



Research Article

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Intrapreneurship, human resource management and their interfacial interaction: A study on multi-cases in the mature stage

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ABSTRACT

Based on the development of previous results, strictly following the qualitative research process, this paper does the "from the ground" research of 5 enterprises in the mature stage in traditional industries of Hebei province in China by the normative multi-cases study method. With applying interface management theory, it addresses the interface between strategic intrapreneurship and functional HRM, so as to analyze its operation state, puts forward operational conceptions of the driving force and the binding force, and establishes the coupling matrix and quadrant criteria. All of these, enrich and deepen the existing theoretical framework and management implications. Meanwhile, it provides the inspiration for the practice to judge the mature state, carries on interface intervention, in order to achieve the mature stage updating many times.

Keywords: Intrapreneurship; HRM; Matrix; Interface; Performance

INTRODUCTION

It always affects company performance that strategic intrapreneurship and functional human resource management(HRM) initiatively and mutually promote and embed each other. "Interface" has been becoming a high frequency term when the scholars research HRM and the operation of organization for the last second decades. To systematically and profoundly analyze the interface between intrapreneurship and HRM in enterprises being in the mature stage in the traditional industries, and to research their combined impact on performance to generate, is the weak link in the fields of entrepreneurship and performance management.

This study has 5 sections. The introduction precedes the second section where is the theory development, the aim is to review the literature and the normative statement. The third section explains methods employed in the data collection and analysis processes, in order to show a clear and complete evidence chain. And the fourth sets up the theoretical framework, and discusses the related problems of the matrix application. Finally, in the fifth section, the summary and conclusions are forwarded.

2.Theory development

2.1The Interaction between intrapreneurship and HRM

Intrapreneurship(entrepreneurship within existing organizations) is an important element in organizational and economic development. The nature of development organization relies on intrapreneurship(e.g. Bostjan 2007)[1], Under the effect of organic relationship thinking, Hayton(2005) made a systematic summary about the related literature focusing on the relationship between HRM tactics and corporate entrepreneurship in the Western[2]. So he advocated that someone should promote corporate entrepreneurship by the practice of HRM function; to explores the mode of relationship between HRM tactics and corporate entrepreneurship strategy, has become the crucial link of how to build sustainable competitive advantage.

After analyzing mature enterprises, some followed scholars realize that to establish close contact between

entrepreneurship with HRM, not only benefits each other(Zhang etc. 2008)[3], but also can improve the performance of the organization(Hornsby 2009)[4]. Zhe and Ming(2010) did an empirical study on promoting relations each other between entrepreneurship and HRM practice in 146 Chinese pharmaceutical firms, and the creation of corporate performance, so put forward the interaction framework[5]. However, there are still lacking in the theory and evidence, and it is in the pre-theorization period(Zeki and Ciaran 2011) about the specific mechanism of company performance, so intrapreneurship coupling HRM, the value of the interface between them should be highlighted[6].

2.2 Driving force and binding force in the interface

Facing market being fragmentation, the multiple interface obstacles in enterprises' bureaucracy of the mature stage, their intrapreneurship in the traditional enterprises once at the low uncertainty environment is still based on the goods' structure being consistent with the expectations of consumers, in order to ensure the historical differentiation technology lasting lead-ship, and continually build the first mover advantage(Ireland etc. 2009)[7]. To grasp the historical opportunities are their basic skills; to create opportunities(Alvarez and Barney 2007)[8], to deal with the competition premeditate, to act proactively, to select the "question" to become a "Star", and to undertake the controllable and moderate risk, are the daily conduct. So intrapreneurship drives the firms' development, its driving force is the index.

If entrepreneurship done in emerging markets of China, facing the competition using non conventional methods and non conventional resources, intrapreneurs obtaining external active idea is helpful to increase network capacity and social capital, and it is extremely important role for the ability to overcome network intake and resource constraints, to achieve survival and growth. It will help enterprises being in the mature stage to expand the resource flow by internal leverage resources. Otherwise, intrapreneurship is the resource constraints, its binding force is the index.

With lasting the life of enterprises, the damage of human resource slack could be highlighted, and the core rigidity precipitated by emotion, practices, regulations and customs, mood disorders of the change, and disputes between departments, can effectively inhibit the impulse to start an new undertaking, and will enable enterprises into the reform predicament, even lead to bankruptcy, all of these require HRM practice to balance them, police the performance risk, and create a suitable internal environment. Staff management strategy is greatly affected by the dual drive of organizational strategy and organizational value system. On the other hand, the new organization standard promotes more employees change into the intrapreneurs(Ireland 2009)[7]. So HRM is capacity constraints, and the binding force is also the index.

3. Research method employed and process

According to Yin's suggestion (2009)[10], this paper obeys the steps and program specification of the multi case study. After the comparison between different sources of evidence and deductive analysis, it obtains the necessity or sufficiency degree that one factor is essential for results.

3.1 The sample selection

The sample should be that ①its products or services is the leading brand in a certain geographic range; ②the characteristic of intrapreneurship strategy implementation is clear, and it has a mature process of HRM function realization; ③the successful pattern can be replicated under certain conditions; ④the archives management is more complete, so someone can get a first-hand information through investigation, interviews, or all of the secondary data sources is clear and credible.

3.2 Basic case information

To ensure the conclusion being the maximum efficiency, and to achieve the theoretical saturation, this study originally selected 15 enterprises as examples. Due to the obstacles of financial data obtained, or the shortage of cooperative research will, and other reasons about 10 enterprises, finally 5 firms of them are the analysis samples. It perfectly implements the recommendation that multiple case study should choose 4-10 cases(Eisenhardt 1989)[9]. The members of the project group suggest to select different size and different ownership enterprises in different industries, so as to ensure that the multiple case study is desired the maximum variable sampling, information richness, and the realization of "copy one by one" and "different replication" (Yin 2004; Lv 2014)[10,11]. The basic information of cases, as shown in table 1.

Table 1 The basic information of enterprises(2013)

Number	Starting time	Industry	Net asset (RMB YUAN)	Revenue (RMB YUAN)	Number of staff	Performance descriptions
1	1987	Metal processing industry	8,000,000.00	21,000,000.00	270	Engaged in copper reliefs, printing and press for many years, the revenue about the second position in the industry, and the market share about 40%.
2	1982	Ceramics production industry	5,100,000.00	12,000,000.00	202	Relying on the rich historical and cultural resources, engaged in black china production for many years, the revenue about the second position in the industry, and the market share about 30%.
3	1980	Stone processing industry	5,000,000.00	32,000,000.00	730	Relying on the rich historical and cultural resources, engaged in ink-stone production for many years, the revenue about the fourth position in the industry, and the market share about 20%.
4	1996	Animal medicine production industry	28,000,000.00	38,000,000.00	890	Engaged in medicine research and production for many years, and the market share about 10%.
5	1948	Alcohol manufacturing industry	32,000,000.00	40,300,000.00	1480	Engaged in alcohol and beer production for many years, firm standing in the regional market.

3.3 Data collection

From January to March in 2014, the team visited 5 different scale enterprises in different industries of Hebei province, and conducted the semi-structured interviews for 2.5-3 hours one by one. When some material need to be clarified, telephone is called or email is sent for follow-up questions or confirmation. Valuable information on the list is shown in table 2.

Table 2 The basic case information by interviews

Number	Interviewed staff	Main content	Number of Interviewed staff(people)	The total length of the interview(H)
1	chairman of the board, managers of the departments of human resources and operation, as well as core employee	<ul style="list-style-type: none"> How intrapreneurship and HRM respectively drive the company performance; The intrapreneurship influence on HRM; HRM guarantee and constraint for intrapreneurship; The cooperation and interaction between them. 	15	45
2	executive manager, vice president, managers of the departments of human resources and operation, as well as core employee		12	36
3	vice president, managers of the departments of human resources and operation, as well as core employee		20	60
4	vice president, managers of the departments of human resources and operation, as well as core employee		16	50
5	vice president, managers of the departments of human resources and operation, as well as core employee		20	60

3.4 Data analysis

Classified information is shown in table 3.

4.Theory construction

4.1Definition of the two dimensions in the matrix

①The driving force, namely the intrapreneurship driving force, is the "dynamic system" of the interface mechanical behavior and the performance, the basis of self renewing and extending the maturity.

②The binding force reflects the resources and/or HRM capacity limiting-valve, is the "braking system" of the mechanical behavior of the interface and the performance, or even "resistance system", thus leads to the decline stage.

4.2 The matrix construction

This study can preliminarily judge friction and coupling results in the interface between entrepreneurship and HRM. Thus, it can establish and position a matrix that comprises of 4 quadrants, shown in figure 1.

4.3 The criteria

Based on the practice analysis and previous research, meaning (i.e., criteria) of the four regions is accounted for:

- ①A-experiential: due to existing of resource heterogeneity and dispersed knowledge, the stereotype will lead to the "entrepreneurial myopia", so an enterprise will fall into a "competence trap".
- ②B-impulse: if a causal is too fuzzy, an enterprise will cause the intrapreneurship "escalation of commitment", so an enterprise will fall into a "opportunistic trap" or a "intrapreneurship trap".
- ③C-ideal: the interaction of "driving force - binding force" continuously drives an enterprise in the maturity or prime stage, and on the road of "hundred years old store" .
- ④D-conservative: constraints of the resource and/or the capacity will lead an enterprise to enter the noble or bureaucratic stage, so an enterprise will fall into a "success trap" or a "failure trap"; if not treated "regeneration crisis", finally an enterprise will be eliminated by the market.

Table 3 The interviewed and classified information

Dimension	The first class factors	The second class factors	Interviewed information			
			Category	Frequency of intrapreneurs talked	Frequency of HRM managers talked	Total frequency
Driving force	preference perception	market fragmentation	survey about customer preference	58	12	70
		goods' structure	maturation rate of potential customers	60	12	72
	unique technology lead-ship	mild improvement	product enhancement	68	11	79
		slow elimination	traditional product exit rate	65	15	80
	creation of opportunities	vision orientation	industry insight	40	24	64
		opportunities flowing away	capacity of up-taking opportunity	45	20	65
	competition premeditate	Anticipation	self-efficiency	38	40	78
		goods of the platform	speed of the product line extension	46	35	81
	network capacity	external and active notions	strength of relationship network	44	38	82
		internal and personal skills	ability of SUB to create a new organization mechanism	29	34	63
Binding force	resources bricolage	leverage resources	ability of SUB to create new business	45	33	78
		resource flow	capital-added rate of SUB	40	37	77
	matching the structure	operational potential	inter-departmental disputes	26	32	58
		originality market	intrapreneurial activities	23	36	59
	organizational routines	cooperation between departments	amount of sticky information	19	36	55
		style transmission	entrepreneurship promotion rhythm	36	42	78
	mood disorders	intrapreneurship cognition	duration of entrepreneurship emotion	35	41	76
		career achievements	research investment of employee occupation need	32	48	80
	performance alarm	performance feedback	average annual number of risk early warning	29	38	67
		controlling unknown	internal control expectation	36	36	72

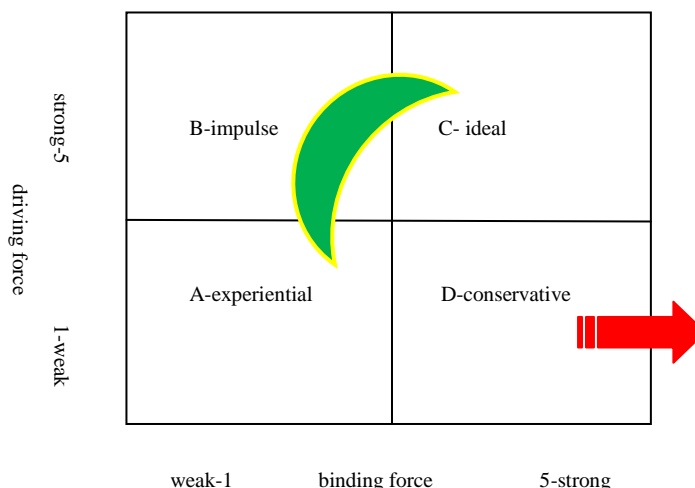


Figure1 The coupling matrix of the interface

CONCLUSION

Based on in-depth mining business data, the theoretical contribution of this paper mainly shows in three aspects: ①to put forward operational concepts of the driving force and the binding force. Which are deepening of the predecessor research about entrepreneurship and HRM interactive and embedded. ②to take them into two dimensions, so as to establish a coupling matrix of the interface between intrapreneurship and HRM. ③to establish criteria for every quadrant.

This paper can provide some technical suggestions to performance evolution of mature enterprises in the traditional industry, namely pays attention on the intrapreneurship drive effect and HRM's security and promoting effect to the enterprise performance, and inspire managers to do the interface intervention, renew the mature stage many times.

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