



Effects of Human Resource Management Practices on Corporate Entrepreneurship at a State Agency in South Africa

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Abstract

Organisations face rapid changes brought about by economic, political, social and technological changes. These changes compel organisations to review their business strategies and turn to CE as an ultimate source of competitive advantage. Furthermore, the human resource management (HRM) function is crucial in formulating competencies and supporting organisations in achieving their strategic objectives. This study sought to determine the effects of HRM practices on CE at a South African state-owned agency. The study adopted a qualitative single case study design using semi-structured interviews through Microsoft Teams. A purposive sample of nine top management and human resources employees participated in the study. The interviews were recorded and subsequently analysed using ATLAS.ti 23. The study shows that three HRM practices, namely, recruitment and selection, training and development, and performance appraisal, positively affect the adoption of CE at the North West Development Corporation (NWDC) in South Africa. The study provides practical guidance on how state agencies can effectively invest and promote entrepreneurial behaviour for optimal performance. The study contributes to the body of knowledge by proposing a revised conceptual framework for increasing CE in HRM systems for internal innovation performance by incorporating HRM practices. This framework includes HRM practices such as job design, recruitment, training, performance appraisal, and compensation. Furthermore, the study introduces organisational development as a strategic contributor to the successful implementation of this framework.

Keywords *Corporate Entrepreneurship, Human Resource Management Practices, State Agency, South Africa, Training, Performance Appraisal*

INTRODUCTION

Corporate Entrepreneurship (CE) is adopted globally as an enabling means of sustainable growth within organisations (Banumathi, 2020). CE is vital for encouraging innovation, revitalising the organisation and improving productivity (Zahra, 2015). Scholars and researchers have various definitions of CE. According to Munir (2021), CE refers to expanding new businesses unrelated to its core business. For this study, the definition of CE will be restricted to a term used to describe entrepreneurial behaviour inside established medium-sized and large organisations (Kuratko et al., 2011).

Cherif (2020) asserts that Human Resources Management (HRM) practices are a source of organisational capabilities that allow employees to capitalise on new opportunities. This study will be based on the five HRM practices: job design, recruitment and selection, training and development, performance appraisal, and compensation and rewards (Bao et al., 2021). Orakwue and Iguisi (2020) argue that the right skills, knowledge and experience are needed to be an entrepreneurial organisation. According to Musara et al. (2020), South Africa faces various challenges, including high unemployment, low entrepreneurial activity and low economic growth. As a result, developing entrepreneurship and small businesses can contribute significantly to economic growth and employment creation (Gomes & Ferreira, 2022; Musara et al., 2020; Sze et al.,

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2021). The South African Government identifies entrepreneurship and, in particular, the development of small businesses as a panacea for the country's socio-economic problems of poverty and unemployment as outlined in the National Development Plan (South Africa National Planning Commission, 2012).

CE is crucial not only for South Africa; according to Urban (2017), CE is also important worldwide to enhance performance and build new capabilities for a competitive advantage. A study by He et al. (2020) in China from 2010 to 2018 revealed that implementing CE has significantly increased revenue for state-owned enterprises. Notably, a study based in Morocco illustrated how HRM practices based on entrepreneurial principles significantly influenced change management projects aimed at fostering an entrepreneurial culture (Moustaghfir et al., 2020). Entebang and Harrison (2019) and van der Wal and Demircioglu (2020) also shed light on the challenges in fostering entrepreneurial behaviour in the government environment, including cultural norms and values. These authors emphasised the need for improvement in the government environment. As a result, this study will benefit organisations worldwide striving to implement CE as it provides theoretical and practical guidance for state agencies to encourage CE using HRM practices. Additionally, this study proposes a framework for state agencies to increase CE, including HRM practices such as job design, recruitment, training, performance appraisal, and compensation, through a change management approach.

Against this background, the study investigates the effects of HRM practices on CE. The study's research question is: Given the importance of CE and HRM practices globally, how effective HRM practices are in encouraging CE at a state agency? The North West Development Corporation (NWDC) based in South Africa was selected for this study as it plays a vital role in supporting the government in achieving economic growth and service delivery (Fourie, 2014). This study aims to determine the effects of HRM on CE at a state agency in South Africa.

LITERATURE REVIEW

CE has grown in importance over the past four decades, with research foundations dating back to 1970-19 (Zahra et al., 2013; Kuratko et al., 2015). Scholars worldwide are increasingly interested in CE, exploring the different issues associated with entrepreneurial activities in established organisations (Zahra et al., 2013; Scheepers & Groenewald, 2019). Considering that HRM has evolved rapidly, becoming a strategic partner that involves increased recognition, rewards, and motivation strategies (Aslam et al., 2013; Girisha & Nagendrababu, 2019), some scholars have explored the correlation between HRM and CE in various countries, focusing on the entrepreneurial characteristics in HRM practices. The studies of Taiwo et al. (2020), Khan et al. (2018), and Orakwue and Iguisi (2020) affirmed that there is a significant link between CE and HRM practices. These authors emphasised that HRM practices are crucial for promoting and sustaining high CE levels. Furthermore, staff selection, development, training, and rewards should be considered to instil an entrepreneurial culture.

The scholars further illustrated how HRM practices promote CE, contributing to organisational success. For example, Das (2023) emphasised that task-related cognitions and job structure can influence employee entrepreneurial behaviour. In contrast, highly formalised jobs may discourage such behaviours. Additionally, organisations can acquire talented and skilful individuals who can leverage entrepreneurial insights (Harima et al., 2024), thereby adopting competency-based recruitment incorporating attributes like independence, self-efficacy, risk appreciation, strong will to succeed, innovative thinking, problem-solving, and endurance for uncertainty or failure (Mathushan & Kengatharan, 2022). After that, entrepreneurial capacity can be enhanced through ongoing training to identify, develop, and exploit opportunities (Madanat, 2018; Rodríguez-López & Souto, 2020).

While training promotes CE, [Yimam \(2022\)](#) accentuated the importance of thoroughly assessing training needs, program design, delivery method, evaluation, and training objectives. [Hernandez \(2019\)](#) voiced that employees are more proactive when they can train colleagues, brainstorm, and learn from their peers. Similarly, [Akintunde et al. \(2015\)](#), echoed that networking and learning capabilities significantly influence entrepreneurial behaviour. [Byrne et al. \(2016\)](#) suggested an action-learning approach for developing skills, knowledge, and attitudes in CE, resulting in five specific learning outcomes: organisational knowledge, multi-functional knowledge, proactive behaviour intentions, increased self-awareness, and new network connections.

Despite the above training methods that can encourage CE, [Mathushan and Kengatharan, \(2022\)](#) highlighted that poorly implemented performance appraisal systems can hinder organisational entrepreneurial behaviour. Performance appraisals should focus on results, project life cycles, innovation, and risk criteria not annually but on long-term effects. However, [Mabaso and Dlamini \(2017\)](#), [Noorazem et al. \(2021\)](#), and [Verma \(2018\)](#) maintain that compensation and rewards are the two most important factors for HRM. Thus, [Salamzadeh et al. \(2019\)](#) suggest designing a payment system that encourages entrepreneurial action and rewards employees for their work. They also suggested incentivising entrepreneurial behaviour by being a role model, ensuring fair individual rewards and long-term collective success. [Nursiti et al. \(2022\)](#) emphasised that rewards significantly influence employee performance.

Scholarly provided valuable insights into HRM practices and CE, highlighting the interplay between these practices in promoting CE. These insights are vital in this paper because this study attempts to determine the effects of HRM practices on CE at a state agency in South Africa. Although researchers have recognized the importance of HRM practices and CE ([Khan et al., 2018](#); [Orakwue & Iguisi, 2020](#); [Taiwo et al., 2020](#)), research on HRM practices and CE at state agencies has been limited. State agencies are worthy of study as they face unique challenges due to inefficiency and restrictive laws ([Tocar, 2020](#)). This study seeks to fill this research gap by exploring the effects of HRM practices on CE at a state in South Africa.

South Africa is selected as a case study as most of the CE studies in South Africa did not explicitly focus on HRM and CE at a state agency. For example, [Urban \(2017\)](#) highlighted organisational factors like reward, reinforcement, resource availability, and flexible boundaries for enhancing entrepreneurial innovativeness. [Pillay \(2020\)](#) investigated CE in the South African emerging market context. [Mugunzva and Rankhumise \(2020\)](#) explored the viewpoints of employees at an insurance company regarding CE. [Maselwanyane \(2018\)](#) evaluated CE within SMMEs, whereas [Molefi and Hoque \(2021\)](#) investigated whether the South African Social Security Agency effectively promotes CE by utilising industry resources. Furthermore, [van Vuuren \(2016\)](#) focused on investigating the role of CE.

RESEARCH METHOD

A single case study design using an embedded approach was employed. This design was selected as it allows the exploration and in-depth understanding of complex issues under study ([Crowe et al., 2011](#)). The research was examined using an exploratory research design. The exploratory research design was suitable as it seeks new insights into the concept of CE in a state agency. The exploratory case study design also looks into phenomena marked by a dearth of thorough prior research ([Hoffman & Radojevich-Kelley, 2012](#)). In the study context, the case was bounded by determining the effects of HRM practices on CE at a state agency in South Africa. This study employed the non-probability sampling technique of purposeful sampling. As [Bhardwaj \(2019\)](#) indicated, the advantage of purposive sampling is that the researchers select the sampling of the participants who know and understand the research topic, leading to the desired results. This study selected 20 employees, consisting of top management and human resources employees from

a state agency in South Africa, as the target. In determining the number of participants, the guidelines by experts (rules of thumb), as discussed above, were taken into consideration (Kumar et al., 2020; Marshall et al., 2013; Sim et al., 2018).

However, due to the size of the organisation and vacant positions (South Africa North West Development Corporation, 2022), 12 employees were eligible participants in the study. The study's sample size adhered to qualitative sampling experts who state that qualitative studies are more concerned with participants' knowledge and competencies. The sample size consisted of organisation experts who could provide in-depth and detailed information about HRM practices and CE. These experts are top management at the top two levels of the organisational structure, as illustrated in Figure 1. Top management is accountable for strategic decision-making and long-term goals (Zhang et al., 2019).

A semi-structured interview guide for top management and employees within human resources employees was developed before the interview. The interview protocol refinement framework by Castillo-Montoya (2016), comprised of a four-phase process, was considered during the development of the interview guide. Fewer closed-ended questions were asked during the interview than open-ended ones. This study used in-depth virtual interviews through Microsoft Teams to collect primary data (Creswell, 2014; Patel & Patel, 2019).

Data Analysis

The researchers analysed the data in this study using themes. Interview transcriptions were loaded into ATLAS.ti 23 and coded so the researchers could identify themes (Vaismoradi et al., 2013). The researchers transcribed the interviews and obtained a sense of all the transcripts by reading them several times. Words relating to entrepreneurial behaviour were highlighted to better understand the participant's responses. The interview transcripts were uploaded simultaneously to the ATLAS.ti 23 and coded so the researchers could identify themes. The researchers used an inductive coding approach, allowing themes to emerge from participant's discussions rather than deductive coding. The researchers organised the various codes into prospective themes and compiled all the pertinent coded data extracts inside the determined themes.

Trustworthiness was ensured through credibility, dependability, transferability, and conformability following standard procedures suggested by (Thomas et al., 2015). The eight key strategies that are crucial for rigour were followed such as 'audit trail', 'clarification of research bias', 'member checking', 'negative case checking', 'peer debriefing', 'prolonged engagement', 'rich, thick description', and 'triangulation'.

Ethical Considerations

The consent to conduct the study was sought and obtained from the NWDC. Before data collection, ethical clearance for this research was obtained from the university's Faculty Committee for Research Ethics. Afterwards, the researchers requested that participants complete an informed consent form and an information leaflet providing all the necessary details concerning the research.

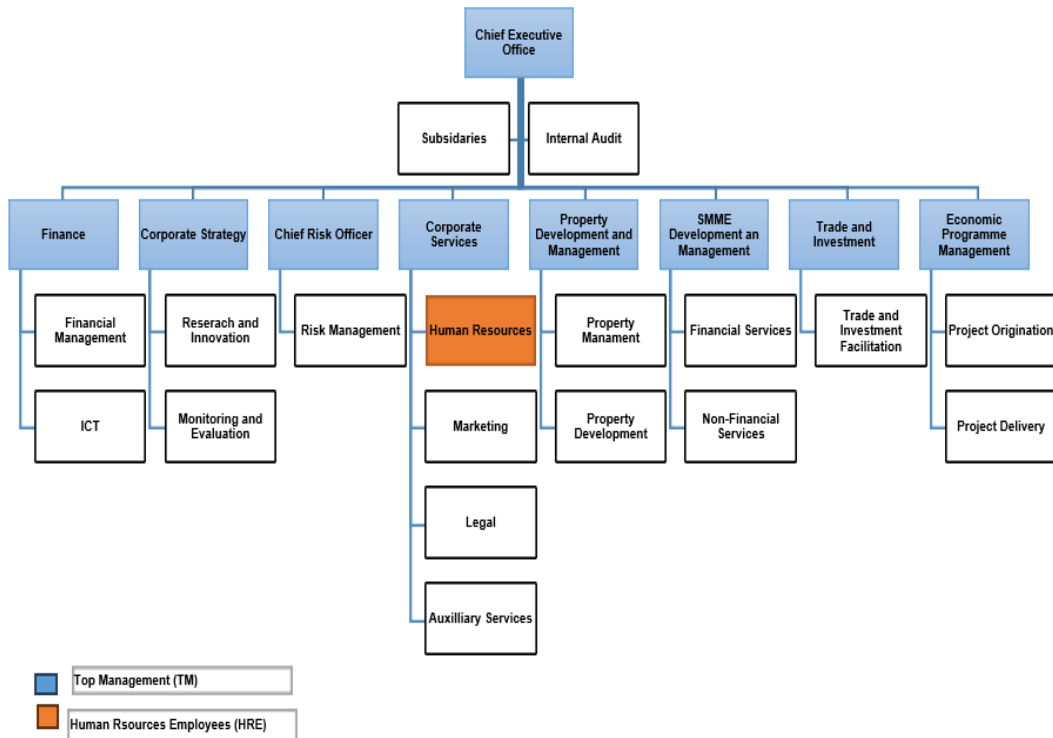


Figure 1. NWDC’s Organisational Structure

Source: Adapted from NWDC Annual Report 2021/2022 (South Africa North West Development Corporation, 2022)

FINDINGS AND DISCUSSION

Description of a Case: The North West Development Corporation (NWDC)

The NWDC is an agency of the Provincial Government of the North West Province. It is listed as a Schedule 3D provincial government entity in the PFMA of 1994, Act 01 of 1999. The NWDC is accountable for planning, financing, coordinating, promoting ¹and carrying out the economic development of the North West Province and its people. It focuses on the fields of industry, commerce, finance, mining, tourism enterprise-related activities and other businesses resulting in wealth and job creation, which should be done while taking cognisance of the aims and objectives of the National Development Plan of the Republic of South Africa (South Africa. North West Development Corporation, 2023).

Description of The Participants

All the study participants were from the NWDC based at the head office, specifically top management and human resource employees, as indicated previously in Figure 1. Therefore, the participants are called P1, P2, and so on to protect their identity.

The Main Themes and Sub-Themes of The Findings

This section presents the findings based on the interviews conducted with the top management and human resources employees/practitioners mentioned in section Figure 1. In presenting the results, the excerpts of the interviewees are embedded under the emergent themes.

The main themes and sub-themes are summarised in Table 1 below per Research Objectives (RO).

Table 1. The Main Themes and Sub-Themes

Research Objective (RO)	Broad themes	Sub-themes
RO1 <i>To determine the effects of HRM practices on CE at the state agency in South Africa</i>	Organisational procedure	(a) Selection (b) Performance appraisal
	Training	(a) Financial study support (b) Continuous/ ongoing training (c) Personal development plan
RO2 <i>A framework to increase CE in HRM systems</i>	Organisational Development	(a) Change management (b) Mindset

Findings for Research Objective 1

RO 1: To determine the effects of HRM practices on CE at the state agency in South Africa

The study adopted a conceptual framework consisting of inputs, processes, and outputs. This framework guided the data analysis and presentation of results.

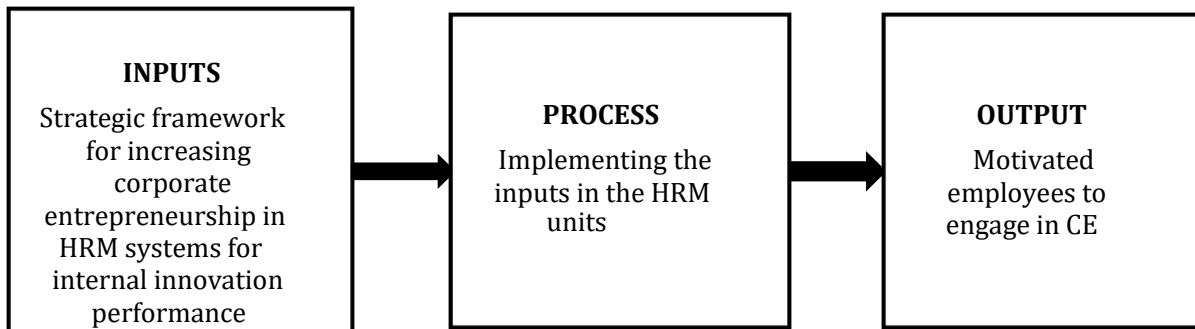


Figure 2. Research conceptual framework

Source: Developed for this study

This objective seeks to understand the influencing factors that promote CE. Therefore, the participants were asked to indicate how the following practices- job design, recruitment and selection, training and development, performance appraisal, and compensation and rewards-encourage or limit entrepreneurial behaviour at the NWDC. Two themes emerged from Research Objective 1: organisational procedure and training. The study found the following to apply to inputs:

Theme 1: Organisational procedure

In the context of this study, organisational procedure refers to policies, procedures and processes that guide the execution of work. This theme comprises two sub-themes:

a. Sub-theme: Selection

Selection is the first sub-theme of the organisational procedure theme. For this study, the term selection refers to the final selection of a suitable candidate for the job. This sub-theme is derived from the recruitment and selection practice. Findings indicate that employees follow formal procedures, but this process limits the selection of entrepreneurial candidates as it relies on formal criteria like interviews and competency assessments. The respondents indicated that the selection process emphasises selecting a candidate who can demonstrate a high level of function for a specific area of work in the job advert and job description rather than focusing on entrepreneurial skills and interests. This was encapsulated in the following statements.

"...but now with our procedure, it is limiting us. say we focus in requirements, qualifications expressing yourself during the interviews" - P1

"No, entrepreneurial skills are not emphasised during this process. Instead, they make sure that it is aligned with the job advert and how you perform at the interview" - P2

Notably, some participants expressed frustration with the recruitment and selection process, arguing that it is ineffective in encouraging entrepreneurial behaviour. They advocate for innovative candidate selection and prioritising and filling critical positions. These sentiments are supported by the quotations below by Participants 4 and Participant 6.

"HR function in NWDC does not yet operate well to enable it to perform its basic functions effectively and efficiently, and thus it is not yet geared to play a leading role in promoting a culture of corporate entrepreneurship" - P4

"Although there are improvements in HR..., But I still that HR is not effective in stimulating Corporate entrepreneurship. Filling of some positions takes longer than expected, impacting service delivery" - P6

However, one participant believes that selecting a qualified candidate for Special Economic Zones positions promotes entrepreneurial behaviour, as these concepts attract Foreign Direct Investment, develop new industrial hubs, and create jobs. Therefore, entrepreneurial skills and mindset are crucial in the candidate selection process. Participants shared the following sentiments:

"So, I can say that we might not be optimally recruiting at the level where innovation becomes the key thing, you know, but I think it just that like I said, that we are required to look at people who really be able to operate in an environment that is going to look at new industries, new economies, new entrepreneurship, new and innovation becomes a key component of that recruitment. Moreover, I think we tried to look at it in essence" - P7

These insights reveal varied perspectives on the recruitment and selection process and its impact on CE, suggesting a need for a framework to enhance CE in HRM systems. NWDC is a state agency that must comply with Acts such as the Labour Relations Amendment Act, 12 of 2002 ([South Africa. North West Development Corporation, 2022](#)). These acts have an impact on the HRM practices. Consequently, policies, procedures and rules must align with the Acts. It can be argued that the NWDC hiring promotes CE. NWDC have employees who demonstrate

entrepreneurial behaviour. These employees provide entrepreneurship development support to youth in the North West province. They have employees who advise on entrepreneurship-related matters and promote investment opportunities. Therefore, the recruitment and selection process consider entrepreneurial characteristics. This finding corroborates that of (Salamzadeh et al., 2019) in which the recruitment system significantly influences CE.

b. Sub-theme: Performance appraisal

The second sub-theme, under the first main theme of the study, discusses performance appraisal. For this study, performance appraisal refers to assessing an employee's job performance. The findings indicate that performance appraisals follow a formal procedure with fixed time intervals. Employees sign a performance agreement contract with NWDC in April. These contracts outline their work from April to March, including indicators and targets. Appraisals are conducted in September and April. However, the appraisals do not explicitly focus on elements indicating CE, such as innovation, risk-taking, proactiveness, and a longer time horizon. These findings are corroborated in the excerpt below by participant P2:

"The Performance evaluation is on six monthly bases. I would be lying if I said they consider entrepreneurial elements such as innovation, risk-taking, and proactiveness during the evaluation process. The evaluation committee checks how the employee is rated and whether they have agreed with their manager. Basically, the performance evaluation is about checking how employees have performed and if the PO is submitted." - P2

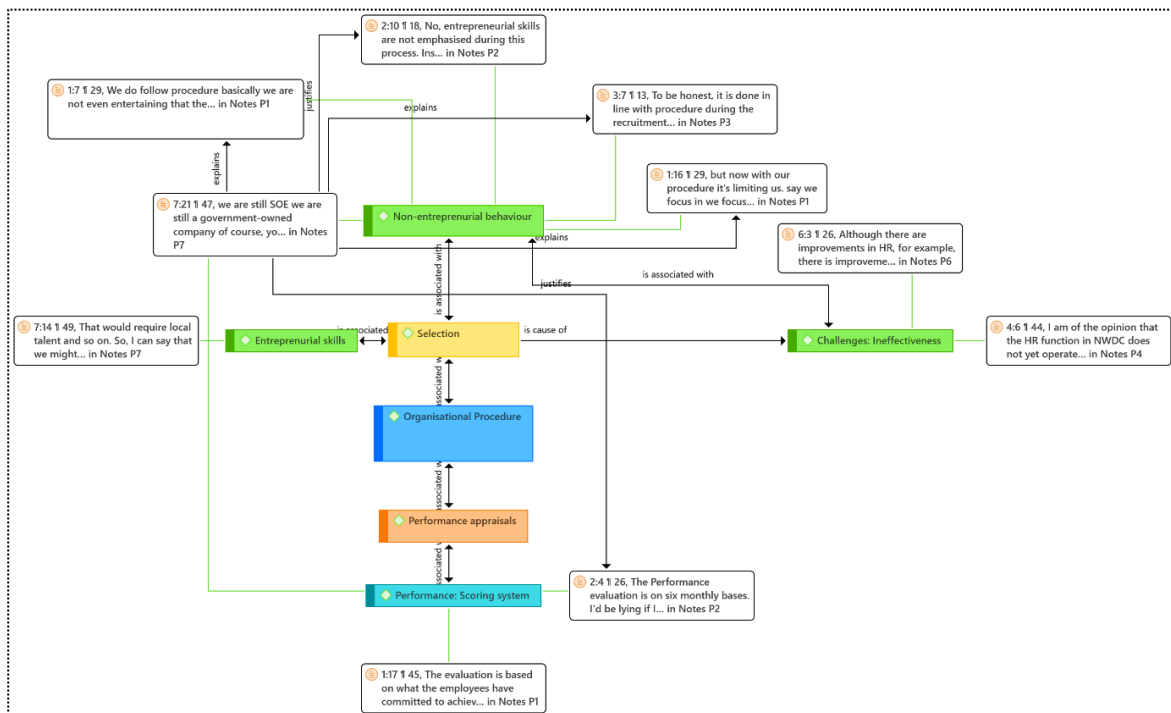


Figure 3. Findings for Theme 1

Source: Researchers' own construct (developed using ATLAS.ti network function on findings for theme 1)

These findings enhance the understanding of the performance appraisal process at NWDC. The performance appraisal process at NWDC encourages entrepreneurial behaviour. This insight

aligned with [Audenaert et al.'s \(2019\)](#) study in Belgium, which found that consistent and continuous monitoring of employee performance management positively influences individual innovation. Employees exceeding the expected standards and formal job requirements tend to innovate and contribute significantly to organisational achievement ([Yovav & Harpaz, 2021](#)). Participants find the performance appraisal process ineffective due to the absence of performance bonuses and rewards. Increased incentives for employees aligning with entrepreneurial agendas could boost innovation ([Briones et al., 2023](#)).

Theme 2: Training

The second central theme of the study is training, which is derived from training and development practice. The findings highlight challenges employees face due to inadequate training budgets and lack of focus on entrepreneurial skills. Training is based on individual and departmental needs, with long-term support provided by NWDC. Additionally, training is adapted to organisational changes, ensuring employees stay updated with new technologies and systems. However, the training they attend does not explicitly focus on entrepreneurial skills. This theme comprises the following sub-themes:

a. Sub-theme: Financial study support

Under the study's second main theme, the first sub-theme discusses financial study support. In this study, financial study support refers to financial assistance to study for accredited and formal qualifications. The NWDC provides financial study support to employees for accredited and formal qualifications, encouraging long-term and career-oriented training. This support was implemented in 2018 and has covered about 15 employees. The principle of the financial study support does not explicitly encourage entrepreneurial-related education. The course should be pertinent to the organisation's function and enhance its current and future role requirements. The focus is on improving employees' capacity and contributing to the organisation's success. The participants shared the following,

"The study loan is free after completing the study, and there is no need to pay it back. It is a way of developing employees. For example, the organisation can pay from matric until Master degree level. If you say I do not have matric, I have been here as a cleaner and want to develop myself. The organisation can pay for that, and extra classes employees will attend" - P1

"...but what currently is happening is that NWDC can pay for your study fees say that you wanted to do a certain course. And then you did not have funds for that. That is what the organisation will help you to pay for that" - P2

These insights are associated with the discussion that focusing on entrepreneurial skills is encouraged by long-term-oriented training and encouraging high employee participation ([Kuratko et al., 2011](#)). It is associated with CE. This finding is substantiated by [Özdemirci and Behram \(2014\)](#), who assert that training is a crucial HRM practice that directly or indirectly impacts CE, as the learning process relies on human capital. The studies by ([Kirsch et al., 2024](#); [Kromidha et al., 2024](#)) emphasise the importance of prioritising education, mentoring, and knowledge support in fostering an entrepreneurial climate.

b. Sub-theme: Continuous/ongoing employee training

Continuous/ongoing employee training is a second sub-theme under training, which is the

second central theme of the study. From the perspective of this study, continuous/ongoing employee training refers to multiple sessions to equip employees with the necessary skills and processes for key job responsibilities.

NWDC prioritise continuous training and development for organisational efficiency, covering financial systems, HR systems, and Information Technology. Follow-up training occurs when new technologies, processes, or policies are introduced. Other ongoing training focuses on critical job areas like presentation skills. However, no special training focuses on improving entrepreneurial skills. This was highlighted in the responses below:

"There are also instances whereby departments would request for short courses to improve their employee-specific competence such as presentation skills. The motivation for the short courses may be based on the critical responsibility area that the employee is expected to perform. So short courses are based on departmental needs" - P1

"...internal training when there is a need to keep abreast with technologies when there is a new system. For example, IT training will conduct training for those making payments and show them how the system works if it's a finance system. Those are the internal training that is done" - P2

The continuous/ongoing employee training at NWDC encourages CE. This finding is associated with the discussion that entrepreneurial capacity is improved by ongoing training and development practices and not on a once-off basis, providing employees with the necessary knowledge and experience ([Madanat & Khasawneh, 2018](#)).

c. Sub-theme: Personal development plan

The personal development plan is a third sub-theme under training within the second central theme of the study. This sub-theme is derived from training and development practice. This study defines a personal development plan as a document employees complete at the start of each financial year outlining their competency and developmental needs. However, the participants argue that these plans do not explicitly promote entrepreneurial behaviour, and the organisation finds providing all planned training challenging. Examples of training that form part of a development plan include property management, economic analysis, monitoring and evaluation. This was evident in the responses below:

"It becomes difficult to send employees on training because of the lack of a training budget" - P1

"There has not been enough training due to lack of training budget" - P2

These findings provide an understanding of the challenges NWDC faces in training and development, as they struggle to provide all planned personal development training, regardless of whether it promotes entrepreneurial behaviour. This is concerning as training and development is essential for nurturing organisations' entrepreneurial competence. An effective work environment can be fostered by investing in development and training initiatives ([Caliendo et al., 2022](#); [Gubi et al., 2024](#)). [Harima et al. \(2024\)](#) suggest that organisations can strengthen the entrepreneurial environment by organising workshops, seminars, courses, and events related to entrepreneurial activities. NWDC management should address this issue by aligning personal development plan activities with CE-related training.

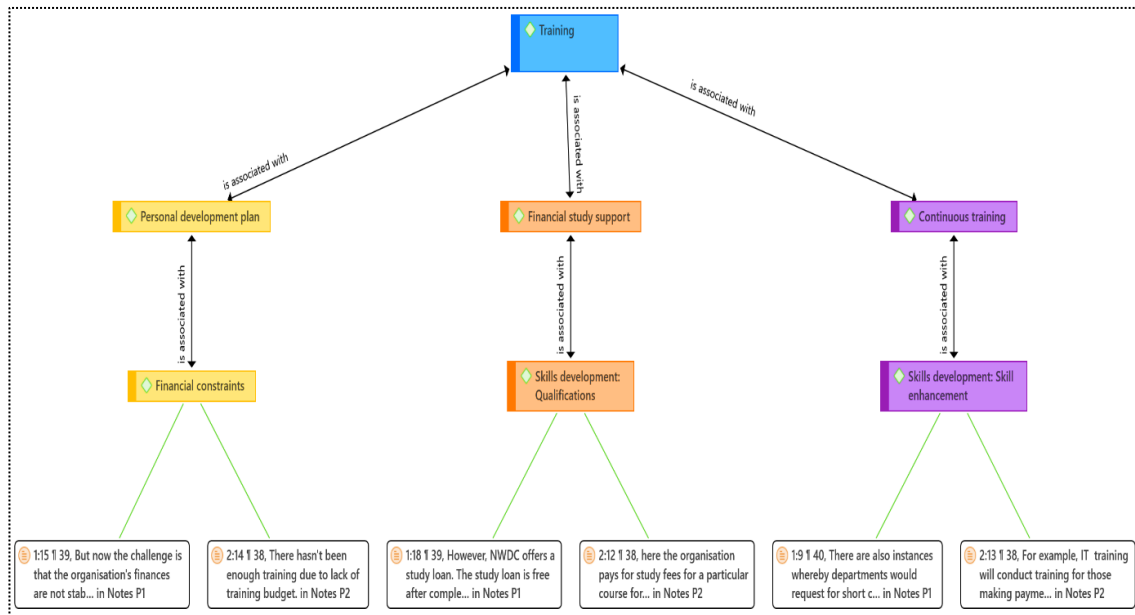


Figure 4. Findings for Theme 2

Source: Researchers' own construct [using ATLAS.ti network function on findings for theme 2]

Findings for Research Objective 2

RO 2: To develop a framework to increase CE in HRM systems for internal innovation performance to enhance CE

The study's second research objective sought to develop a framework to increase CE in HRM systems for internal innovation performance to enhance CE. The proposed framework is presented in Figure 5. The model consists of (i) Inputs: A strategic framework for the organisation's CE direction should be formulated (Tseng & Tseng, 2019), (ii) Process: Educating employees about CE (Raposo & Paco, 2011), Top management support (Burger & Blažková, 2020; Mugunzva & Rankhumise, 2020; Swink, 2000), (iii) Output: Motivated employees to engage in CE. The framework includes Organisational Development to support the success of formulating and implementing a strategic framework for increasing CE in HRM systems for internal innovation performance.

The framework is essential for NWDC to build the following HRM practices that encourage CE: job design, recruitment and selection, training and development, performance appraisal, and compensation/rewards. Job design should involve employees' input and allow flexibility in achieving results (Das, 2023; Hosseini et al., 2019; Madlala & Murimbika, 2018). Recruitment and selection should rely on general, less formalised criteria, hiring employees with CE knowledge, skills, and characteristics (Salamzadeh et al., 2019; Kuratko et al., 2011). Training should include extensive orientation programs, ongoing training, and a focus on innovation and risk criteria (Madanat & Khasawneh, 2018; Rodríguez-López & Souto, 2020). Performance appraisals should include innovation and risk criteria (Kuratko et al., 2011; Mathushan & Kengatharan, 2022). Finally, compensation/rewards should balance individual and group performance over a long period (Hosseini et al., 2019; Kuratko et al., 2011). In addition, organisational development is needed to ensure effective framework implementation through a change management process.

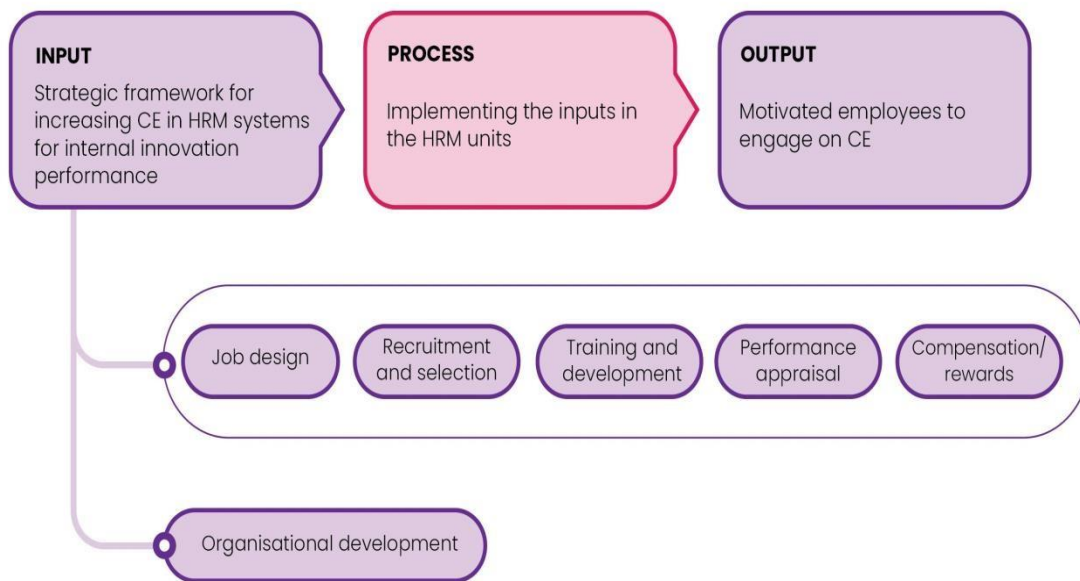


Figure 5. Conceptual Framework

Source: Developed for this research

CONCLUSIONS

The study's objectives were two-fold. First, to determine the effects of HRM practices on CE at the state agency and present a framework to increase CE in HRM systems. These two objectives were thoroughly discussed under three major themes that emerged from the analysis: (1) Organisational procedure, (2) Training, and (3) Organisational development. This study provided insights into how state agencies can invest and instil entrepreneurial behaviour within their organisation for optimal performance. In addition, a major contribution to the body of knowledge is the presentation of a conceptual framework (figure 5) for increasing CE in HRM systems for internal innovation performance by incorporating HRM practices. The study introduces organisational development as a contributor to the successful implementation of the framework.

The study reveals that the job design has not emerged in the themes, a gap that needs to be addressed. HRM practices such as recruitment and selection, training and development, and performance appraisals positively influence entrepreneurial behaviour. Recruitment and selection aim to hire entrepreneurial candidates. The NWDC's entrepreneurial initiatives, such as entrepreneurship development support to youth in the North West province, confirm the employees' entrepreneurial skills.

Training and development enable employees to adapt to changing job demands and dynamic environmental conditions, leading to more innovative and productive employees. Performance appraisals at the NWDC encourage CE by recognising outstanding/excellent achievements associated with innovation and organisational achievement. These positive outcomes of the study demonstrate the organisation's dedication to becoming an entrepreneurial agency, striving to contribute to the economic growth of the North West Province and its people. However, the organisation cannot provide all planned personal development training, and this finding requires immediate intervention. The research suggests interventions for human resource development policy to emphasise training interventions for CE programs, promote organisational entrepreneurial behaviour, and incorporate participatory learning methodologies.

Notably, there is a lack of financial and limited non-financial rewards to support CE. Providing remuneration like performance bonuses is crucial for CE's success. The study also recommends integrating CE elements into performance management and development policy principles, such as innovativeness, proactiveness, and risk-taking, to measure the impact and frequency of entrepreneurial effort on performance results.

LIMITATION & FURTHER RESEARCH

Although other studies have been conducted to determine the impact of HRM practices on CE, this study is probably the first to focus on HRM practices and CE at a state agency in South Africa. While the study provided valuable insights into the effects of HRM practices and CE, the study has limitations. Firstly, the study adopted a qualitative methodology with limited participants. It focused on top management and HR practitioners, limiting other operational and tactical management employees to participate in the study. Secondly, the study is a single case in the North West province, which restricts the comparative analysis with different state agencies in the different sectors.

Future research can employ multiple case studies using mixed methods with a large sample to improve the current studies. Furthermore, a longitudinal study could provide insights into implementing the recommended interventions and evaluate the intervention results. Also, the proposed conceptual framework in this study should be further tested at other state agencies in South Africa. Furthermore, the study recommends the expansion of HRM practices by including health and wellness, linking employee well-being and CE.

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