

RESEARCH ARTICLE:

Human Resource Management Practices and Business Performance: The Mediating Effect of Corporate Entrepreneurship

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Abstract

Globalisation is creating profound and substantial changes for businesses and industries worldwide. These changes have forced businesses to re-evaluate their organisational philosophy and strategic approaches to become more competitive. Corporate-level entrepreneurship is indispensable in improving productivity and promoting economic growth. The paper's purpose was to determine the mediating role of corporate entrepreneurship between human resource management practices (HRMPs) and business performance. Following this purpose, the interrelationship between specific human resource practices, corporate entrepreneurship and business performance was investigated. After that, the mediating role of corporate entrepreneurship in the relationship between human resource practices and business performance was examined. A quantitative, formal, and cross-sectional approach was used. Data were collected using a survey, and self-administered questionnaires were emailed to 744 human resource managers in medium and large businesses in Gauteng. A response rate of 47.6 per cent was achieved as 351 usable questionnaires were received. The results provide empirical evidence that corporate entrepreneurship (CE) is stimulated by better employee relations, selection practices, compensation, high level of employee development and skills training. The evidence further shows that HRMPs influence business performance and that a positive relationship exists between innovation intensity and risk propensity and business performance.

Keywords: corporate entrepreneurship; business performance; human resource management practices

Introduction

The growth of interest in corporate entrepreneurship (CE) may be attributed to the challenges of the new competitive landscape (Hitt, Ireland, Camp and Sexton, 2001), whereby both internal and external forces must be managed by businesses (Luke, Kerais and Verreynne, 2011). Environmental turbulence (Enginoglu and Arikan, 2016; Dess, Lumpkin and McGee, 1999), the pressures of the new economy (Wennekers and Turik, 1999; Dess *et al.*, 1999) and the difficulty of building a sustainable competitive advantage (Luke *et al.*, 2011) are some of the challenges that are driving enterprises to develop entrepreneurial strategies. It is thus clear that an entrepreneurial mindset is required for enterprises if they wish to compete effectively in this new competitive landscape (Hitt *et al.*, 2001). Enterprises that simply maintain their existing strategies and fail to reinvent their business models will face difficulties. CE is perceived in various ways by researchers and practitioners. In a study by Zahra and Covin (1995), business venturing and organisational renewal were presented as additional dimensions of CE other than proactiveness, innovativeness and risk-taking. According to Zahra and Covin (1995), CE is a set of global practices which occur by discovering and following new opportunities via new business models, innovation or creating new businesses.

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That is why CE requires companies to generate and operate new knowledge resources and thus facilitate new business opportunities (Hayton, 2005). The significance of CE for companies, economies and societies necessitates conducting more research on the entrepreneurship concept and methods for its execution. Antoncic and Hisrich (2001) pointed to the 'intrapreneurship' concept that is used as a similar notion with CE and stated various definitions of intrapreneurship, pointing to its significant effects. Some of the definitions of intrapreneurship include "a process in which individuals within an existing organisation chase opportunities independently of the resources they control", "developing new jobs and giving up old habits", "entrepreneurial thought and spirit within the organisation", and "creation of new organisations or encouraging activities for renewal and innovation activities in the organisation". In line with the findings of previous research, the level of CE in an organisation is usually described by different dimensions; innovativeness, risk-taking, proactiveness (Covin and Slevin, 1991; Morris and Jones, 1993), new business venturing (Zahra and Covin 1995; Thornberry 2001), self-renewal/organisational transformation (Guth and Ginsberg 1990; Stopford and Baden-Fuller, 1994; Zahra and Covin, 1995), industry rule bending (Stopford and Baden-Fuller, 1994). Innovativeness refers to an organisation's ability to do things in new and different ways in the form of new technologies, processes, and products. Risk-taking is the willingness to become involved in projects that may place the organisation at risk (Morris and Jones, 1993). This means that opportunities are pursued amidst uncertainty as to whether an undertaking will be successful, confidently acting without certainty of the consequences (Urban *et al.*, 2015). The third key element, proactiveness, is described as the organisation's ability to anticipate new developments as early as possible and to act proactively rather than wait reactively for new developments and trends (Morris and Jones, 1993; Urban *et al.*, 2015). It can be argued that innovativeness, risk-taking and proactiveness in this approach are attributed more to the organisation than to its members.

The concept of corporate venturing is often used to generate new revenue and create value for businesses' shareholders (Thornberry, 2001; Kuratko, 2017). Self-renewal is defined as the transformation of organisations through the renewal of the key ideas by which organisations are built (Guth and Ginsberg, 1990). Self-renewal primarily indicates the strategic repositioning of a company via redevelopment of a business concept, reconstruction of the organisation, and introduction of system-wide changes for innovation (Stopford and Baden-Fuller, 1994; Zahra and Covin, 1995). Industry rule bending focuses on changing the rules of competitive advantage and is called frame-breaking change. In this case, both business and industry are transformed. This form of corporate entrepreneurship causes transformation that focuses on changing the rules in the industry in which the business is engaged, creating new opportunities in the field of entrepreneurship and innovation, and initiating paradigm shifts within an industry. Therefore, firms should identify and implement entrepreneurial actions, such as developing new products and ideas or adapting their internal processes to new situations (Hanci-Donmez and Karacay, 2019; Dizgah *et al.*, 2011).

From a management perspective, entrepreneurship is an organisational process that encourages and practices innovation, risk-taking, and reactivity toward customers, competition, and opportunities (Miller and Friesen, 1982). A corporate entrepreneurship (CE) approach offers an environment that supports businesses to improve their performance by creating a dynamic business approach based on innovation that can bring new competitive areas and transform opportunities against growing market demand (Hanci-Donmez and Karacay, 2019). Many studies found that CE practices increase business performance (Covin and Slevin, 1991; Lumpkin and Dess, 1996; Kaya, 2006; Karacoaglu, Bayrakdaroglu, and San, 2013).

The most widely accepted definition of corporate entrepreneurship appears to be that of Sharma and Chrisman (1999), which reinforces the definition postulated by Guth and Ginsberg (1990), who state that corporate entrepreneurship comprises two major types of phenomena: internal innovation or the creation of new ventures within existing organisations and the reshaping of organisations through strategic renewal. The construct of corporate entrepreneurship, for this

study, will be referred to as defined by Sharma and Chrisman (1999) as the process whereby an individual or a group of individuals, in association with an existing organisation, create a new organisation or instigate renewal innovation within that organisation.

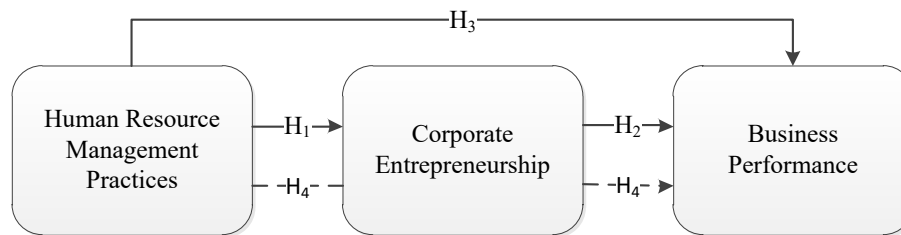
One-way organisations can remain competitive in today's rapidly changing environment is to address the issue of achieving productivity through their employees. Human resource management practices (HRMPs) can encourage or hinder corporate entrepreneurship. Various decision areas influence the work environment, but human resource management is perhaps the most vital. There has been a fundamental transformation of the human resource management function in companies in the past few decades (Kuratko, Morris and Covin, 2011) Historically; the human resource management function was first concerned with the administering of employee benefits and imposing rules and procedures on employee hiring, promotion, and firing; nowadays, many companies understand that the human resource management function must play a strategic role in developing core competencies and achieving sustainable competitive advantage through people. Kuratko *et al.* (2011) further state that consistent with this strategic role is the recognition that HRMPs might be associated with entrepreneurship. Yang and Lin (2009) see HRMPs as investments in human capital to the extent that when employees perform, they add value to the company.

Tichy, Fombrun and Devanna (1982) named four human resource management functions that directly influence employee performance: staff selection by selecting people who are best able to perform the job defined by the structure, motivating employees by rewarding them, training, and developing employees for future performance and appraising employees to justify the rewards. This study builds upon this approach. It will combine Schuler's (1986) work as well as more recent studies (Dizgah, *et al.*, 2011; Edralin, 2010; Kaya, 2006; Morris and Jones, 1993; Schmelter *et al.*, 2010) to identify six HRMPs that the respective literature denotes to have a strong positive impact on corporate entrepreneurship. These are (1) planning (Dizgah *et al.*, 2011; Morris and Jones, 1993), (2) staff selection (Dizgah *et al.*, 2011; Edralin, 2010; Hayton, 2005; Morris and Jones, 1993; Schmelter *et al.*, 2010; Schuler, 1986), (3) rewards/compensation (Edralin, 2010; Morris and Jones, 1993; Schmelter *et al.*, 2010; Schuler, 1986; Tichy *et al.*, 1982), (4) training and development (Edralin, 2010; Kaya, 2006; Khandwalla, 2006; Morris and Jones, 1993; Schmelter *et al.*, 2010; and Schuler 1986), (5) performance management (Dizgah *et al.*, 2011; Edralin, 2010; Morris and Jones, 1993) and (6) employee relations (Edralin, 2010).

The sustainability of competitive positions is a vital priority for today's businesses. To achieve and sustain competitive advantage, companies need to be innovative, flexible, efficient, and effective in their operations and achieve high performance (Hanci-Domez and Kayracay, 2019). Therefore, performance is defined as a notion used for quantitatively or qualitatively determining what is achieved because of a purposeful and planned activity. Researchers have used various variables to measure business performance. Development of new products or entrance to new markets are the results of entrepreneurship, and these are the ways that companies can achieve a competitive advantage that directly affect company performance (Covin and Slevin, 1989; Lumpkin and Dess, 1996; Zahra and Covin, 1995). The findings of previous research confirmed the positive relationship between a firm's profitability and CE activities (Mokaya, 2012; Kaya, 2015). Various studies have been conducted recently and have shown a significant relationship between HRMPs and CE (Hayton, 2005; Hayton and Kelly, 2006; Edralin, 2010; Schmelter, *et al.* 2010; Florén, Rundquist, and Fischer, 2016). Few studies have researched the possible effect of human resource management practices on business performance through CE (Hanci-Donmez and Karacay, 2019). The purpose of this study was to determine the mediating effect of CE on the relationship between HRMPs and business performance.

Following this introduction, the paper will present the theoretical framework upon which the research questions hinge; this will be followed by a presentation and discussion of the results, and finally, we shall present a conclusion drawn from the results and areas of further research.

Based on the literature review, the following conceptual model was developed. To test the model, four hypotheses were developed, which are presented in the following section.



- H1: HRMPs have a positive influence on corporate entrepreneurship.
- H2: Corporate entrepreneurship has a positive influence on business performance.
- H3: HRMPs have a positive influence on business performance.
- H4: Corporate entrepreneurship is a mediator between HRMPs and business performance.

The hypotheses stated in this study may be referred to as relational hypotheses, as this type specifies a relationship between two or more variables (Cooper and Schindler, 2014).

Methodology

For this study, a quantitative approach to research was introduced. The researchers' logic behind this method is that this has strategic foundations in facilitating large-scale statistical analysis and collection at comparatively low expense and effort, including data analysis (Sharp *et al.*, 2012). The research was applied to businesses that operate in the Gauteng province in South Africa. The sample population for this research is the human resource managers of medium and large businesses in the Gauteng province in South Africa. Without a complete list of human resource managers in businesses in Gauteng, the *Who Owns Whom* website was used to compile the sample frame. *Who Owns Whom* is an independent research organisation producing high-quality, original research on African business and economic environments.

There are two approaches to sampling: probability and non-probability. Probability sampling is based on the premise that each member of the population has a definite opportunity to be selected. With non-probability sampling, there is no guarantee that each member of the population has a definite opportunity to be selected, and it is arbitrary and subjective (Blumberg, Cooper and Schindler, 2014). Cooper and Schindler (2014) distinguish between two main types of probability sampling, namely, simple random sampling and complex probability sampling (Cooper and Schindler, 2014). For this study, no sampling was done, and the census method was applied as the entire population was surveyed (Saunders *et al.*, 2012).

Results

An online survey was sent to the human resource managers of 744 businesses. A total of 351 fully completed surveys were received, which gave a response rate of 47.6%. Both males and females participated in the study. 59.4% were males, and 40.6% were female. Most of the respondents (81%) were older than 41 years, and 42% of the respondents had postgraduate qualifications. To ensure the validity and reliability of the research instrument, items from previous research studies were used. The HRMPs and corporate entrepreneurship constructs were measured using five-point Likert scales with anchors of disagree (=1) and strongly agree (=5). Items for HRMPs were adopted from Morris and Jones (1993), Edralin (2010) and Schmelter *et al.* (2010). Items for measuring corporate entrepreneurship were adopted from Morris and Jones (1993) and Schmelter *et al.* (2010). The items for measuring business performance were adopted from Kaya (2006).

Table 1: Reliability and validity measures.

Measure	Factor	Cronbach's Alpha
HRMP	Employee relations	0.931
	Managerial Jobs	0.835
	Compensation practices (Incentives)	0.893
	Training and development	0.871
	Selection and staffing practices	0.754
	Compensation practices (non-financial incentives)	0.803
CE	Innovation intensity	0.886
	Risk propensity	0.719
	Organisational structure	0.730
Business Performance		0.768

As shown in Table 1, the reliability and validity of the resulting factor compositions are acceptable since they have Cronbach's Alpha values of higher than 0.70.

Exploratory factor analyses were used to assess the properties of the measurement scales. Before factor analysis was done, the Kaiser–Meyer Olkin and Bartlett's tests were done in the case of HRMP and entrepreneurial behaviour to determine sample adequacy. The Kaiser- Meyer-Olkin test of sampling adequacy indicated that the sample size is adequate to perform factor analysis with a value of 0.945, which is close to 1. Bartlett's test of Sphericity shows that the p-value is less than 0.05, and this indicates that there is a correlation. The outcomes of these tests determine whether factor analysis can be done between the items, which allows for factor analysis. Factor analysis of the HRM practices scales was conducted. The items with low factor loadings (<0,70) were eliminated from the dataset. HRMP came out with a collection of 6 HRM practices, including employee relations (12 items), managerial jobs (4 \ items), compensation practices (incentives) (7 items), training and development (9 items), selection and staffing practices (4 items) and compensation practices (non-financial incentives) (4 items). With regards to CE, three constructs were formed, namely innovation intensity (9 items), risk propensity (5 items) and organisational structure (3 items). Business performance is loaded into a single factor.

Multiple regression was employed to test the first three hypotheses. Multiple regression analysis was used to assess the influence of an outcome variable (performance) of more than one predictor variable, namely, both HRMPs and entrepreneurial behaviour. Specifically, a relationship between HRMPs (the independent variable) and corporate entrepreneurship (the proposed mediator) was tested first. The existence of a relationship between CE (the dependent variable) and business performance was then tested. Thirdly, the relationship between HRMPs and business performance was tested. Finally, the moderating role of corporate entrepreneurship between HRMP and business performance was tested.

Table 2 shows the results of Pearson's correlation coefficient used to measure the strength and direction of the relationship between the HRMP and CE. Consistent with theoretical arguments, HRMP was positively correlated with CE: $r = 0.569$ and $p \leq 0.01$ with 351 respondents.

Table 2: Relationship between HRMP and corporate entrepreneurship

		Human resource management
Entrepreneurial behaviour (corporate entrepreneurship)	Pearson Correlation	.569**
	Sig. (2-tailed)	.000
	N	351

Table 2 shows the regression analyses used to test the hypotheses. The independent variables were HRMPs and CE, and the dependent variable was performance. In this case, the model ($F = 11.2$, $df 2$, p -value <0.05) degrees of freedom is significant, as shown by the significance level (p -value) of 0.000, (which means the actual value is less than 0.001). Therefore, because the model F is significant (low p -value), the independent variables, HRMPs and entrepreneurial behaviour (corporate entrepreneurship), explain a significant portion of the variation in the dependent

variable. The model R² of 0.061 also supports this conclusion. Here the model R² of 0.061 indicates a 6 per cent variance in the dependent variable. The total t-value of 5.516 is associated with a low p-value (sig) of 0.000.

Table 3: HRMP and entrepreneurial behaviour

Model		Sum of squares	df	Mean square	F	Sig.
1		Regression	10.697	2	5.349	11.187
		Residual	165.912	347	.478	
		Total	176.609	349		
a Dependent variable: Performance						
b Predictors: (constant), Human Resource Management Practices and Entrepreneurial behaviour						
Model Summary						
Model		R	R square	Adjusted R square	Std. error of the estimate	
1		.246 ^a	.061	.055	.69147	
a. Predictors: (constant), human resource management practices, entrepreneurial behaviour						
Model		Unstandardised coefficients		Standardised coefficients		t
		B	Std. error	Beta		
1	(Constant)	1.756	.318			5.516
	Entrepreneurial behaviour	.268	.109	.155		2.455
	Human Resource Management Practices	.162	.084	.122		1.925
Model		Sig.	Collinearity statistics			
			Tolerance	VIF		
1	(Constant)	.000				
	Entrepreneurial behaviour	.015	.676	1.480		
	Human Resource Management Practices	.055	.676	1.480		

In Table 3, the t- value for the independent variable, entrepreneurial behaviour of 2.455, is associated with a low p-value (sig) of 0.015, which is significant as the p-value is < 0.05. The t-value of 1.925 for the independent variable, HRMPs, is associated with a p-value of 0.055, and it is not significant because the p-value is > 0.05.

Table 4: HRMP and business performance

Variables entered/removed				
Model	Variables entered	Variables removed	Method	
1	Human Resource Management Practices		Enter	
a Dependent variable: Performance				
b All requested variables entered				
Model Summary				
Model	R	R squared	Adjusted R squared	Std. Error of the Estimate
1	.210 ^a	.044	.042	.69645
a. Predictors: (constant) Human Resource Management Practices				

The results of the relationship between HRMP and business performance are shown in Table 4. Here the model R² of 0.044 indicates a 4 per cent variance in the dependent variable.

Table 5: Process procedures for SPSS simple mediation analysis

Y: Business performance							
X: HRMPs (Human resource management practices)							
M: EB (Entrepreneurial behaviour/corporate entrepreneurship)							
Sample Size: 350							
Outcome Variable: Entrepreneurial behaviour/corporate entrepreneurship							
Model Summary							
R	R ²	MSE	F	df1	df2	p	
0.5696	0.3244	0.1154	167.1129	1	348	0.0000	
Model							
R	Coefficient	Standard error	t-value	P	LLCI	ULCI	
Constant	1.8057	0.1228	14.7073	0.0000	1.5642	2.0475	
HRMPs	0.4380	0.0339	12.9272	0.0000	0.3714	0.5047	
Outcome Variable: Performance							
Model summary							
R	R ²	MSE	F	df1	df2	p	
0.2461	0.0606	0.4781	11.1866	2	347	0.0000	
Model							
R	Coefficient	Standard error	t-value	P	LLCI	ULCI	
Constant	1.7555	0.3183	5.5162	0.0000	1.1296	2.3815	
HRMPs	0.1615	0.0839	1.9251	0.0550	-0.0035	0.3266	
EB	0.2679	0.1091	2.4547	0.0146	0.0532	0.4825	
Direct and Indirect Effects of X on Y							
Direct effect of X on Y							
Effect	se	t	P	LLCI	ULCI	ć_ps	ć_cs
0.1615	0.0839	1.9251	0.0550	-0.0035	0.3266	0.2271	0.1219
Indirect effect(s) of X on Y:							
	Effect	BootSE		BootLLCI		BootULCI	
EB	0.1173	0.0550		0.0147		0.2305	
Partially standardised indirect effect(s) of X on Y:							
	Effect	BootSE		BootLLCI		BootULCI	
EB	0.1649	0.0759		0.0212		0.3183	
Completely standardised indirect effect(s) of X on Y:							
	Effect	BootSE		BootLLCI		BootULCI	
EB	0.0885	0.0404		0.0112		0.1708	
Analysis Notes and Errors							
Level of confidence for all confidence intervals in output: 95,0000							
Number of bootstrap samples for percentile bootstrap confidence intervals: 5000							
NOTE: Variables' names longer than eight characters can produce incorrect output.							
Shorter variable names are recommended.							

The mediation effect of corporate entrepreneurship between HRMP and business performance is reflected in Table 5. The mediation analysis, according to Hayes (2013), was used. As can be seen in Table 5, the effect is not statistically different from zero, $\acute{c} = 0.1615$, $t(348) = 1.93$, $p = 0.0550$. Therefore, the null hypothesis that $\tau\acute{c} = 0$ cannot be rejected. The interval estimate for $\tau\acute{c}$ is -0.0035 to 0.3266 with a 95 per cent confidence interval. This confidence interval does include zero, so zero cannot be confidently ruled out as a plausible value for the direct effect. This proves that HRMPs do not have a direct effect on business performance in this model.

If so, one can claim that entrepreneurial behaviour/corporate entrepreneurship is a mediator of the effect of HRMPs on business performance. The Bootstrap confidence interval was used to do the null hypothesis test. The statistical difference from zero is with $p = 0.0000$. The interval estimate for $\tau\acute{c}$ is 0.0147 to 0.2305 with a 95 per cent confidence interval with the number of

bootstrap samples for percentile bootstrap confidence intervals equal to 5000. The indirect effect of 0.1773 (mediation) is significant, derived from the fact that the interval Boot LL and UL do not include zero. Therefore, entrepreneurial behaviour mediates the relationship between HRMPs and business performance. The inclusion of the mediator improves the relationship between HRMPs and business performance. The variance explained by the model increased from 0.044 (as reflected in Table 4) to 0.0606 (R squared) in Table 5.

Discussion of Results

The first hypothesis of the study suggested that human resource management practices have a positive influence on corporate entrepreneurship. The Pearson correlation produced a result of $r=0.569$ and a p-value of 0.00, which is significant because the p-value is lower than the common alpha level of 0.05, and, therefore, the null hypothesis can be rejected. This indicates that a positive relationship exists between human resource management practices and corporate entrepreneurship. This result implies that changes in the predictor's value, human resource practices, are related to changes in the response variable, corporate entrepreneurship.

Various other studies have been conducted to determine whether a relationship exists between human resource management practices and corporate entrepreneurship. Schuler (1986) argues that entrepreneurial behaviour could be fostered by creating consistent sets of HRMPs. Maalej, Amami and Saâdaoui (2014), in their research linking corporate entrepreneurship with human resource management practices, state that the ability to pursue new opportunities can be described as entrepreneurial ability, and it supposes a human resource that understands and exploits such opportunities. Therefore, recruitment policies, remuneration and promotion influence entrepreneurial potential. The finding in the Maalej *et al.* (2014) study is also in line with the finding of a study done by Schmelter *et al.* (2010) that strong positive relationships exist between human resource management practices such as staff selection, training and development, staff rewards and corporate entrepreneurship. This corresponds with a study in China (Tang *et al.*, 2015), where strategic human resource management was positively associated with corporate entrepreneurship ($\beta=0.44$, $p\leq 0.001$). It is clear from the discussion above that human resource management activities and practices in the business could reinforce entrepreneurial activities. Therefore, activities of human resources are fundamental to enhancing corporate entrepreneurship. Based on the arguments above, the hypothesis was accepted.

The second hypothesis of the study suggests that corporate entrepreneurship has a positive influence on business performance. The Pearson correlation produced a result of $r=0.225$ and a p-value of 0.00, which is significant because the p-value is lower than the common alpha level of 0.05, and, therefore, the null hypothesis can be rejected, and the alternative hypothesis is accepted. This indicates that a positive relationship exists between corporate entrepreneurship and business performance. This result implies that changes in the predictor's value, corporate entrepreneurship, are related to changes in the response variable, business performance. This synchronises with the findings of Kaya (2015) that a significant relationship exists between corporate entrepreneurship and performance. Covin and Slevin (1989) concur that small firms with high strategic posture indices (entrepreneurial firms) generally perform best in hostile environments. A similar outcome was obtained in a study by Karacaoglu *et al.* (2013), where they found that the dimensions of corporate entrepreneurship, which are proactiveness, innovation and risk-taking, interact mostly with financial performance (such as return on assets, return on equity, net sales/assets).

The third hypothesis of the study suggests that human resource management practices have a positive influence on business performance. The Pearson correlation produced a result of $r=0.210$ and a p-value of 0.00, which is significant because the p-value is lower than the common alpha level of 0.05 and therefore, the null hypothesis can be rejected, and the alternative hypothesis is accepted. This indicates that a positive relationship exists between human resource management practices and business performance. This result implies that changes in the predictor's value,

human resource management practices, are related to changes in the response variable, business performance. According to Zehir *et al.* (2016), the path analysis results of their study show that strategic human resource management has a significant and positive effect on financial performance ($\beta=0,179$; $p<0,01$) and employee performance ($\beta=0,407$; $p<0,01$). The results of a study in China (Wang and Zang 2005) show a close relationship between HRMPs and organisational performance. Kaya's (2006) report from Turkey confirms a positive relationship between HRMPs and firm performance. The above evidence leads to the conclusion that businesses that seek to enhance the entrepreneurial levels in their business should promote investment in HRMPs. These efforts will encourage employee contribution to business performance. Therefore, the hypothesis is accepted.

The fourth hypothesis suggests that corporate entrepreneurship is a mediator between HRMPs and business performance. The Bootstrap confidence interval was used to do the null hypothesis test. The statistical difference from zero is with $p=0.0000$. The interval estimate for $\tau\acute{c}$ is 0.0147 to 0.2305 with a 95 per cent confidence interval, and the number of bootstrap samples for percentile bootstrap confidence intervals equals 5000. The indirect effect of 0.1773 (mediation) is significant, derived from the fact that the interval Boot LL and UL do not include zero. Therefore, entrepreneurial behaviour (corporate entrepreneurship) mediates the relationship between HRMPs and business performance. The null hypothesis was rejected, and the alternative hypothesis was accepted. In other words, corporate entrepreneurship affects firm performance, both directly and through its effects on HRMPs. Kaya (2006) found that HRMPs partially mediate the relationship between corporate entrepreneurship and business performance in data collected from 124 Turkish businesses. Zehir *et al.* (2016), in their research, indicate that entrepreneurial orientation (including innovativeness, risk-taking propensity, proactiveness and competitive aggressiveness) mediates the relationship between strategic human resource management and firm performance (both financial performance and employee performance). Therefore, the hypothesis was accepted.

Conclusion

The empirical part of the study indicated that corporate entrepreneurship is stimulated by better employee relations, selection practices, compensation, higher employee development and skills training. When recruiting for top management positions, attention must be paid to entrepreneurial characteristics, which are linked to innovativeness, creativity, and autonomy. Selection and staffing are the most significant drivers of corporate entrepreneurship. The study also found that HRMPs influence business performance and that a positive relationship exists between innovation intensity and business performance and risk propensity and business performance. The results show that corporate entrepreneurship mediates between HRMPs and business performance. This study contributes to corporate entrepreneurship, specifically in South Africa, a developing country. In addition, the study integrates corporate entrepreneurship to explore the relationship between human resource management practices and business performance. Secondly, the study clearly showed that when corporate entrepreneurship is added, business performance increases. In this respect, this study contributes to both CE and HRMP literature. The study's outcomes can be used by practitioners to consider that when recruiting for top management positions, attention must be paid to entrepreneurial characteristics, which are linked to innovativeness, creativity, and autonomy. This study also has limitations. The data was only collected in one province in South Africa. This study followed a quantitative research methodology, but future research should investigate the qualitative analysis of conditions under which human resource management and corporate entrepreneurship interact. Future research can also consider doing a comparative study between different countries. In a South African situation, the study can perhaps be extended to any of the other eight provinces.

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