



Strategic Human Resource Management Practices as Antecedents of Employee Corporate Entrepreneurial Intensity: The Moderation of Organizational Culture

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ABSTRACT

This study investigates the influence of training, performance appraisal, and rewards (SHRMPs) on corporate entrepreneurial intensity (CEI) in a Philippine medium-sized fintech firm and examines the moderating role of organizational culture (OC). Data from 68 managerial employees were analyzed using linear regression and moderation analysis. Results show SHRMPs significantly impact CEI, with OC notably moderating this relationship, particularly for training. These findings offer guidelines for SMEs in emerging economies on designing HR programs to foster CEI, emphasizing the critical role of a supportive organizational culture. This study fills a gap by focusing on an SME in an emerging economy and highlighting OC's moderating effect.

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Introduction

Over the years, existing literature has highlighted that a firm's human capital should be successfully managed given that it yields positive implications such as increased competitiveness, greater profitability, and enhanced sustainability (Abbasinezhad, 2017). Applying the resource-based theory, earlier studies proposed that firms will benefit from employing strategic human resources management (SHRM), or the act of developing appropriate human resource management (HRM) guidelines and processes according to the firm's overall strategies (Ahmad et al., 2016; Guillen, 2022). Also defined as a collective of practices that include performance appraisals, remuneration structures, and training and development (Avdeeva et al., 2019; Guillen, 2023), SHRM has been proven to boost performance at individual and organizational levels, across different regions (Byrne et al., 2016). While there is a wide range of academic references examining the relationship between SHRM and organizational performance, the amount of research studying SHRM's effect on corporate entrepreneurship (CE), especially in unique contexts, remains relatively scant. Given that CE can be a significant indicator of firm competitiveness, the limitation of the existing research literature also includes its lack of emphasis on how CE may be used as an indicator of SHRM's effectiveness. Notably, one of the key unique contributions of the

present study is demonstrating that organizational culture significantly moderates the influence of strategic human resources management practices (SHRMPs) on corporate entrepreneurial intensity (CEI).

In today's business environment, firms must recognize the increasing value of innovation to succeed amidst fiercer competitions and accelerating technological breakthroughs. Kuratko (2015) defined corporate entrepreneurship as a set of activities that are related to creating business ventures, developing innovative products, and re-aligning organizational strategies. Earlier studies have placed more emphasis on understanding the determinants affecting CE as it is a prerequisite for firms to establish competitiveness and achieve sustainable growth. Zahra (1996) and Miller (1983) considered leadership and organizational structure as factors influencing CE, whereas Nohria and Gulati (1996) studied how the availability of organizational resources affects CE and Barringer and Bluedorn (1999) examined the influence of strategic management on CE. Various research also showed that a firm's CE is strengthened by promoting the employees' personal and professional development as they seize advancement opportunities within the organization (Castrogiovanni et al., 2011; Guillen, 2023). Nevertheless, while the effective management of human capital can be the key to successful entrepreneurial activities, there is currently limited research studying the influence of SHRMP and other internal management practices on developing CE among firms. A significant finding of the present study is that OC moderates the impact of SHRMP, specifically training, on CEI, thereby enhancing our understanding of how internal management practices can be leveraged to foster entrepreneurial activities.

Barney (1991) utilized the resource-based view of the firm to explain that distinct, inimitable, and valuable resources dictate the firm's competitive advantage. Day (1994) considered such organizational resources to be unparalleled because of their deep integration into the day-to-day operations and practices of the firm, making them almost insurmountable for competitors to replicate. When properly established as an organizational resource, SHRMPs do not only cultivate the employees' knowledge, skills, and abilities to achieve strategic objectives, but also motivate employees to reach their maximum potential and pursue opportunities for growth within the firm. Schmelter et al. (2010) determined that appraisal systems, rewards schemes, and training and development programs can all be used to promote entrepreneurial behavior among employees and thereby develop their competencies in a manner favorable to enhancing the firm's CE. A concrete example of SHRMP is the provision of continued learning activities to employees, which can encourage them to actively participate in the organization's innovation projects, venture activities, and strategic renewal efforts. The current study uniquely contributes to the literature by showing how OC moderates the relationship between SHRMP, particularly training, and CEI, thus highlighting the importance of a supportive culture in maximizing the benefits of strategic HR practices on entrepreneurial outcomes.

The majority of the literature studying the relationship between SHRMP and CE primarily involved large business organizations, established markets, and Western countries. As cultural aspects and government interventions vary and correspondingly affect SHRMP, the results from studies conducted in foreign environments may not be applicable in the local context. To address this existing research gap, the present study is pertinent to and employed considering the Philippine context. As an emerging country in Southeast Asia, the Philippines' economy is increasingly complex and rapidly changing in recent years. In 2015, firms recognized the pressing importance of successful human resource management to respond to the increased labor costs. In addition to firms making innovation a top priority, employees are also highly encouraged to maintain their competitiveness through continued learning and pursuit of knowledge (Divakara, 2021). Studying the influence of SHRMP on CEI in the Philippine context provides an advantageous opportunity to contribute to the existing literature and resolve its gaps by examining a smaller organization in the emerging Southeast Asian economy. Moreover, the findings of the present study focusing on a medium-sized firm can be utilized by the majority of enterprises in the country, as MSMEs comprise 99.51% of businesses operating in the Philippines (MSME Statistics | Department of Trade and Industry Philippines). More specifically, the current study examines the influence of SHRMP on the CEI of VII, a medium-sized FinTech company in the Philippines, and uniquely highlights the moderating role of OC in this relationship.

Aside from the unique institutional and organizational contexts of SMEs, scholars also recommend giving more attention to the industrial context. For instance, Umrani and Ahmed (2018) argue that there are fewer studies conducted towards the service sector compared to other industries (Phan et al., 2009). Given that their study was limited only to the Kenyan “serviceneurship,” Hughes & Mustafa (2017) propose that having a better understanding of how CE manifests in other contexts will allow researchers to develop more relevant theories and conceptual models on CE. Moreover, it will allow practitioners and policymakers to develop more effective strategies on how CE can better foster in their organizations (Hughes & Mustafa, 2017). The present study addresses this research gap by examining the influence of SHRMP on CEI in the context of VII, a Philippine, medium-sized financial technology firm, and adds to the novelty of the study by investigating the moderating effect of OC on this relationship.

Existing SHRMP and the Relevance of CE for VII

VII is a financial technology firm with a remittance license from the Philippines. Its websites and payment platforms bridge the gap between Filipino and migrant workers across 44 countries, and the institutions or merchants that serve them. In 2004, it began its operations as a PEZA-registered IT company to develop platforms that sell prepaid cards from the Philippines to Filipino migrant workers based overseas. In 2007, the company achieved an industry milestone when it expanded its services to collecting SSS contributions and loan payments from Filipino migrant workers. In 2009 and 2011, VII started accepting payments for Pag-IBIG and Philhealth, respectively. Its partner agents include top Philippine banks and remittance companies across the world. At present, VII is the Philippine government’s largest collection partner overseas. VII is able to have a unique positioning in the Philippine financial technology industry by tapping overseas Filipino workers (OFWs) as its niche market. Currently, VII has three main service offerings for this market. The first is “PayRemit” which is an online service of accepting payment transactions for Payremit-affiliated merchants. The second is the “Pay Government” which is an online service accepting payment for social security system (SSS), PhilHealth, and Pag-Ibig payments for contribution and loans. The third and newest service of VII is the “Product Loan” which allows OFWs to make installment payments for products (e.g. cellphones, laptops, televisions) for their families in the Philippines.

E-commerce and financial technology (“fintech”) are experiencing exponential growth rates due to the rising trend of digitalization in making financial transactions. The growth of the Philippine fintech industry is further amplified by the COVID-19 pandemic that forced majority of consumers to rely on e-commerce. As a result, fintech firms are becoming more aggressive and innovative in introducing service innovations to meet the growing and differing needs of consumers for online payments. Hence, it is crucial for VII to be an industry pioneer in introducing new service offerings for its niche market. Likewise, VII believes that the rising global demand for online payments offers a significant opportunity for the firm to introduce new service offerings as well as expand into new market segments and territories. To successfully expand its business, VII needs to be aggressive with its innovation capabilities. Aside from VII’s owners and board of directors, its human capital can be another source of innovation towards strategic renewal, new business venturing, and product/service innovation. Fostering a strong entrepreneurial behavior among its managerial employees will enable VII to produce significant innovation ideas and concrete outcomes that can propel it to greater profitability, sustainability, and competitiveness. To foster employee entrepreneurial behavior, VII should examine the presence of SHRMP practices that have been proven to significantly influence CEI. These SHRMP practices pertain to training, performance appraisal, and rewards.

At present, the main manifestation of innovation for VII relates to service innovations. This pertains to the introduction of new online payment systems and improvement of existing ones. For instance, VII is presently developing its own e-payment application. Likewise, it is aggressive in continuously improving its services and processes through automation, streamlining, and standardization to generate higher operational and client efficiency, productivity, and cost savings.

The key department that allows VII to produce these innovations is its Information Technology (IT) department. Given the nature of its business, technology is at the core of VII's innovative pursuits. Its IT department is composed of several systems developers responsible for spearheading the development, implementation, and enhancements of the customer online applications of VII. Other departments crucial for the creation of service innovations are the business development, customer service, and sales departments.

VII's managerial employees are crucial in generating innovation outcomes. It has three managerial levels, namely (1) frontline managers, (2) mid-level managers, and (3) senior managers. Senior managers perform a more strategic role for VII. They are responsible for providing mid-level and frontline managers with strategic direction, motivation and career development. Senior managers bridge the gap between VII's board of directors and its employees. They generally collaborate with other functional areas including human resources, customer services/operations, and IT departments to ensure that these functions perform their work in close alignment to the vision and mission of VII. They demonstrate innovation by focusing on the strategic renewal initiatives of VII which can include market penetration, market development, and product development strategies.

Consequently, mid-level managers are responsible for overseeing the operations of assigned clients and teams in accordance with VII core values by providing outstanding service to both internal and external customers. This position is responsible for understanding and complying with operational contractual requirements of VII's clients. Responsibilities of mid-level managers include coaching and development of frontline managers and teams to meet and exceed established customer service goals, ensuring adherence to established business processes and policies, and creating a positive and harmonious working environment. They demonstrate innovation by overseeing the development and enhancement of systems processes that will improve customer satisfaction, increase productivity, and improve client and team performance. Furthermore, mid-level managers improve employee satisfaction by creating a work environment with the aim of retaining and developing managers and team members. They continuously develop knowledge of products, processes, and customer service trends to provide recommendations that improve the customer experience, employee satisfaction, and enterprise performance. Mid-level managers help develop and manage strategies and action plans to improve site and enterprise employee retention and satisfaction. Likewise, they also assist in managing site budget and understanding the impact of decisions and actions based on the overall firm financial performance. Lastly, frontline managers are primarily responsible for overseeing the daily operations across the different functional areas of VII. They most closely interact with and evaluate the non-managerial employees. For instance, the frontline managers in the IT department responsible for developing, delivering, and monitoring new IT platforms which align to the high-level vision and architecture that have been established by senior and mid-level managers. They are expected to closely monitor the design and development of IT application roadmaps and components as performed and experienced by the staff employees. They also guide and mentor other IT developers to ensure delivery of the functional objectives set by upper management. It should be noted that all three hierarchical managerial levels work closely and seamlessly in an integrative manner to ensure that they effectively carry out VII's vision and mission.

Existing SHRM Practices at VII

Training as a SHRM Practice

Although the three managerial hierarchies in VII have distinct set of roles and responsibilities, there are overlaps and similarities to the scope of their work. Likewise, there must be a sense of continuity in performing their roles in alignment to the overall vision and strategic direction of VII. For instance, even though the customer service/operational frontline managers are mainly interfacing with the production employees and customers for handling direct transactions and requests, mid-level and senior managers still need to acquire customer service knowledge and skills to enable them to be more effective in monitoring departmental and frontline managerial performance and in setting departmental strategies. This requires the need for all senior

and mid-level managers to undergo customer service training programs. But it should be noted that frontline managers are given more modules on this area of the business in line with the nature of their roles. Another example pertains to technical skills in IT systems development. Mid-level managers are primarily responsible for the development and implementation of VII's systems and processes. However, both senior and frontline managers also need to undergo technical trainings as they have roles to perform in this area. For instance, senior managers need to have technical IT trainings so that they can incorporate technical knowledge when developing annual and periodical strategies for the entire business. Some of the needed technical skills and knowledge that all managerial levels need to possess relate, but not limited to, software development, code translations, technology identification, algorithmic structural analysis, problem orientation, design thinking, and project management. Although VII is able to provide an effective training program for these specialized knowledge and skills, its trainings are mainly given to its mid-level managers. To provide for all of these trainings, VII contracts the services of a reputable local training service provider. VII subscribes for both standardized and specialized trainings, the latter's purpose is to ensure that such training programs meet the actual needs of its employees. Aside from externally-commissioned trainings, VII is able to successfully provide its own internal trainings whereby subject matter experts (SMEs) within the firm volunteer or are assigned to train the relevant pool of employees. This practice of VII is highly effective in ensuring that trainings are addressing the direct and immediate developmental needs of its human capital.

One aspect that differentiates the external training programs of VII from those provided by large firms is that it partners with "less branded" training service providers. For instance, for its technical trainings, it does not avail of the formal and popular "Internal Organization for Standardization" (ISO) trainings due to their expensiveness. Rather, VII would avail customized training programs by a less-expensive and "branded" training provider. Nevertheless, the intended learning and developmental outcomes are realized by VII.

Performance Appraisal as a SHRM Practice

VII employs an array of proven and effective performance appraisal systems towards its managerial employees. First, it adheres to the management-by-objectives approach whereby managers and their superiors agree upon specific, measurable objectives with set deadlines. Performance reviews are then based on the extent to which these objectives are achieved. This method aligns managers' objectives with the strategic goals of the company and emphasizes tangible results. Second, VII adopts the developmental performance appraisal method that focuses on identifying the strengths and weaknesses of managers and providing them with specific feedback aimed at their professional development. It often includes creating a personalized development plan that addresses areas for improvement and plans for acquiring new skills. Third, the firm also conducts competency-based assessments that evaluate managers based on a set of predefined competencies relevant to their role and the firm's values which can help assess not just what the managers accomplish, but also how they achieve it. These competencies include leadership, communication, problem-solving, and strategic planning. Lastly, VII also provides regular-one-on-one meetings between managers and their supervisors which provide ongoing dialogue about performance. These sessions address issues and achievements in real-time, set short-term goals, and discuss career development.

Rewards as a SHRM Practice

VII mainly provides non-monetary rewards in motivating and recognizing its managerial employees. First, it provides employee recognition by acknowledging an employee's hard work during meetings, through company newsletters, or on social media platforms. Next, VII offers flexible working arrangements allowing more flexible hours, the option to work from home, or compressed workweeks that can significantly increase job satisfaction and loyalty. This flexibility is especially valued by employees balancing work with personal or family commitments. Next, it provides opportunities for learning and development, such as attending workshops, seminars, or access to courses to improve professional skills. Supporting employees' growth shows

investment in their long-term career, which is a powerful motivator. VII also assigns meaningful and challenging special projects to employees that expand their skills and enable them to spearhead a project they are passionate about. The firm also grants additional time-offs such as extra vacation days, personal days, or even long weekends. Likewise, work-life balance initiatives are given by offering services or benefits that help improve work-life balance, such as gym memberships, wellness programs, or company outings. Lastly, VII provides personalized coaching sessions and mentorship assignment to help with personal and professional development. This also helps in building strong relationships within the firm.

Nevertheless, VII also provides monetary rewards to its managerial employees despite its financial limitations as a SME. First, it offers one-time bonuses for achieving specific goals or for exceptional performance which can be tied to individual, team, or company-wide achievements. Next, VII offers profit-sharing by allocating a portion of the company's profits to managerial employees based on their performance or as part of an annual incentive plan. This not only rewards managerial employees but also encourages them to contribute to the company's success, fostering a sense of ownership and partnership. The company also provides performance-based raises via incremental salary increases based on performance reviews or achievements. These raises are effective for long-term motivation and show an ongoing commitment to rewarding superior performance. Lastly, VII offers spot awards through immediate cash bonuses or gift cards for notable achievements or exemplary behavior that occurs outside the normal review cycle. This provides immediate gratification and reinforce positive actions.

Literature Review

Corporate Entrepreneurial Intensity (CEI)

According to existing research, CE refers to the exploitation of opportunities by engaging in innovative activities related to new product development, business ventures, and/or strategic renewal (Zahra, 1996). Kuratko et al. (1990) defined CE as the process of developing an entrepreneurial culture within an organization through innovative products, services, and strategies. In a more recent study by Ergün and Bergeron (2004), CE refers to the creation of new business opportunities by investing the employees' training and development that enable them to actively participate in organizational activities related to not only the advancements of products and strategic renewal efforts but also the management of innovations within the organization. Developing CE in a firm involves the continuous training and development of its employees to acquire new competencies and expand the knowledge of its human capital which would be then used to achieve the firm's strategic goals (Elia et al., 2017). Additionally, Hayton (2005) proposed that a firm's CE is contingent on whether employees are highly competent and motivated enough to show active participation in the firm's entrepreneurial efforts.

Kuratko et al. (2007) perceived CE as a learning process wherein an employee is equipped with the appropriate knowledge, skills, and abilities to seize opportunities for entrepreneurial development (Galvão et al., 2018) and work toward fulfilling the organization's strategic goals (Covin and Slevin, 1991). In relation to pursuing organizational strategies, Ireland et al (2009)., developed a CE model that examined CE as preceded by the employees' entrepreneurial competencies, embodying the top management's entrepreneurial foresight, and obtained as a result of all organizational efforts that are entrepreneurial in nature.

Business organizations that demonstrate effective CE processes share common characteristics such as autonomy among individual employees and/or their corresponding teams, competitiveness in their respective markets and industries, firm innovativeness as demonstrated in their products and processes, and the willingness to take risks in seizing opportunities for growth and venture creation (Lumpkin and Dess, 1996). Global innovator firms like 3M, Apple, Google, and Procter & Gamble can attribute their success in their CE efforts of promoting entrepreneurial activities within their respective organizations (Kuratko et al., 2015).

In measuring an organization's CE by evaluating its processes and strategic efforts, the key drivers of CE have been linked to both the individual and organizational aspects of the firm. Hayton and Kelley (2006) sought to determine which traits among employees are most beneficial to stimulating innovation and consequently identified that the competencies of key employees are closely related to the firm's success in embedding CE in its organizational culture. Furthermore, a more recent study by Srivastava and Agrawal (2010) found the promoting CE in designated employee roles will require adequate compensation, effective performance appraisals, and successful training and development for employees.

The Relevance of CE in SMEs

It is argued that a more direct connection transpires between CE and venture achievement for SMEs versus larger firms. It is required for large firms to institutionalize intricate and formal innovation principles to foster CE (Gates & Langevin, 2010). Such intricacy is attributed to ordinal disparities between managers and employees. Brettel et al. (2010) postulated that a more prominent connection between SHRMP and CE lies within SMEs. Moreover, SHRMP in SMEs may be more informal and scarcer due to lack of resources. Nevertheless, the establishment of successful SHRMP is still crucial for CE to foster in SMEs (Snape et al., 2014).

Strategic Human Resource Management (SHRM) Practices and their Influence on Corporate Entrepreneurial Intensity (CEI)

Globalization has significantly influenced the operations of firms. The rise of globalization has led to business challenges including but not limited to evolving customer needs and ever-changing products and digitalization in the market, that have then resulted to the prevalence of increasing competition, cultural conflicts, and high unemployment and turnover rates. Challenges arising from globalization prompted modern firms to be more adaptable and adept in competing and interacting with other global players in the market (González-Tejero & Molina, 2022). The implications of globalization raise the question of finding a set of SHRMP that will enable employees to not only help their respective firms address these challenges but also attain competitive advantage. SHRMP is necessary for firms to find the right group of people that are equipped with knowledge, skills, and capabilities in different areas including ingenuity, innovativeness, and risk-taking (Hayton et al., 2013). Modern firms must go beyond a set of HRM practices and rather integrate these SHRMP with other firm resources (Hoskisson et al., 2000). As one of any firm's most valuable assets, human capital is comprised of the skills and talents that significantly determine the magnitude of which firms meet their strategic goals and achieve success. Hence, the set of SHRMP must be tailored according to specific aspects of institutional culture and considerations relating to local market scenarios (Mustafa et al., 2016). In this regard, human capital management entails the competent and professional setting of objectives, procedures, and stratagem (Kassa & Tsigu, 2021; Guillen, 2023).

HRM has had several conceptual definitions over the years. Kaya (2006), defined HRM as the set of activities, guidelines, and systems that impact the employees' attitudes, conduct, and work. Kumar et al. (2020) perceived HRM as a unified strategic approach to hiring, training, and motivating employees. HRM was also defined as a set of different practices and intertwined processes of captivating, enhancing, keeping, and motivating human capital to help fulfill firm objectives (Lee et al., 2011; Guillen, 2022). Consequently, SHRM constituted creating policies for the efficient utilization of human capital toward meeting firm goals (Liu et al., 2020). SHRM was also defined as the management of practices and guidelines that motivate employees and develop their competencies that help them fulfill their respective roles in attaining the firm's mission (Lumpkin & Dess, 1996). In this regard, SHRM can be referred to as the aspect of management that deals with the implementation of HR-related practices and guidelines to meet business goals.

Existing literature suggested that firms must align the objectives of its SHRM with their overall strategic objectives to develop and sustain competitive advantage. In line with this, Steyn et al. (2020) classified SHRM objectives according to the related institutional activity: employment (recruitment, selection, remuneration, and training and development), management (accurate and extensive record-keeping related to the employee's achievements, attendance, data, and development through training courses), performance (appraisal, motivation, and empowerment), and change management (engaging skilled employees to active and effective participation). Moreover, SHRMP has an important role in enhancing institutional performance by integrating training, performance appraisals, and rewards. Steyn et al. (2020) viewed SHRMP as a set of activities implemented to maximize the use of human capital by enhancing the employees' knowledge and skills and motivating them. SHRMP can be embodied as a strategy and development process that aim to develop human capital by investing in the enhancement of their knowledge, skills, and capabilities (Moideenkutty et al., 2011). The study by Sanchez and Soriano (2011) identified the role of SHRMP in boosting a firm's competitiveness and overall competitive advantage. Storey (1995) regarded SHRMP to be important institutional resources and an overall strategic approach that help the firm manage, motivate, and train employees. Scholars believed that an enterprise can attain competitive advantage through the strategic integration of highly competent and motivated employees using an extensive range of cultural, human capital, and structural techniques.

Furthermore, Gardner et al. (2007) determined three domains of SHRM: skill and knowledge development (i.e., recruitment, selection and communication, and training and development), motivation (i.e., rewards, incentives, and performance appraisals), and empowerment (i.e., active participation in decision-making, communication and information sharing, and expanding job responsibilities). The same research also discussed the significance of the three fundamental SHRMP that constitute training through skill development, as well as rewards and performance appraisal systems to increase motivation. Another study by Laursen and Foss (2003) suggested that the use of SHRMP (e.g., training, rewards, and performance appraisals) can help firms improve their employees' level of commitment and participation in creative thinking and innovation processes.

Wright and McMahan (1992) suggested that the goal of a successful SHRMP is to develop the competencies (i.e., knowledge, skills, abilities, and attitudes) of its human capital and motivate them to use their talent in helping the organization meet its strategic objectives and thereby acquire competitive advantage. As the knowledge, skills, and abilities of employees are considered distinct and inimitable (Mustafa et al., 2016), various research employing the resource-based perspective regard human talent to be one of the firm's most valuable assets that can help the firm achieve competitive advantage (Noopur & Dhar, 2020). Successful management of human capital has been proven to be crucial in advancing CE in firms (Özdemirci & Behram, 2014). In this regard, CE can then be further developed primarily through effective human resource management that is aligned with the firm's strategic goals (Peris-Ortiz, 2009).

Training

In today's fast-paced business setting, firms constantly needed to look for creative and exceptional managerial results to thrive amidst aggressive competitions and economic chaos that have become more commonplace since 2008. Training is a crucial SHRMP that provides employees with the appropriate knowledge, skills, and competencies to face adversities. Ziyae (2016) regarded training as an essential tool that equips employees with business knowledge, desirable behavior, and technical skills that are necessary in performing their jobs effectively and meeting institutional goals. Tang et al. (2019) found that highly-trained employees do not require supervision as they consistently demonstrate high morale and job satisfaction. HRs have since gained a distinct strategic value for firms to respond to the rapidly changing and highly competitive environment (Elia et al., 2017; Guillen, 2023). Specifically, Amami et al. (2014) claimed that firms can acquire their competitive advantage through the recruitment, employment, and retention of competent and highly skilled personnel. As a core SHRMP, training is defined by Delmar et al. (2016) to be a set of different activities

strategized by the firm, with the objective of developing the skills and competencies of employees, equipping them with industry-specific knowledge, and instilling positive attitudes and behaviors among them. In this regard, training can refer to the planned and systematic SHRM endeavor that seeks to favorably influence the attitudes and behaviors of employees, in conjunction with developing their knowledge, skills, and abilities to maximize productivity and boost job performance. Consequently, training has positive implications for the employees and the firm alike. Advantages of training include better performance, improved morale, developed skills, desirable attitudes and behavior, technological literacy among employees. Firms are then constituted of qualified employees that require less supervision and altogether gain institutional stability. Training has also been recognized as a key driver in developing entrepreneurial orientation. As a concrete example, van Vuuren and Botha's 2010 study examined the institutional performance and skills enhancement among employees after their attendance in training programs and found significant improvements in both business performance and the skillsets of employees. Thus, firms must develop more training programs that introduce and encourage corporate entrepreneurship to employees. Therefore, it is proposed that:

H1. *Training significantly and positively influences corporate entrepreneurial intensity.*

Performance Appraisal

Thriving business institutions utilize SHRMP, like performance appraisals, as management devices for strengthening performance and increasing competitiveness (Mustafa et al., 2016). Performance appraisal (PA) is one of the most essential SHRMP (Kaya, 2006) that facilitates the institution's constant development (Ahmed, Mohammad, & Islam, 2013). Employed for various purposes, PA can facilitate decision-making (e.g., processes related to advancements, remuneration, retention, and developmental needs of employees) and contribute positively to the levels of job satisfaction and motivation of employees (Matookchund & Steyn, 2020). To be implemented effectively, Dhar and Noopur (2019) stated that performance appraisal systems must integrate all aspects of HRM that further improve the efficacy and efficiency of employees and enterprises alike. Furthermore, PA is deemed as a crucial part of the performance management process that connects daily job accomplishments, employees' individual progression and benefits to the overall institutional goals (Hayton and Kelley, 2006). Correspondingly, performance appraisals are also considered as a means for developing the human capital of any enterprise (Dhar and Noopur, 2018). PA systems grounded on growth and development encourage employees to pursue existing and future opportunities for advanced learning. Knowledge-centric performance appraisals also create opportunities for management to evaluate employees according to their contributions to the organization's capabilities for knowledge management.

Empirical evidence from existing literature also showed that performance appraisal reinforces corporate entrepreneurship (CE). The evaluated performance of employees, both individual or group (i.e., departmental), yields insights and clarifies expectations that can improve work quality and generate new thoughts (Khan, et al., 2014; Guillen, 2023) toward the formation and development of a firm's CE culture. Hence, a more competent performance appraisal process offers a better depiction of the firm's fortes and faintness, which then eases the integration and continuous improvement of CE. Therefore, it is proposed that:

H2. *Performance appraisal significantly and positively influences corporate entrepreneurial intensity.*

Rewards

As one of the key SHRMP, rewards have been given multiple definitions in academic literature. McArthur (2004) perceived rewards to be institutional practices related to recruiting, empowering, and keeping employees. Rewards can be based on either compensation or performance, that can include both monetary and

non-monetary rewards (Elia et al., 2017). Amami et al. (2014) differentiated monetary rewards (e.g., incomes, benefits, bonuses, and incentives) from non-monetary rewards (e.g., conducive work settings, feedback, motivation, promotions, recognition, employee program, employee leaves, and work flexibility). Morris and Jones (2005) found that rewards led to better job satisfaction, enhanced institutional performance, and sustainable institutional progress. Furthermore, rewards also contributed to the development of the employees' capabilities, empowerment, output, and skills (González-Tejero & Molina, 2022; Guillen, 2023). Firms deploy rewards as a core SHRMP not only to recruit and keep qualified employees but also to enhance their motivation to work toward meeting institutional goals. Rewarding employees can result to a mix of favorable outcomes including better performance, enhanced productivity, and boosted morale. Thus, rewards can be used to help employees attain specific entrepreneurial characteristics that are crucial to face business complexities and work toward meeting the strategic aims of the institution in the highly competitive and rapidly changing business setting. Rewards must additionally reflect a performance appraisal system that incorporates entrepreneurial activity. More specifically, performance appraisals must encompass definitive performance indicators and risk inclination criteria. In addition to numerical measures, institutions must also use subjective and qualitative methods to evaluate performance for more comprehensive and effective appraisals (Shehata et al., 2020). Consequently, performance appraisals must objectively highlight the outcomes that are supported by also discussing the thought processes involved and the methodologies used to obtain the results (Peris-Ortiz, 2009). Therefore, it is proposed that:

H3. *Rewards significantly and positively influences corporate entrepreneurial intensity.*

The Moderation of Organizational Culture on the Relationship Between SHRMPs and CEI

Organizational culture, defined as the shared values, beliefs, and practices that characterize an organization (Schein, 2010), has been widely recognized as a crucial moderator in the relationship between SHRMPs and CEI. Studies have shown that a supportive and innovative organizational culture can significantly enhance the effectiveness of HR practices such as training, performance appraisal, and rewards in fostering entrepreneurial behavior within firms. For instance, an organizational culture that promotes open communication, risk-taking, and continuous learning can amplify the impact of training programs on employee innovation and entrepreneurial activity (Wang, Tsui, & Xin, 2011). Similarly, performance appraisal systems that are aligned with a culture of innovation are more effective in motivating employees to pursue entrepreneurial initiatives (Jiang, Lepak, Hu, & Baer, 2012). Moreover, reward systems that reflect the organization's values and recognize entrepreneurial efforts can further stimulate corporate entrepreneurship by incentivizing innovative behavior (Hayton, 2005). Therefore, the interplay between organizational culture and strategic HR practices is pivotal in shaping the entrepreneurial capabilities and activities within organizations. Therefore, it is proposed that:

H4. *Organizational culture moderates the relationship between training and CEI.*

H5. *Organizational culture moderates the relationship between performance appraisal and CEI.*

H6. *Organizational culture moderates the relationship between rewards and CEI.*

Research Framework

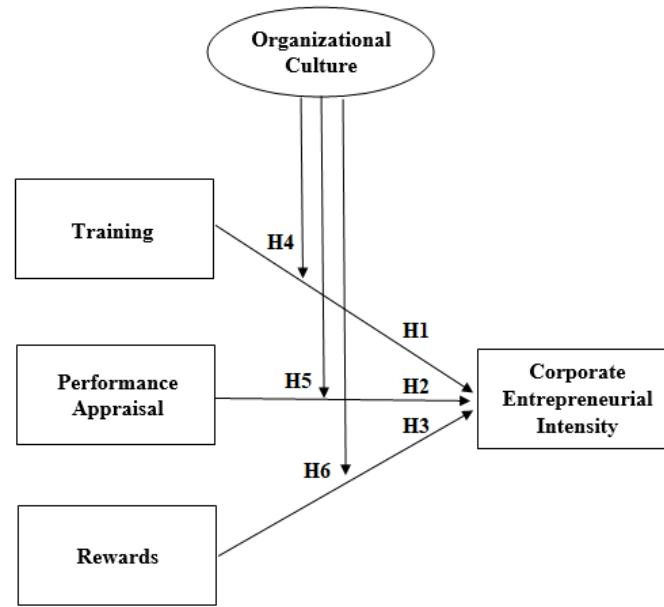


Figure 1: Conceptual model of SHRMP as antecedents of CEI with the moderation of OC on their relationship

Methodology

Research Design

The present study adopts an explanatory/causal research design that aims to describe and examine the influence of SHRMP on CEI as well as the moderation of OC on the relationship between SHRMP and CEI. Moreover, it utilizes the survey research method in measuring CEI and perceptions towards SHRMP and OC.

Research Participants

The respondents of the study are those employees of VII who hold managerial positions. VII has a total of 240 employees, 68 of which are managers. The firm has three managerial levels namely senior supervisor (frontline manager), assistant manager/team leader (mid-level manager), and manager (upper manager). It has 14 senior supervisors, 25 assistant managers/team leaders, and 29 managers.

The firm is composed of 12 departments pertaining to compliance, business development, sales, credits, collections, audit, customer service, information technology, programming, accounting, treasury, and purchasing. The following are the allocation of the managerial employees across these departments: 11 for compliance, 9 for business development, 10 for sales, 4 for credits, 16 for collections, 2 for audit, 4 for customer service, 2 for information technology, 3 for programming, 3 for accounting, 2 for treasury, and 2 for purchasing.

The population of the study pertains to all of the employees of the firm who have managerial positions. At present, it has a total of 68 managerial employees. A census was obtained for the target research participants.

Measurement

The measurement items for training were adopted from the study of Moideenkutty et al. (2010). The measurement items for performance appraisal were adopted from the study of Özdemirci and Behram (2014) and Moideenkutty et al. (2010). The measurement items for rewards and CEI were adopted from the study of Kuratko et al. (2007). Lastly, the measurement items for OC were adopted from the study of Cameron, K. S., & Quinn, R. E. (2011). Four items were used to measure training, six items to measure performance appraisal,

six items to measure rewards, nine items to measure OC, and twelve items to measure CEI. All items in the survey instrument were measured using a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). The Cronbach's alpha coefficient for the items representing training was 0.86, indicating good reliability. The Cronbach's alpha coefficient for the items representing performance appraisal was 0.88, indicating good reliability. The Cronbach's alpha coefficient for the items representing rewards was 0.92, indicating excellent reliability. The Cronbach's alpha coefficient for the items representing OC was 0.93, indicating excellent reliability. The Cronbach's alpha coefficient for the items representing CEI was 0.94, indicating excellent reliability.

Data Analysis

Descriptive statistics was used to compute for the mean scores and standard deviations of the research variables. Simple linear regression was used in testing the hypotheses of the study pertaining to (1) the influence of training on CEI, (2) the influence of performance appraisal on CEI, and (3) the influence of rewards on CEI. Meanwhile, moderation analysis was employed to examine the moderation of OC on the relationship between SHRMPs and CEI. All statistical techniques were performed using Jamovi.

Results and Discussion

Descriptive Analysis Results

Majority of the employees of the firm occupying managerial positions were female ($n = 40$, 59%). Majority of the employees had college degree as their highest educational attainment ($n = 53$, 78%). Most of the employees were managers ($n = 29$, 43%). The collections department had the most employees with managerial positions ($n = 16$, 24%). Meanwhile, age yielded a mean score of 36.35 ($SD = 6.91$). Organizational tenure yielded a mean score of 6.58 ($SD = 2.70$).

Descriptive statistics were performed for the research variables. The interpretations on the resulting mean scores of the variables are based from Pimentel (2019). Training yielded a mean score of 6.28 ($SD = 0.84$). Performance appraisal yielded a mean score of 5.99 ($SD = 0.93$). Rewards yielded a mean score of 4.05 ($SD = 1.45$). OC yielded a mean score of 4.70 ($SD = 0.19$). Lastly, CEI yielded a mean score of 5.64 ($SD = 1.05$). Table 1 presents a summary of the results for the descriptive statistics performed for the research variables.

Table 1. Mean scores and standard deviation of the research variables.

	Training	Performance Appraisal	Rewards	OC	CEI
Mean	6.28	5.99	4.05	4.70	5.64
Standard deviation	0.84	0.93	1.45	0.19	1.05

Simple Linear Regression Analysis Results (*Training to CEI*)

Looking at the correlation value, training has a strong and positive relationship ($R = 0.782$) to CEI. As a predictor of CEI, training explained approximately 61.2% of the variance ($R^2 = 0.612$, $F(1, 66) = 104$, $p < .001$). This means that training was able to explain more than half of the variance for CEI. Based on the data extrapolated, training was a significant predictor of CEI, $B = 0.98$, $t(66) = 10.19$, $p < .001$. This implies that approximately, if the value of training will increase by one unit, then the value of CEI will increase by 0.98 units. Table 2 presents a summary of the regression model results.

Table 2. Simple linear regression results for training as a significant predictor of CEI.

Model Fit Measures

Model	R	R ²	Adjusted R ²	Overall Model Test			
				F	df1	df2	p
1	0.782	0.612	0.606	104	1	66	< .001

Model Coefficients – CEI

Predictor	Estimate	SE	95% Confidence Interval		t	p	Stand. Estimate
			Lower	Upper			
Intercept	-0.515	0.6095	-1.732	0.702	-0.845	0.401	
Training	0.980	0.0962	0.788	1.172	10.194	< .001	0.782

Simple Linear Regression Analysis Results (*Performance appraisal to CEI*)

Looking at the correlation value, performance appraisal has a strong and positive relationship ($R = 0.609$) to CEI. As a predictor of CEI, performance appraisal explained approximately 37.1% of the variance ($R^2 = 0.371$, $F(1, 66) = 38.9$, $p < .001$). This means that performance appraisal was able to explain less than half of the variance for CEI. Based on the data extrapolated, performance appraisal was a significant predictor of CEI, $B = 0.686$, $t(66) = 6.24$, $p < .001$. This implies that approximately, if the value of performance appraisal will increase by one unit, then the value of CEI will increase by 0.686 units. Table 3 presents a summary of the regression model results.

Table 3. Simple linear regression results for performance appraisal as a significant predictor of CEI.

Model Fit Measures

Model	R	R ²	Adjusted R ²	Overall Model Test			
				F	df1	df2	p
1	0.609	0.371	0.361	38.9	1	66	< .001

Model Coefficients – CEI

Predictor	Estimate	SE	95% Confidence Interval		T	p	Stand. Estimate
			Lower	Upper			
Intercept	1.535	0.667	0.204	2.866	2.30	0.024	
Performance Appraisal	0.686	0.110	0.466	0.906	6.24	< .001	0.609

Simple Linear Regression Analysis Results (*Rewards to CEI*)

Looking at the correlation value, rewards has a strong and positive relationship ($R = 0.283$) to CEI. As a predictor of CEI, rewards explained approximately 8.02% of the variance ($R^2 = 0.0802$, $F(1, 66) = 5.75$, $p = .019$). This means that rewards explained less than half of the variance for CEI. Based on the data extrapolated, rewards significantly predicted desire to mimic, $B = 0.205$, $t(66) = 2.40$, $p < .019$. This implies that approximately, if the value of rewards will increase by one unit, then the value of CEI will increase by 0.205 units. Table 4 presents a summary of the regression model results.

Table 4. Simple linear regression results for rewards as a significant predictor of CEI.

Model Fit Measures

Model	R	R ²	Adjusted R ²	Overall Model Test			
				F	df1	df2	p
1	0.283	0.0802	0.0663	5.75	1	66	0.019

Model Coefficients – CEI

Predictor	Estimate	SE	95% Confidence Interval		t	p	Stand. Estimate
			Lower	Upper			
Intercept	4.815	0.3671	4.0819	5.548	13.12	< .001	
Rewards	0.205	0.0854	0.0344	0.376	2.40	0.019	0.283

Moderation Rest Results

The main effect of training on CEI is positive and statistically significant ($p < .001$). This indicates that, holding other factors constant, an increase in training is associated with a significant increase in CEI. Specifically, for each unit increase in the training measure, CEI increases by approximately 1.04 units. The main effect of organizational culture on CEI is negative but not statistically significant ($p = 0.858$). This suggests that, when considered in isolation, variations in organizational culture do not have a significant direct impact on CEI. The interaction effect between training and organizational culture is positive and statistically significant ($p = 0.029$). This indicates that organizational culture significantly moderates the relationship between training and CEI. The positive interaction term suggests that the effect of training on CEI is stronger in the presence of a supportive organizational culture. In other words, as organizational culture becomes more conducive to innovation and support, the positive impact of training on CEI is amplified.

Table 5. Moderation analysis (CEI predicted by training moderated by OC)

Moderation Estimates

	Estimate	SE	Z	p
Training	1.0396	0.0953	10.905	< .001
OC	-0.0715	0.3993	-0.179	0.858

Moderation Estimates

	Estimate	SE	Z	p
Training * OC	1.2648	0.5795	2.182	0.029

The main effect of performance appraisal on CEI is positive and statistically significant ($p < .001$). This indicates that, holding other factors constant, an increase in performance appraisal effectiveness is associated with a significant increase in CEI. Specifically, for each unit increase in the performance appraisal measure, CEI increases by approximately 0.70 units. The main effect of organizational culture on CEI is positive but not statistically significant ($p = 0.974$). This suggests that, when considered in isolation, variations in organizational culture do not have a significant direct impact on CEI. The interaction effect between performance appraisal and organizational culture is negative and not statistically significant ($p = 0.544$). This indicates that organizational culture does not significantly moderate the relationship between performance appraisal and CEI. The negative interaction term suggests a potential trend where the effectiveness of performance appraisal on CEI might decrease as organizational culture improves, but this effect is not statistically significant.

Table 6. Moderation analysis (CEI predicted by performance appraisal moderated by OC)

Moderation Estimates

	Estimate	SE	Z	p
Performance Appraisal	0.6993	0.110	6.3350	< .001
OC	0.0169	0.524	0.0322	0.974
Performance Appraisal * OC	-0.4954	0.817	-0.6066	0.544

The main effect of rewards on CEI is positive and statistically significant ($p = 0.017$). This indicates that, holding other factors constant, an increase in the effectiveness of reward systems is associated with a significant increase in CEI. Specifically, for each unit increase in the rewards measure, CEI increases by approximately 0.20 units. The main effect of organizational culture on CEI is positive but not statistically significant ($p = 0.991$). This suggests that, when considered in isolation, variations in organizational culture do not have a significant direct impact on CEI. The interaction effect between rewards and organizational culture is negative and not statistically significant ($p = 0.905$). This indicates that organizational culture does not significantly moderate the relationship between rewards and CEI. The negative interaction term suggests a potential trend where the effectiveness of rewards on CEI might decrease as organizational culture improves, but this effect is not statistically significant.

Table 7. Moderation analysis (CEI predicted by rewards moderated by OC)

Moderation Estimates

	Estimate	SE	Z	p
Rewards	0.20322	0.0851	2.3877	0.017
OC	0.00705	0.6355	0.0111	0.991
Rewards * OC	-0.05143	0.4309	-0.1194	0.905

Conclusion

This manuscript examines the influence of three key SHRMP, namely training, performance appraisal, and rewards, on the CEI of the managerial employees of a medium-sized Philippine firm. Likewise, it also examines the moderation of OC on the influence of SHRMPs on CEI. The results of the study prove that these SHRMP significantly impact CEI. First, the findings of this manuscript align with prior studies in that training significantly influences CEI (Shehata et al., 2020; Lundmark, 2016; Tang, 2019; Margherita, 2016; Rong et al., 2018; Tsigu, 2021; Amami, 2014; Delmar, 2016; Tejero, 2022). This finding of the study further emphasizes the significance of training in fostering creativity and innovation among employees. Delmar (2016) stated that competencies associated with innovation are among the competencies that, due to their application and association with entrepreneurship, ought to be embraced by firms. In the case of VII, its training system should be enhanced so as to increase managerial CEI. Several strategies are recommended for the firm to realize this. First, VII must develop and integrate comprehensive training modules that focus on key entrepreneurial skills such as opportunity recognition, business model innovation, financial acumen, and strategic decision-making. It can offer workshops and seminars that are tailored to encourage creative thinking and problem-solving abilities. Second, VII can implement leadership development programs that emphasize entrepreneurial leadership styles, which include fostering a culture of innovation, risk-taking, and proactive behavior. It can train managers on how to effectively support their teams in experimenting with new ideas and approaches, encouraging a fail-fast mentality to learn and iterate quickly. Third, VII can collaborate with external experts and institutions. It can partner with business schools, universities, or professional training organizations to provide access to cutting-edge research, tools, and training in entrepreneurship and innovation. It can also involve industry experts to conduct guest lectures, mentorship sessions, or even temporary advisory roles to provide real-world insights and networking opportunities. Fourth, VII can organize cross-departmental teams to work on projects or challenges that require innovative solutions. This not only helps in skill application but also fosters teamwork and cross-pollination of ideas. This includes entrepreneurial objectives as key performance indicators (KPIs) for these projects. Fifth, VII can establish an innovation lab within the company where employees can work on side projects or new ideas that might not fall within the scope of their regular responsibilities. It can also conduct regular hackathons or innovation challenges that prompt managers to think creatively and compete to come up with solutions for business problems. Finally, VII can create a mentorship program pairing up-and-coming managers with senior leaders who have experience in entrepreneurial ventures or significant business achievements. It can provide regular coaching sessions focusing on personal development, entrepreneurial mindset, and strategic thinking.

Second, the findings of this manuscript align with prior studies in that performance appraisal significantly influences CEI (Lundmark, 2016; Siddiqui, 2016; Tang, 2019; Margherita, 2016; Amami, 2014; Behram, 2014; Ziyae, 2016; Steyn and Matookchund, 2019; Steyn, 2020; Noopur and Dhar, 2018). This finding of the manuscript further supports the notion that the evaluated performance of employees, both individual or group (i.e., departmental), yields insights and clarifies expectations that can improve work quality and generate new thoughts (Khan, et al., 2014) toward the formation and development of a firm's CE culture. Hence, a more competent performance appraisal process offers a better depiction of the firm's fortes and faintness, which then eases the integration and continuous improvement of CE (Margherita, 2016; Tsigu, 2021). In the case of VII, there is a critical need to improve its performance appraisal system in order to increase the CEI of its managerial employees. For instance, entrepreneurial and innovation goals must be set as a key component of the firm's strategic goals. Such goals must then be incorporated in the objectives that managerial employees must achieve. In this way, innovation goals and outcomes that managerial employees must accomplish align with corporate strategic goals. Next, developing the CEI of managerial employees should be included in their professional development plan. CEI should be considered as a critical skill and predefined competency that managerial employees must acquire. Constant monitoring and feedback should be given to managerial employees for them to continuously strengthen their CEI. Consequently, VII must consider other effective

strategies to improve its performance appraisal system which, in turn, can increase employee CEI. It should integrate entrepreneurial metrics into its appraisal system. This involves defining and including clear entrepreneurial metrics such as number of new ideas implemented, successful initiatives, and improvements led. These should be tailored to both the short-term and long-term strategic goals of the firm. VII should also promote transparency and participation whereby managers are involved in the design and revision of the performance appraisal process. This inclusion fosters greater acceptance and alignment with organizational goals. VII should clearly communicate how entrepreneurial activities influence appraisal outcomes and overall career progression within the firm. Additionally, VII can consider utilizing a 360-degree feedback to provide a holistic view of a manager's performance from multiple stakeholders, including peers, direct reports, and supervisors. This broad perspective can help identify entrepreneurial strengths and areas for improvement that might not be visible through traditional top-down approaches. Finally, VII must encourage risk-taking among its managers. It should create a supportive environment where taking calculated risks is encouraged and not unduly penalized. This can be institutionalized within the appraisal system by having mechanisms that assess not only outcomes but also the innovative approach and learning derived from the initiative.

Third, the findings of this manuscript align with prior studies in that rewards significantly influences CEI (Tang, 2019; Margherita, 2016; Tsigu, 2021; Amami, 2014; Behram, 2014; Brettel, 2010; Morris and Jones, 1993). For instance, Tsigu (2021) found that rewards allow employees to recognize the importance of entrepreneurial behaviors and innovative paradigms. Brettel et al. (2010) found empirical evidence on the strong influence of managerial rewards on CEI among German SMEs. In the case of VII, it needs to recalibrate its rewards system so as to provide rewards that strengthen employee CEI. Several strategies are recommended for the firm to realize this. First, VII must tie rewards to innovative outcomes. It can develop a reward system that directly links bonuses and incentives to successful innovative outcomes, such as launching new products, entering new markets, or implementing cost-saving processes. Second, VII can offer equity or stock options as part of the compensation package for managers. This gives them a vested interest in the company's success, aligning their goals with the long-term growth and profitability of the business. This strategy is particularly motivating in emerging markets where the growth potential may be significant. Third, VII can establish innovation grants that managers can apply to for pursuing new projects or innovations. These grants should cover the initial costs of experimenting with new ideas without financial risk to the managers. This not only incentivizes innovation but also fosters a culture of experimentation and creativity. Fourth, VII should introduce an innovation-based recognition program that highlights entrepreneurial achievements. This could include awards, public acknowledgment, and profiles in company communications. Non-monetary rewards such as prestigious assignments, speaking opportunities at industry events, or leadership roles in high-profile projects can also motivate managers. Fifth, VII should offer opportunities for professional development that are aligned with entrepreneurial activities, such as training in innovation management, leadership courses, or workshops on emerging technologies. VII can also support attendance at conferences, webinars, and industry events that can provide inspiration and networking opportunities for entrepreneurial managers. Sixth, VII should encourage risk-taking with safety nets. It can develop a reward system that acknowledges calculated risk-taking, even if projects do not always succeed. This could be through 'safe-fail' incentives that recognize and reward the learning gained from failed projects. Such an approach reduces the fear of failure and encourages managers to pursue innovative ideas. Finally, VII should decentralize its decision-making approach by giving managers greater autonomy within their domains. When managers feel they have control over their work and its outcomes, they are more likely to engage in entrepreneurial behavior. Autonomy can be a powerful motivator, as it enables managers to execute and lead projects with entrepreneurial zeal.

Fourth, the findings demonstrate that OC significantly moderates the influence of training on CEI. Training has a strong positive effect on CEI, and this effect is further enhanced when combined with a supportive organizational culture. This highlights the importance of fostering a positive organizational culture to maximize the benefits of training programs on entrepreneurial activities within the organization. These results

are consistent with prior studies, such as those by Zahra, Nielsen, and Bogner (1999), which found that a culture promoting innovation and flexibility can amplify the effectiveness of training programs in enhancing entrepreneurial activities. Similarly, Hayton (2005) emphasized that an entrepreneurial organizational culture significantly boosts the impact of human resource management practices, including training, on corporate entrepreneurship. Furthermore, research by Li, Zhao, and Liu (2006) supported the notion that a supportive and innovative culture is crucial for leveraging the benefits of training to foster corporate entrepreneurship.

Fifth, the findings demonstrate that OC does not significantly moderate the relationship between performance appraisal and CEI. This suggests that the effectiveness of performance appraisal in enhancing CEI is relatively stable and not significantly influenced by variations in OC. Thus, while improving performance appraisal systems can enhance CEI, these improvements do not necessarily need to be tailored based on the prevailing OC.

Finally, the findings indicate that OC does not notably moderate the relationship between rewards and CEI. This implies that the effectiveness of reward systems in boosting CEI remains relatively constant and is not substantially affected by changes in OC. Therefore, enhancing reward systems can improve CEI without necessarily needing to customize these improvements to fit the existing OC.

Theoretical Implications

This manuscript offers empirical evidence on the link between SHRMPs and CEI. It examined the influence of training, performance appraisal, and rewards (as SHRMPs) on the CEI of managerial employees. The manuscript's findings indicate that these three core SHRMPs significantly impact the CEI of managerial employees of a medium-sized Philippine financial technology firm. Such findings pave the way in proving the relevance of corporate entrepreneurship in the context of medium-sized firms. This manuscript contributes to the field of study by highlighting the significance of SHRMPs in the context of SMEs. There is a scarcity of studies that examine SMEs. While large firms face the challenge of institutionalizing a codified entrepreneurial culture and formal structures in fostering employee CEI, this manuscript advocates that establishing SHRMPs in practical and direct mechanisms may prove to be more effectual in less complicated and formal structures of SMEs. Considering SHRMP as an integrative network of managerial tasks with a strong focus on a firm's human capital, this manuscript suggests the significance of instilling an entrepreneurial mindset among a firm's human capital through the establishment of effective SHRMPs. This manuscript advocates that human capital is managed more effectively through the fostering of CEI.

Furthermore, this manuscript provides critical theoretical implications by underscoring the role of OC as a moderator in the relationship between SHRMP, particularly training, and CEI, in the context of SMEs in the Philippines. The findings suggest that a supportive OC can significantly enhance the effectiveness of SHRMPs in promoting CEI. This highlights the necessity for SMEs to not only implement strategic HR practices but also to cultivate a cultural environment that aligns with and reinforces these practices, thereby maximizing their impact on corporate entrepreneurial activities and overall firm performance.

Practical Implications

This manuscript explored the influence of training, performance appraisal, and reward systems on CEI in SMEs within emerging economies. Practical implications emerge that can significantly alter the approach these businesses take towards fostering a culture of innovation and entrepreneurship among their managerial staff.

Effective training programs that focus on developing entrepreneurial skills can empower managers in SMEs to identify and seize opportunities more proactively. By integrating specific entrepreneurial training modules, such as those focused on opportunity recognition, risk management, and innovative thinking, firms

can enhance managers' capabilities to act as intrapreneurs. This investment in human capital is particularly crucial in emerging economies where traditional educational systems may not provide sufficient preparation for entrepreneurial challenges.

Performance appraisal systems that incorporate entrepreneurial metrics and continuous feedback mechanisms can drive managerial behaviors aligned with corporate entrepreneurship. By evaluating managers not only on traditional performance indicators but also on metrics related to innovation and entrepreneurial activity, SMEs can reinforce the importance of these activities. Continuous feedback, as opposed to annual reviews, ensures that managers are promptly recognized and can recalibrate their strategies in real-time, fostering a more dynamic entrepreneurial environment. This is especially relevant in emerging markets where business conditions can change rapidly.

Reward systems that explicitly recognize and incentivize entrepreneurial achievements can significantly enhance CEI. Tailoring rewards to include not just financial incentives but also non-monetary benefits, such as professional development opportunities and recognition, can motivate managers to pursue riskier, innovative projects. Moreover, equity-based compensation (such as stock options) aligns managers' interests with long-term organizational goals, fostering sustainable entrepreneurial ventures. This approach is particularly effective in emerging economies where ensuring long-term commitment from top talent can be challenging.

For SMEs in emerging economies, integrating these elements—training, performance appraisal, and rewards—into a cohesive strategy is crucial. Such integration ensures that managers are trained to identify and exploit opportunities, appraised on their entrepreneurial achievements, and rewarded in alignment with their contributions to innovation and entrepreneurship. This alignment maximizes the impact of each element and creates a robust ecosystem for corporate entrepreneurship to flourish.

In conclusion, SMEs operating in emerging economies stand to benefit significantly from prioritizing and strategically designing their training, performance appraisal, and reward systems to support entrepreneurial activities. This strategic focus not only drives innovation and business growth but also serves as a critical tool in attracting, developing, and retaining managerial talent capable of navigating the complexities of these dynamic markets.

Finally, by integrating OC into the relationship between SHRMPs and CEI, SMEs in the Philippines can achieve more targeted and effective entrepreneurial outcomes. Practically, this means fostering a supportive OC that enhances the positive impacts of training programs on CEI. SMEs should focus on cultivating a culture that values innovation, risk-taking, and continuous learning. This alignment can amplify the benefits of entrepreneurial training, ensuring that managers not only acquire new skills but also feel empowered to apply these skills in a culturally supportive environment, thereby driving greater entrepreneurial success and firm competitiveness.

Limitation and Future Direction

This manuscript has several limitations that can guide the direction of future research in the field of SHRMPs and corporate entrepreneurship. First, the study employed a purely quantitative research design. In order to dig deeper into the reasons behind the results of the linear regression as well as to gain more insights and perceptions of the employees of the firm, succeeding studies should consider employing a qualitative or mixed methods research design. For instance, a case study can be conducted with the aim of having a more in-depth analysis of the perceptions, behaviors, and characteristics of the employees with regards to the effectiveness of their firm's SHRMPs in fostering CEI. Second, the present study only examined three key SHRMPs in the context of VII. However, other key SHRMPs must be examined as they can also potentially influence the CEI of a firm's employees. Future studies should examine other SHRMPs such as employee recruitment, selection, motivation, and empowerment.

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