

Research Paper No.5

EXECUTIVE SUMMARY
June 2013

(full paper link: <http://enterpriseresearch.ac.uk/publications/erc-research-papers/>)

**HRM, organizational culture and
entrepreneurial capabilities: The role
of individual and collective knowledge
processes**

James C. Hayton

Warwick Business School
James.Hayton@WBS.ac.uk

Ubaldo Macchitella

SDA Bocconi School of Management
ubaldo.macchitella@unibocconi.it

The capacities for acquiring, integrating and exploiting new knowledge and capabilities exert significant influence on long run organizational performance and growth. In this study we develop and test a theoretical framework that links individual and collective human capital with these capabilities. Prior research suggests that the development and organization of human capital at an individual and collective level are influential upon knowledge flows. We hypothesize that HRM and organizational cultural characteristics that emphasize strong individualist values

HRM, organizational culture and entrepreneurial capabilities

influence entrepreneurial knowledge acquisition, while those that emphasize collectivist values influence cooperative knowledge integration. HRM practices are hypothesized to directly influence knowledge processes, and also to mediate the influence of organizational culture on knowledge processes. We hypothesize that knowledge acquisition and integration processes are positively related to the exploitation of new knowledge through creation of new products and services. We test these hypotheses on data obtained from multiple respondents in a sample of 81 small and medium sized manufacturing firms. The study results provide support for these hypotheses and indicate that a form of behavioral ambidexterity is needed in order for human capital to promote knowledge-based entrepreneurial capabilities. Implications for theory and future research are discussed.