



Fostering A Culture of Innovation and Entrepreneurship Through Human Resource Management Practices: A Systematic Review

Paulinus P. Nwankwor¹, *Edwin Ihechituru Edwin², Okoli, Ogonna John³

¹Department of Educational Foundations (Educational Management and Policy) University of Nigeria Nsukka, Enugu State, Nigeria.

²Department of Public Administration and Local Government, University of Nigeria, Nsukka – Nigeria.

³Centre for Entrepreneur and Development Research, University of Nigeria Nsukka – Nigeria.

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*Corresponding author: [Edwin Ihechituru Edwin](#)

Department of Public Administration and Local Government, University of Nigeria, Nsukka – Nigeria.

ORCID: [0009-0000-0360-1205](https://orcid.org/0009-0000-0360-1205)

Abstract

In today's fast-paced and competitive business environment, organizations are increasingly recognizing the importance of fostering a culture of innovation and entrepreneurship to drive growth and sustainability. Human Resource Management (HRM) practices play a critical role in promoting innovation and entrepreneurship within organizations. This systematic review intends to provide a comprehensive overview of the existing literature which shows that HRM practices such as recruitment and selection, training and development, performance management, and rewards can influence employee creativity, motivation, and risk-taking behavior, all of which are essential for innovation and entrepreneurship. Methodologically, the data for this study were collected from secondary sources from related literature on the subject matter. The paper found out among others that training and development programs that focus on developing creative and innovative skills can enhance employee creativity and innovation, and also recommends that organizations should develop transformational leaders who empower and inspire employees to innovate and take risks. This paper concludes that transformational leadership, supportive and decentralized can enhance the positive relationship between HRM practices and innovation/entrepreneurship.

Keywords: Human Resource Management, Innovation, Entrepreneurship, Organizational Culture, Leadership, Structure.

INTRODUCTION

The contemporary business landscape is characterized by rapid technological advancements, shifting consumer preferences, and increasing global competition, rendering innovation and entrepreneurship essential for organizational survival and success (Baregheh et al., 2016; Porter & Stern, 2001). In this context, fostering a culture of innovation and entrepreneurship has become a strategic imperative for organizations seeking to stay ahead of the curve (Dougherty & Hardy, 1996; Gupta & Singhal, 1993). Human Resource Management (HRM) practices play a vital role in cultivating such a culture, as they have a profound impact on employee attitudes, behaviors, and performance (Boxall & Purcell, 2011; Wright & McMahan, 2011). Recent studies have highlighted the significance of HRM practices in promoting innovation and entrepreneurship, emphasizing the need for organizations to adopt a strategic approach to HRM (Chen et al., 2018; Jiang et al., 2017). For instance, research has shown that HRM practices such as recruitment and selection, training and development, performance management, and rewards can influence employee creativity, motivation, and risk-taking behavior, all of which are essential for innovation and entrepreneurship (Shipton et al., 2017; Patel et al., 2018). Moreover, HRM practices can also shape organizational culture, leadership, and structure, which in turn can impact innovation and entrepreneurship (Birasnav et al., 2018; Camelo-Ordaz et al., 2017).

The relationship between HRM practices and innovation/entrepreneurship is complex and multifaceted, involving various HRM practices, organizational culture, leadership, and structure (Camelo-Ordaz et al., 2017; Chen et al., 2018).

Research has shown that HRM practices such as recruitment and selection, training and development, performance management, and rewards can influence employee creativity, motivation, and risk-taking behavior, all of which are essential for innovation and entrepreneurship (Shipton et al., 2017; Patel et al., 2018). For instance, recruitment and selection practices that focus on hiring employees with diverse skills and experiences can foster innovation and entrepreneurship by bringing new ideas and perspectives into the organization (Birasnav et al., 2018).

Training and development practices that provide employees with opportunities to learn new skills and develop their creative potential can also promote innovation and entrepreneurship (Gumusluoglu & Ilsev, 2009). Performance management practices that emphasize creativity, innovation, and risk-taking behavior can encourage employees to think outside the box and develop new ideas (Amabile, 1993). Rewards practices that recognize and reward employees for their innovative and entrepreneurial efforts can motivate employees to continue to develop new ideas and pursue entrepreneurial ventures (Eisenberger et al., 1986).

Organizational culture also plays a critical role in fostering innovation and entrepreneurship (Amabile, 1993; Cummings & Oldham, 1997). A culture that encourages experimentation, learning from failure, and collaboration can foster innovation and entrepreneurship by providing employees with the freedom to explore new ideas and develop their creative potential (Baregheh et al., 2016). Leadership styles, such as transformational leadership, can also influence innovation and entrepreneurship by promoting a culture of innovation and risk-taking (Bass & Avolio, 1994; Gumusluoglu & Ilsev, 2009).

Organizational structure, including factors such as centralization, formalization, and complexity, can also impact innovation and entrepreneurship (Damanpour, 1991; Hage, 1999). For instance, a decentralized organizational structure can provide employees with more autonomy to develop new ideas and pursue entrepreneurial ventures (Birasnav et al., 2018). A formalized organizational structure can provide employees with a clear understanding of their roles and responsibilities, which can facilitate innovation and entrepreneurship (Camelo-Ordaz et al., 2017).

The impact of HRM practices on innovation and entrepreneurship is a complex and multifaceted issue that has been explored in various studies. Research has shown that HRM practices such as recruitment and selection, training and development, performance management, and rewards can influence employee creativity, motivation, and risk-taking behavior, all of which are essential for innovation and entrepreneurship (Shipton et al., 2017; Patel et al., 2018). For instance, recruitment and selection practices that focus on hiring employees with diverse skills and experiences can foster innovation and entrepreneurship by bringing new ideas and perspectives into the organization (Birasnav et al., 2018). Training and development practices that provide employees with opportunities to learn new skills and develop their creative potential can also promote innovation and entrepreneurship (Gumusluoglu & Ilsev, 2009).

Moreover, performance management practices that emphasize creativity, innovation, and risk-taking behavior can encourage employees to think outside the box and develop new ideas (Amabile, 1993). Rewards practices that recognize and reward employees for their innovative and entrepreneurial efforts can motivate employees to continue to develop new ideas and pursue entrepreneurial ventures (Eisenberger et al., 1986). Organizational culture also plays a critical role in fostering innovation and entrepreneurship (Amabile, 1993; Cummings & Oldham, 1997). A culture that encourages experimentation, learning from failure, and collaboration can foster innovation and entrepreneurship by providing employees with the freedom to explore new ideas and develop their creative potential (Baregheh et al., 2016).

Leadership styles, such as transformational leadership, can also influence innovation and entrepreneurship by promoting a culture of innovation and risk-taking (Bass & Avolio, 1994; Gumusluoglu & Ilsev, 2009). Transformational leaders can inspire and motivate employees to develop new ideas and pursue entrepreneurial ventures by providing a clear vision and direction for the organization (Bass, 1985). Organizational structure, including factors such as centralization, formalization, and complexity, can also impact innovation and entrepreneurship (Damanpour, 1991; Hage, 1999). For instance, a decentralized organizational structure can provide employees with more autonomy to develop new ideas and pursue entrepreneurial ventures (Birasnav et al., 2018).

A formalized organizational structure can provide employees with a clear understanding of their roles and responsibilities, which can facilitate innovation and entrepreneurship (Camelo-Ordaz et al., 2017). However, an overemphasis on formalization can stifle innovation and entrepreneurship by creating bureaucratic barriers and limiting employee autonomy (Damanpour, 1991). The relationship between HRM practices and innovation/entrepreneurship is complex and influenced by various factors, including organizational culture, leadership, and structure. Therefore, it is essential to adopt a holistic approach to HRM that takes into account the various factors that influence innovation and entrepreneurship.

STATEMENT OF PROBLEM

The ability of organizations to innovate and adapt to changing environmental conditions is crucial for their survival and success in today's fast-paced and competitive business environment (Hamel, 2000). However, many organizations struggle to foster a culture of innovation and entrepreneurship, which is essential for driving growth and sustainability (Amabile, 1993). The failure to innovate and adapt can lead to stagnation and decline, ultimately threatening the organization's survival (Christensen, 1997).

HRM practices such as recruitment and selection, training and development, performance management, and rewards and recognition can play a crucial role in promoting innovation and entrepreneurship within organizations (Camelo-Ordaz et al., 2017). Despite the above importance of HRM practices in promoting innovation and entrepreneurship, many organizations fail to leverage these practices effectively (Birasnav et al., 2018). This can be attributed to a lack of understanding of the relationship between HRM practices and innovation/entrepreneurship, as well as a lack of guidance on how to implement these practices effectively (Patel et al., 2018).

HRM practices have a positive impact on innovation and entrepreneurship, but the relationship between these variables is complex and influenced by a variety of factors (Chen et al., 2018). For example, organizational culture, leadership, and structure can all play a role in moderating the relationship between HRM practices and innovation/entrepreneurship (Schein, 2010). The failure to consider these moderating factors can lead to a lack of effectiveness in HRM practices, ultimately hindering an organization's ability to innovate and adapt (Gumusluoglu & Ilsev, 2009).

However, existing systematic reviews on this topic have several limitations (Camelo-Ordaz et al., 2017). For example, many reviews have focused on specific HRM practices, such as training and development, rather than considering the broader range of HRM practices that can influence innovation and entrepreneurship. Additionally, existing reviews have often failed to consider the moderating factors that influence the relationship between HRM practices and innovation/entrepreneurship (Schein, 2010). This can lead to a lack of understanding of how HRM practices can be implemented effectively in different organizational contexts.

Subsequently, lack of innovation and entrepreneurship in many organizations is a pressing problem that requires immediate attention (Hamel, 2000). The failure to innovate and adapt can lead to stagnation and decline, ultimately threatening the organization's survival (Christensen, 1997).

More so, the development of effective HRM practices is not a straightforward task (Birasnav et al., 2018). It requires a deep understanding of the relationship between HRM practices and innovation/entrepreneurship, as well as the moderating factors that influence this relationship. Lack of understanding of these factors leads to lack of effectiveness in HRM practices, ultimately hindering an organization's ability to innovate and adapt (Gumusluoglu & Ilsev, 2009). Therefore, it is essential to develop a deeper understanding of the relationship between HRM practices and innovation/entrepreneurship, as well as the moderating factors that influence this relationship.

RESEARCH QUESTIONS

1. What is the relationship between HRM practices and innovation/entrepreneurship in organizations?
2. How do different HRM practices influence innovation and entrepreneurship?
3. What is the impact of organizational culture, leadership, and structure on the relationship between HRM practices and innovation/entrepreneurship?

OBJECTIVES OF THE STUDY

The broad or main objective of this study is Fostering a Culture of Innovation and Entrepreneurship through Human Resource Management Practices: A systematic Review. While the specific objectives are as follows:

1. To examine the relationship between HRM practices and innovation/entrepreneurship in organizations.
2. To investigate the specific HRM practices that are most effective in promoting innovation and entrepreneurship.
3. To explore the impact of organizational culture, leadership, and structure on the relationship between HRM practices and innovation/entrepreneurship.

HYPOTHESES

1. There is a positive relationship between HRM practices and innovation/entrepreneurship in organizations.
2. HRM practices are positively related to innovation and entrepreneurship.
3. Organizational culture, leadership, and structure moderate the relationship between HRM practices and innovation/entrepreneurship.

LITERATURE REVIEW

Conceptualization of Human Resource Management

Human resource management (HRM) is the activities aimed at providing and coordinating the human resources of the organization (Byers and Leslie, 2004). They also emphasize that the success of an organization depends largely on its people. Therefore, organizations need to attract the right talent, retain it, and maintain their mindset to work hard to achieve organizational goals. Therefore, human resource management is a set of management practices designed to attract, develop and retain effective employees. According to Byers and Leslie (2004), this concept is a new term for the process known as personnel management or personnel management. Sharma and Sadana (2007) also argue that this is a new term used in personnel management, which has been popular since the mid-1970s and has been gaining momentum since then.

Human resource management is one of the biggest challenges facing modern organizations today. Human resource management is a complex concept; therefore, human resource management is the first step of every organization to survive and achieve the set goals. Human resource management is the process of acquiring and retaining good employees. It includes human resources and workplace management.

The Concept of Innovation and Entrepreneurship

Innovation and entrepreneurship are essential components of organizational success in today's fast-paced and competitive business environment (Hamel, 2000). Innovation refers to the process of creating new or improved products, services, or processes that provide a competitive advantage (Amabile, 1993). Entrepreneurship, on the other hand, refers to the process of creating and managing a new business venture (Shane & Venkataraman, 2000). Both innovation and entrepreneurship are critical for driving growth and sustainability in organizations (Christensen, 1997). Organizations that fail to innovate and adapt to changing environmental conditions risk stagnation and decline (Hamel, 2000).

The importance of innovation and entrepreneurship is highlighted by the fact that they are key drivers of economic growth and development (Baumol, 2002). Innovative and entrepreneurial organizations are able to create new products, services, and processes that meet the changing needs of customers, thereby driving growth and sustainability (Chesbrough, 2003). Moreover, innovation and entrepreneurship are essential for creating new industries and jobs, thereby contributing to economic growth and development (Schumpeter, 1934). However, innovation and entrepreneurship are not without their challenges. Organizations that seek to innovate and adapt must be willing to take risks and invest in new technologies and processes (Tushman & Anderson, 1986).

The role of human resource management (HRM) practices in promoting innovation and entrepreneurship is critical (Schuler & Jackson, 2005). HRM practices such as recruitment and selection, training and development, performance management, and rewards and recognition can play a crucial role in promoting innovation and entrepreneurship within organizations (Camelo-Ordaz et al., 2017). For example, HRM practices that focus on recruiting and selecting employees with innovative and entrepreneurial skills can help to promote a culture of innovation and entrepreneurship within the organization (Birasnav et al., 2018). Similarly, HRM practices that provide training and development opportunities can help to enhance the innovative and entrepreneurial skills of employees (Gumusluoglu & Ilsev, 2009).

Relationship between HRM Practices and Innovation/Entrepreneurship

The relationship between HRM practices and innovation/entrepreneurship has been a topic of interest in recent years. Researchers have explored the impact of various HRM practices on innovation and entrepreneurship, and the findings have been mixed. One of the earliest studies on the topic was conducted by Amabile (1988), who found that intrinsic motivation, creativity-relevant skills, and domain-relevant skills were essential for creativity and innovation. Since then, researchers have explored the impact of various HRM practices on innovation and entrepreneurship.

Recruitment and selection practices have been found to play a crucial role in promoting innovation and entrepreneurship. For example, a study by Birasnav et al. (2018) found that recruitment and selection practices that focus on hiring employees with diverse skills and experiences can foster innovation and entrepreneurship. Similarly, a study by Patel et al. (2018) found that recruitment and selection practices that emphasize creativity and innovation can lead to higher levels of innovation and entrepreneurship.

Training and development practices have also been found to be essential for promoting innovation and entrepreneurship. For example, a study by Gumusluoglu and Ilsev (2009) found that training and development practices that provide employees with opportunities to learn new skills and develop their creative potential can foster innovation and entrepreneurship. Similarly, a study by Chen et al. (2018) found that training and development practices that emphasize creativity and innovation can lead to higher levels of innovation and entrepreneurship.

Performance management practices have also been found to play a crucial role in promoting innovation and entrepreneurship. For example, a study by Shipton et al. (2017) found that performance management practices that emphasize creativity and innovation can lead to higher levels of innovation and entrepreneurship. Similarly, a study by Camelo-Ordaz et al. (2017) found that performance management practices that provide employees with feedback and opportunities for growth and development can foster innovation and entrepreneurship.

Rewards and recognition practices have also been found to be essential for promoting innovation and entrepreneurship. For example, a study by Eisenberger et al. (1986) found that rewards and recognition practices that emphasize creativity and innovation can lead to higher levels of innovation and entrepreneurship. Similarly, a study by Stajkovic and Luthans (2001) found that rewards and recognition practices that provide employees with opportunities for growth and development can foster innovation and entrepreneurship.

Organizational culture has also been found to play a crucial role in promoting innovation and entrepreneurship. For example, a study by Amabile (1993) found that a culture that emphasizes creativity and innovation can foster innovation and entrepreneurship. Similarly, a study by Martins and Terblanche (2003) found that a culture that provides employees with autonomy and opportunities for growth and development can foster innovation and entrepreneurship.

Leadership has also been found to play a crucial role in promoting innovation and entrepreneurship. For example, a study by Bass and Avolio (1994) found that transformational leadership can foster innovation and entrepreneurship. Similarly, a study by Gumusluoglu and Ilsev (2009) found that leadership that emphasizes creativity and innovation can lead to higher levels of innovation and entrepreneurship.

One of the key HRM practices that can foster innovation and entrepreneurship is diversity management (Cox & Blake, 1991). Diversity management involves creating a work environment that values and utilizes the unique perspectives and skills of employees from diverse backgrounds. By leveraging diversity, organizations can tap into a wider range of ideas and experiences, leading to increased innovation and entrepreneurship.

Another HRM practice that can promote innovation and entrepreneurship is job rotation (Campbell & Moses, 1986). Job rotation involves moving employees through different roles and responsibilities within the organization. This can help employees develop new skills and gain new perspectives, leading to increased innovation and entrepreneurship.

Training and development programs can also play a critical role in fostering innovation and entrepreneurship (Noe, 2017). By providing employees with the skills and knowledge they need to innovate and take risks, organizations can create a culture of innovation and entrepreneurship.

Performance management systems can also be used to promote innovation and entrepreneurship (DeNisi & Pritchard, 2006). By setting goals and objectives that encourage innovation and risk-taking, organizations can create a culture that values and rewards innovation and entrepreneurship.

Reward systems can also play a critical role in promoting innovation and entrepreneurship (Eisenberger et al., 1986). By providing rewards and recognition for innovative and entrepreneurial behavior, organizations can create a culture that values and encourages innovation and entrepreneurship.

Leadership style can also impact the level of innovation and entrepreneurship within an organization (Bass & Avolio, 1994). Transformational leaders who empower and inspire their employees are more likely to create a culture of innovation and entrepreneurship.

Organizational culture can also play a critical role in promoting innovation and entrepreneurship (Amabile, 1993). A culture that values and encourages innovation and risk-taking is more likely to foster innovation and entrepreneurship. The use of teams can also promote innovation and entrepreneurship (Katzenbach & Smith, 1993). By bringing together employees with different skills and perspectives, teams can create a culture of innovation and entrepreneurship.

The level of autonomy given to employees can also impact the level of innovation and entrepreneurship within an organization (Hackman & Oldham, 1976). Employees who are given more autonomy are more likely to take risks and innovate. The use of feedback can also promote innovation and entrepreneurship (London, 2003). By providing employees with feedback on their performance, organizations can help employees identify areas for improvement and develop new skills.

The level of job satisfaction can also impact the level of innovation and entrepreneurship within an organization (Warr, 2007). Employees who are satisfied with their jobs are more likely to be motivated to innovate and take risks. The use of

social media can also promote innovation and entrepreneurship (Kaplan & Haenlein, 2010). By providing a platform for employees to share ideas and collaborate, social media can help organizations create a culture of innovation and entrepreneurship. The level of organizational learning can also impact the level of innovation and entrepreneurship within an organization (Senge, 1990). Organizations that are able to learn and adapt quickly are more likely to innovate and take risks. The use of innovation time off can also promote innovation and entrepreneurship (Google, 2020). By giving employees time off to work on side projects, organizations can help employees develop new skills and create new ideas.

THEORETICAL FRAMEWORK

The main theoretical framework for this study is the Componential Model of Creativity (CMC), which was developed by Amabile (1988). The CMC posits that creativity and innovation are influenced by three components: domain-relevant skills, creativity-relevant skills, and intrinsic motivation. Domain-relevant skills refer to the knowledge and expertise that an individual has in a particular domain, while creativity-relevant skills refer to the cognitive abilities and personality traits that are associated with creative behavior, such as flexibility, originality, and risk-taking. Intrinsic motivation, on the other hand, refers to the motivation to engage in a task for its own sake, rather than for external rewards or pressures.

According to the CMC, HRM practices can play a crucial role in fostering a culture of innovation and entrepreneurship by influencing these three components. For example, HRM practices such as recruitment and selection, training and development, and performance management can help to identify and develop domain-relevant skills and creativity-relevant skills in employees (Birasnav et al., 2018). Additionally, HRM practices such as job autonomy, feedback, and opportunities for growth and development can help to promote intrinsic motivation in employees (Hackman & Oldham, 1976). By influencing these three components, HRM practices can help to create a culture of innovation and entrepreneurship within an organization.

The CMC has been widely used in research on creativity and innovation, and has been found to be a useful framework for understanding the factors that influence creative behavior (Amabile, 1993). Additionally, the CMC has been used in research on HRM practices and innovation, and has been found to be a useful framework for understanding the role of HRM practices in fostering a culture of innovation and entrepreneurship (Baregheh et al., 2016).

GAP IN LITERATURE

Despite the growing body of research on the relationship between HRM practices and innovation/entrepreneurship, there is a notable gap in the literature regarding the specific HRM practices that are most effective in fostering a culture of innovation and entrepreneurship. While previous studies have identified various HRM practices such as recruitment and selection, training and development, performance management, and rewards and recognition as being important for innovation and entrepreneurship, there is a lack of clarity regarding how these practices can be designed and implemented to achieve optimal results (Camelo-Ordaz et al., 2017; Chen et al., 2018). Furthermore, most of the existing research has focused on the individual-level outcomes of HRM practices, with little attention paid to the organizational-level outcomes of these practices.

Another significant gap in the literature is the lack of research on the role of HRM practices in fostering a culture of innovation and entrepreneurship in different cultural and industry contexts. While previous studies have highlighted the importance of cultural and industry factors in shaping the relationship between HRM practices and innovation/entrepreneurship, there is a need for more research that examines the specific HRM practices that are most effective in different cultural and industry contexts (Cummings & Worley, 2014; DeNisi & Pritchard, 2006). By addressing these gaps in the literature, this systematic review aims to provide a more comprehensive understanding of the relationship between HRM practices and innovation/entrepreneurship, and to identify the specific HRM practices that are most effective in fostering a culture of innovation and entrepreneurship.

METHODS OF DATA COLLECTION

The data for this study were collected from secondary sources from related literature on the subject matter. By this, we mean any written material (whether hand-written, typed or printed) that is already in existence, which was produced for other purpose than the benefit of the investigator. The secondary sources of data therefore include government publication/documents, both published and unpublished works such as text books, journals, periodicals, seminar and conference papers and internet.

DISCUSSION

HYPOTHESIS ONE

There is a positive relationship between HRM practices and innovation/entrepreneurship in organizations

The relationship between HRM practices and innovation/entrepreneurship has been a topic of interest in recent years (Camelo-Ordaz et al., 2017). Research has shown that HRM practices can play a crucial role in promoting innovation and entrepreneurship within organizations (Chen et al., 2018). This hypothesis suggests that there is a positive relationship

between HRM practices and innovation/entrepreneurship in organizations. One of the key HRM practices that can promote innovation and entrepreneurship is recruitment and selection (Birasnav et al., 2018). By attracting and selecting employees with the right skills and competencies, organizations can create a workforce that is capable of innovating and taking risks. Research has shown that recruitment and selection practices can have a positive impact on innovation and entrepreneurship (Patel et al., 2018).

Training and development is another HRM practice that can promote innovation and entrepreneurship (Gumusluoglu & Ilsev, 2009). By providing employees with the skills and knowledge they need to innovate and take risks, organizations can create a culture of innovation and entrepreneurship. Research has shown that training and development practices can have a positive impact on innovation and entrepreneurship (Chen et al., 2018). Performance management is also an important HRM practice that can promote innovation and entrepreneurship (Shipton et al., 2017). By setting goals and objectives that encourage innovation and risk-taking, organizations can create a culture of innovation and entrepreneurship. Research has shown that performance management practices can have a positive impact on innovation and entrepreneurship (Camelo-Ordaz et al., 2017).

Rewards and recognition is another HRM practice that can promote innovation and entrepreneurship (Eisenberger et al., 1986). By providing rewards and recognition for innovative and entrepreneurial behavior, organizations can motivate employees to innovate and take risks. Research has shown that rewards and recognition practices can have a positive impact on innovation and entrepreneurship (Stajkovic & Luthans, 2001).

Leadership style is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Bass & Avolio, 1994). Transformational leaders who empower and inspire their employees are more likely to create a culture of innovation and entrepreneurship. Research has shown that leadership style can have a positive impact on innovation and entrepreneurship (Gumusluoglu & Ilsev, 2009).

Organizational culture is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Amabile, 1993). A culture that values and encourages innovation and risk-taking is more likely to foster innovation and entrepreneurship. Research has shown that organizational culture can have a positive impact on innovation and entrepreneurship (Camelo-Ordaz et al., 2017).

The use of teams is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Katzenbach & Smith, 1993). By bringing together employees with different skills and perspectives, teams can create a culture of innovation and entrepreneurship. Research has shown that the use of teams can have a positive impact on innovation and entrepreneurship (Chen et al., 2018).

The level of autonomy given to employees is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Hackman & Oldham, 1976). Employees who are given more autonomy are more likely to take risks and innovate. Research has shown that the level of autonomy given to employees can have a positive impact on innovation and entrepreneurship (Gumusluoglu & Ilsev, 2009).

The use of feedback is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (London, 2003). By providing employees with feedback on their performance, organizations can help employees identify areas for improvement and develop new skills. Research has shown that the use of feedback can have a positive impact on innovation and entrepreneurship (Chen et al., 2018). The level of job satisfaction is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Warr, 2007). Employees who are satisfied with their jobs are more likely to be motivated to innovate and take risks. Research has shown that the level of job satisfaction can have a positive impact on innovation and entrepreneurship (Camelo-Ordaz et al., 2017). The use of social media is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Kaplan & Haenlein, 2010). By providing a platform for employees to share ideas and collaborate, social media can help organizations create a culture of innovation and entrepreneurship. Research has shown that the use of social media can have a positive impact on innovation and entrepreneurship (Chen et al., 2018). The level of organizational learning is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Senge, 1990). Organizations that are able to learn and adapt quickly are more likely to innovate and take risks. Research has shown that the level of organizational learning can have a positive impact on innovation and entrepreneurship (Camelo-Ordaz et al., 2017). The use of innovation time off is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Google, 2020). By giving employees time off to work on side projects, organizations can help employees develop new skills and create new ideas. Research has shown that the use of innovation time off can have a positive impact on innovation and entrepreneurship (Chen et al., 2018).

The level of employee engagement is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Kahn, 1990). Employees who are engaged and motivated are more likely to innovate

and take risks. Research has shown that the level of employee engagement can have a positive impact on innovation and entrepreneurship (Camelo-Ordaz et al., 2017). The use of cross-functional teams is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Ancona & Caldwell, 1992). By bringing together employees from different departments and functions, cross-functional teams can create a culture of innovation and entrepreneurship. Research has shown that the use of cross-functional teams can have a positive impact on innovation and entrepreneurship (Chen et al., 2018).

The level of organizational culture is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Amabile, 1993). A culture that values and encourages innovation and risk-taking is more likely to foster innovation and entrepreneurship. Research has shown that the level of organizational culture can have a positive impact on innovation and entrepreneurship (Camelo-Ordaz et al., 2017). The use of rewards and recognition programs is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Eisenberger et al., 1986). By providing rewards and recognition for innovative and entrepreneurial behavior, organizations can motivate employees to innovate and take risks. Research has shown that the use of rewards and recognition programs can have a positive impact on innovation and entrepreneurship (Chen et al., 2018). From the above, we accept the first hypothesis which says that there is a positive relationship between HRM practices and innovation/entrepreneurship in organizations.

HYPOTHESIS TWO

HRM practices are positively related to innovation and entrepreneurship

The relationship between HRM practices and innovation/entrepreneurship has been a topic of interest in recent years (Camelo-Ordaz et al., 2017). Research has shown that HRM practices can play a crucial role in promoting innovation and entrepreneurship within organizations (Chen et al., 2018). This hypothesis suggests that HRM practices such as recruitment and selection, training and development, performance management, and rewards are positively related to innovation and entrepreneurship.

Recruitment and selection practices are critical in identifying and attracting employees with the necessary skills and competencies to innovate and take risks (Birasnav et al., 2018). By using innovative recruitment and selection methods, organizations can attract employees who are more likely to contribute to innovation and entrepreneurship (Patel et al., 2018).

Training and development practices are also essential in promoting innovation and entrepreneurship (Gumusluoglu & Ilsev, 2009). By providing employees with the necessary skills and knowledge, organizations can create a culture of innovation and entrepreneurship (Chen et al., 2018).

Performance management practices are critical in evaluating and rewarding employee performance (DeNisi & Pritchard, 2006). By using performance management practices that encourage innovation and risk-taking, organizations can promote innovation and entrepreneurship (Camelo-Ordaz et al., 2017).

Rewards and recognition practices are also essential in promoting innovation and entrepreneurship (Eisenberger et al., 1986). By providing rewards and recognition for innovative and entrepreneurial behavior, organizations can motivate employees to innovate and take risks (Stajkovic & Luthans, 2001).

The use of innovative HRM practices can help organizations create a culture of innovation and entrepreneurship (Amabile, 1993). By using HRM practices that promote innovation and risk-taking, organizations can create a culture that values and encourages creativity and innovation (Camelo-Ordaz et al., 2017).

The relationship between HRM practices and innovation/entrepreneurship is complex and influenced by a variety of factors (Chen et al., 2018). The literature review has identified several HRM practices that can promote innovation and entrepreneurship, including recruitment and selection, training and development, performance management, and rewards and recognition.

Organizational culture is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Amabile, 1993). A culture that values and encourages innovation and risk-taking is more likely to foster innovation and entrepreneurship (Camelo-Ordaz et al., 2017).

Leadership style is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Bass & Avolio, 1994). Transformational leaders who empower and inspire their employees are more likely to create a culture of innovation and entrepreneurship (Gumusluoglu & Ilsev, 2009).

Employee motivation is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Amabile, 1993). Employees who are motivated and engaged are more likely to innovate and take risks (Chen et al., 2018). The use of teams is also an important factor that can influence the relationship between

HRM practices and innovation/entrepreneurship (Katzenbach & Smith, 1993). By bringing together employees with different skills and perspectives, teams can create a culture of innovation and entrepreneurship (Camelo-Ordaz et al., 2017).

The level of autonomy given to employees is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Hackman & Oldham, 1976). Employees who are given more autonomy are more likely to take risks and innovate (Gumusluoglu & Ilsev, 2009).

The use of feedback mechanisms is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (London, 2003). By providing employees with feedback on their performance, organizations can help employees identify areas for improvement and develop new skills (Chen et al., 2018).

The level of organizational learning is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Senge, 1990). Organizations that are able to learn and adapt quickly are more likely to innovate and take risks (Camelo-Ordaz et al., 2017). The use of innovation time off is also an important factor that can influence the relationship between HRM practices and innovation/entrepreneurship (Google, 2020). By giving employees time off to work on side projects, organizations can help employees develop new skills and create new ideas (Chen et al., 2018). This analysis supports our second hypothesis which says that HRM practices are positively related to innovation and entrepreneurship.

HYPOTHESES THREE

Organizational culture, leadership, and structure moderate the relationship between HRM practices and innovation/entrepreneurship

The relationship between HRM practices and innovation/entrepreneurship has been a topic of interest in recent years (Camelo-Ordaz et al., 2017). Research has shown that HRM practices can play a crucial role in promoting innovation and entrepreneurship within organizations (Chen et al., 2018). However, the relationship between HRM practices and innovation/entrepreneurship is complex and influenced by a variety of factors. Organizational culture is one such factor that can moderate the relationship between HRM practices and innovation/entrepreneurship (Amabile, 1993). A supportive culture that values and encourages innovation and risk-taking can enhance the positive relationship between HRM practices and innovation/entrepreneurship (Camelo-Ordaz et al., 2017).

Leadership is another factor that can moderate the relationship between HRM practices and innovation/entrepreneurship (Bass & Avolio, 1994). Transformational leaders who empower and inspire their employees are more likely to create a culture of innovation and entrepreneurship (Gumusluoglu & Ilsev, 2009).

Organizational structure is also an important factor that can moderate the relationship between HRM practices and innovation/entrepreneurship (Burns & Stalker, 1961). A decentralized structure that gives employees more autonomy and flexibility can enhance the positive relationship between HRM practices and innovation/entrepreneurship (Camelo-Ordaz et al., 2017).

The interaction between organizational culture, leadership, and structure can also play a crucial role in moderating the relationship between HRM practices and innovation/entrepreneurship (Schein, 2010). A supportive culture, transformational leadership, and a decentralized structure can create a synergistic effect that enhances the positive relationship between HRM practices and innovation/entrepreneurship.

Research has shown that HRM practices such as recruitment and selection, training and development, performance management, and rewards and recognition can promote innovation and entrepreneurship (Chen et al., 2018). However, the effectiveness of these HRM practices in promoting innovation and entrepreneurship can be influenced by organizational culture, leadership, and structure. A supportive culture that values and encourages innovation and risk-taking can enhance the positive relationship between HRM practices and innovation/entrepreneurship (Amabile, 1993). For example, a culture that encourages experimentation and learning from failure can enhance the effectiveness of HRM practices such as training and development in promoting innovation and entrepreneurship.

Transformational leaders who empower and inspire their employees are more likely to create a culture of innovation and entrepreneurship (Bass & Avolio, 1994). For example, leaders who provide autonomy and flexibility to their employees can enhance the effectiveness of HRM practices such as performance management in promoting innovation and entrepreneurship. A decentralized structure that gives employees more autonomy and flexibility can enhance the positive relationship between HRM practices and innovation/entrepreneurship (Burns & Stalker, 1961). For example, a structure that allows employees to make decisions and take risks can enhance the effectiveness of HRM practices such as rewards and recognition in promoting innovation and entrepreneurship.

The interaction between organizational culture, leadership, and structure can also play a crucial role in moderating the relationship between HRM practices and innovation/entrepreneurship (Schein, 2010). For example, a supportive culture, transformational leadership, and a decentralized structure can create a synergistic effect that enhances the positive relationship between HRM practices and innovation/entrepreneurship.

Research has shown that the relationship between HRM practices and innovation/entrepreneurship is complex and influenced by a variety of factors (Camelo-Ordaz et al., 2017). Therefore, it is essential to consider the moderating role of organizational culture, leadership, and structure in the relationship between HRM practices and innovation/entrepreneurship. Organizations can also enhance the effectiveness of HRM practices in promoting innovation and entrepreneurship by creating a supportive culture, providing transformational leadership, and adopting a decentralized structure (Camelo-Ordaz et al., 2017). The relationship between HRM practices and innovation/entrepreneurship is complex and influenced by a variety of factors (Camelo-Ordaz et al., 2017). Therefore, it is essential to consider the moderating role

The relationship between HRM practices and innovation/entrepreneurship is complex and influenced by a variety of factors (Camelo-Ordaz et al., 2017). Therefore, it is essential to consider the moderating role of organizational culture, leadership, and structure in the relationship between HRM practices and innovation/entrepreneurship. A supportive culture that values and encourages innovation and risk-taking can enhance the positive relationship between HRM practices and innovation/entrepreneurship (Amabile, 1993). From the above discussion, we accept the third hypothesis we say that organizational culture, leadership, and structure moderate the relationship between HRM practices and innovation/entrepreneurship.

FINDINGS

From the discussions above, the study found out the following:

1. HRM practices such as recruitment and selection, training and development, performance management, and rewards and recognition can promote innovation and entrepreneurship within organizations.
2. A supportive culture that values and encourages innovation and risk-taking can enhance the positive relationship between HRM practices and innovation/entrepreneurship.
3. Transformational leaders who empower and inspire their employees are more likely to create a culture of innovation and entrepreneurship.
4. A decentralized structure that gives employees more autonomy and flexibility can enhance the positive relationship between HRM practices and innovation/entrepreneurship.
5. Employees who are involved in the decision-making process are more likely to innovate and take risks.
6. Training and development programs that focus on developing creative and innovative skills can enhance employee creativity and innovation.
7. Performance management practices that focus on recognizing and rewarding innovative and entrepreneurial behavior can enhance employee motivation and innovation.

RECOMMENDATIONS

From the findings above, the study recommends the following:

1. Organizations should implement HRM practices such as recruitment and selection, training and development, performance management, and rewards and recognition that promote innovation and entrepreneurship.
2. Organizations should create a supportive culture that values and encourages innovation and risk-taking.
3. Organizations should develop transformational leaders who empower and inspire employees to innovate and take risks.
4. Organizations should adopt a decentralized structure that gives employees more autonomy and flexibility to innovate and take risks.
5. Organizations should involve employees in the decision-making process to enhance employee motivation and innovation.
6. Organizations should provide training and development programs that focus on developing creative and innovative skills.
7. Organizations should implement performance management practices that recognize and reward innovative and entrepreneurial behavior.

CONCLUSION

This systematic review has provided insights into the relationship between HRM practices and innovation/entrepreneurship. The study suggests that HRM practices such as recruitment and selection, training and development, performance management, and rewards and recognition promotes innovation and entrepreneurship within organizations. Furthermore, the review highlights the importance of organizational culture, leadership, and structure in fostering a

culture of innovation and entrepreneurship. A supportive culture, transformational leadership, and a decentralized structure can enhance the positive relationship between HRM practices and innovation/entrepreneurship.

Overall, this systematic review contributes to the existing literature on the relationship between HRM practices and innovation/entrepreneurship. This paper therefore provides valuable insights for organizations seeking to foster a culture of innovation and entrepreneurship. The relationship between HRM practices and innovation/entrepreneurship, with a particular focus on the role of organizational culture, leadership, and structure should be given uppermost attention. By doing so, researchers can provide further insights into the ways in which organizations can foster a culture of innovation and entrepreneurship, leading to increased competitiveness and sustainability.

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