autonomously and who initiate new ideas during the selection process. | .980 | | | | | |
| Our performance management structure encourages continuous learning or adaptation. | .977 | | | | | |
| Training initiatives in our enterprise focus on a creative and problem-solving mindset. | .971 | | | | | |
| Performance reviews assess entrepreneurial behaviors that include proactive initiative or idea generation. | .960 | | | | | |
| The organisation possesses flexible or non-bureaucratic structure that promotes experimentation. | .704 | | -.138 | | | |
| The organisation seeks employees who demonstrate a proactive as well as opportunity-seeking vision. | .967 | | | | | |
| We have a significant investment in developing employees' entrepreneurial potential. | .960 | | | | | |
| Innovative actions are directly rewarded in our performance appraisal system. | .884 | | | | | |
| Employees are rewarded for deviating from the status quo and introducing new ways of doing things. | | | .954 | | | |
| People are trained to search for new business opportunities as well as market trends. | | -.103 | .951 | | | |
| The reward structure for project teams is related to the entrepreneurial success of their venture. | .103 | | | .790 | | |
| Our recruitment process uniquely identifies or attracts people who are creative and innovative | | | | .615 | -.146 | .225 |
| The company provides training to assist employees to manage risks and uncertainty. | | | | .547 | .123 | .464 |
| The way we integrate our HR practices is very difficult for our competitors to copy. | .105 | | .127 | -.103 | -.739 | |
| We use both intrinsic (e.g., recognition) as well as extrinsic (e.g., bonuses) rewards to motivate appropriate entrepreneurial behavior. | .105 | | | -.120 | .557 | -.359 |
| The entrepreneurial capabilities as well as skills set of our employees are unique to our firm. | | .328 | .292 | | .417 | .215 |
| Our organisational culture, supported by our HR practices, is an inimitable resource or asset | | | | -.169 | | .786 |

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 7 iterations.

When considering the pattern of significant loadings in the provided matrix, a clear seven factor structure can be interpreted. Component 1 which forms the first group of statements that primarily describe employees in terms of their having ownership of their role as well as making decisions with no constant supervision, load strongly on this component. This component seems to represent a concept related to employee autonomy and empowerment. Component 2 is composed of statements that load most highly on the organisation's strength in providing enough resources for ideas grow and for the employees to be able to undertake innovative projects independently. This factor appears to be about the availability of resources and support for innovation. For component 3, the highest loading on was on a statement related to the reward structure for project teams in relation to their entrepreneurial success. This suggests that the factor is related to the reward system for entrepreneurial behavior. In component 4, the statement with the strongest loading relates to training initiative to enhance creativity and problem-solving. This factor be be interpreted to represent the existence of training and development programs. component 5 is largely defined by the statement related to continuous learning as well as adaptation as encouraged by an appropriate performance management system. This factor defines the organization's emphasis on continuous learning or adaptation. The primary statement for component 6 indicates the organisation's capability to attract or recruit proactive and innovative people. Therefore, this component defines the

organisation's hiring and talent acquisition strategies. The last component, component 7 had strong loadings from two statements: (1) the first one was about being a market leader that competitors copy and another one was about how the reward structure attracts people who are willing to assist. This factor was taken to be related to the organisation's competitive advantage and its ability to attract a specific type of talent. Overall, the matrix provides for seven distinct, but highly related concepts relating to a company's entrepreneurial and innovative culture. The results here can be summarised with seven factors which are: (1) autonomy and empowerment, (2) provision of resources, (3) reward structure, (4) training and development programs, (5) continuous learning and adaptation, (6) capability to attract proactive and innovative people and (7) organisational competitive advantage

Discussion

This study supports earlier studies on corporate entrepreneurship but has been unique in providing a summary of the essential enablers for HRM aided corporate entrepreneurship. Earlier studies (Barney, 1991; Yi-Yang et al., 2021; van der Westhuizen & Rensburg, 2022; Ho et al., 2024) that broad factors such as business venturing, organisational renewal, proactiveness, innovativeness as well as risk-taking are essentials for the realisation corporate entrepreneurship. This study, through the EFA procedure has summarised the essential HRM related enablers thereby creating the foundation for further analysis and exploration of corporate entrepreneurship through appropriate HRM practices. While the seven factors identified in this study (autonomy and empowerment, provision of resources, reward structure, training and development programs, continuous learning and adaptation, capability to attract proactive and innovative people and organisational competitive advantage) have been found in earlier research for corporate entrepreneurship, an actual summary that summaries and separate them as done in this study has not been fully explored. This study strengthens the strategic role of HRM as argued in the work of Barney (1991) and echoed in other studies as Yi-Ying et al. (2021) or Ho et al. (2024) that the strategic role of HRM need to be accelerated and enhancing HRM corporate entrepreneurship practices is central. To ensure the development of corporate entrepreneurship this study found the need to emphasise that employees should have the freedom to undertake innovative projects independently provide resources to allow people to start new ideas with appropriate reward systems, training and development as well as ensuring the entire organisation is competitive in support of earlier studies (Yi-Yang et al., 2021; Mathushan & Kengatharan, 2022). In essence, The HRM strategy may need to be aligned HRM practices for unique and well adapted recruitment, training and performance management that results in the development the necessary knowledge, skills and capabilities that can foster an entrepreneurial culture (Ho, Soo, Tian & Teo, 2024).

Conclusion

The study explored corporate entrepreneurship and the its HRM related enablers in the context of business environmental turbulence that we are in. HRM has been found to be a key component for corporate strategy based on its unique ability to drive innovation and value. This study explored various HRM related factors for enhancing corporate entrepreneurship and then used EFA to reduce them into the most central factors. The results of the study found seven factors related to HRM as an enabler of corporate entrepreneurship and these were: (1) autonomy and empowerment, (2) provision of resources, (3) reward structure, (4) training and development programs, (5) continuous learning and adaptation, (6) capability to attract proactive and innovative people and (7) organisational competitive advantage. Future research is recommended to further explore how these factors interact with other factors in driving corporate entrepreneurship.

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