

## THE INFLUENCE OF INDIVIDUAL RESOURCES, MANAGEMENT SUPPORT AND HUMAN RESOURCE MANAGEMENT ON UNIT PERFORMANCE THROUGH CORPORATE ENTREPRENEURSHIP

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### Abstract

*The intense of disruption in technology make business practitioner have to make decision to maintain their competitive advantage. One of the financial services industry players affected by technological disruption is Bank Mandiri. Bank Mandiri is one of the largest banks in Indonesia, which has to close its branch offices and sub-branch offices. With this in mind, the Corporate Entrepreneurship Strategy must be carried out to maintain competitive advantage and improve high performance. Companies must also be able to exploit existing resources from an external and internal perspective. The focus of this research is to clarify the interaction of individual level resources, in terms of influencing the tendency of companies to obtain resources with the aim of creating corporate entrepreneurship in companies at the level of sub-branch offices or company units. On the other hand, Human Resource Management is also seen as an important factor in corporate entrepreneurship as Management Support did to affects company's internal performance in realizing unit performance improvements. This study uses the Structural Equation Modeling analysis method with the Partial Least Squares approach with the result Management Support and Human Resource Management is in the spotlight as the main supporter and influencer of company performance at the level of sub-branch offices or company units. Improvement in management in terms of supporting the heads of sub-branches and improvements of managing human resources can increase unit performance in order to maintain a competitive advantage in disruption era.*

*Keywords: Individual Resources, Management Support, Human Resources Management, Corporate Entrepreneurship, Unit Performance.*

### Abstrak

*Intensitas disrupsi teknologi membuat pelaku bisnis harus mengambil keputusan untuk mempertahankan keunggulan kompetitifnya. Salah satu pelaku industri jasa keuangan yang terkena dampak disrupsi teknologi adalah Bank Mandiri. Bank Mandiri merupakan salah satu bank terbesar di Indonesia yang harus menutup kantor cabang dan kantor cabang pembantunya. Dengan pemikiran ini, Strategi Kewirausahaan Perusahaan harus dilakukan untuk mempertahankan keunggulan kompetitif dan meningkatkan kinerja tinggi. Perusahaan juga harus dapat mengeksplorasi sumber daya yang ada dari perspektif eksternal dan internal. Fokus penelitian ini adalah untuk memperjelas interaksi sumber daya tingkat individu, dalam hal mempengaruhi kecenderungan perusahaan untuk memperoleh sumber daya dengan tujuan menciptakan kewirausahaan perusahaan pada perusahaan di tingkat kantor cabang pembantu atau unit perusahaan. Di sisi lain, Manajemen Sumber Daya Manusia juga dipandang sebagai faktor penting dalam kewirausahaan perusahaan seperti yang dilakukan Dukungan Manajemen untuk mempengaruhi kinerja internal perusahaan dalam mewujudkan peningkatan kinerja unit. Penelitian ini menggunakan metode analisis Structural Equation Modeling dengan pendekatan Partial Least Squares dengan hasil Management Support dan Human Resource Management menjadi sorotan sebagai pendukung utama dan pemberi pengaruh kinerja perusahaan di level kantor cabang pembantu atau unit perusahaan. Perbaikan manajemen dalam hal mendukung pimpinan cabang pembantu dan perbaikan pengelolaan sumber daya manusia dapat meningkatkan kinerja unit guna mempertahankan keunggulan kompetitif di era disrupsi.*

*Kata Kunci: Sumber Daya Individu, Dukungan Manajemen, Manajemen Sumber Daya Manusia, Kewirausahaan Perusahaan, Kinerja Unit.*

## INTRODUCTION

The financial services industry is one of those that must implement a strategy in terms of overcoming VUCA (Volatility, Uncertainty, Complexity, Ambiguity). The rapid pace of technology and digitization in this industry makes it easier for people to transact using online channels rather than offline. From the 2022 survey, 90,000 people – mostly aged 16-35 years – in six ASEAN countries: Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam as many as 46% use transfer services with online media, 25% use online and offline, while 13% use transfer services with offline channels.<sup>1</sup> Based on data from the Central Statistics Agency (2021), conditions in Indonesia itself show that the trend of digitization continues to grow and change people's lifestyles so that the use of ATM machines has decreased from time to time since 2017. According to a report by Bank Indonesia (BI), electronic money is growing rapidly in April 2022 based on transaction value, which increased by 50.3% (year-on-year/yoy) to IDR 34.3 trillion compared to the previous year. Meanwhile, digital banking transactions rose 71.4% to IDR 5.33 quadrillion in the same period. This is recognized due to the increasing level of public acceptance of banking technology and people's preferences in shopping online.<sup>2</sup>

The growth and disruption of this technology is a process of digitalization in society that requires the financial services industry to be able to respond (adaptively) in the midst of rapid growth by doing the same thing. To remain competitive in national and global markets, the strategy must be carried out by innovating by the financial services industry as a strategy that must be carried out. In the literature, strategy is defined as a unified, comprehensive and comprehensive set of policies aimed at combining the benefits of corporate strategy with environmental challenges and ensuring that, when properly executed, the company achieves its main objectives. It is said to be a comprehensive plan. Corporate Entrepreneurship (CE) strategy plays an important role for companies to maintain competitive advantage, to be able adapt for environments changing, and also gain high performance.<sup>3</sup> In addition, it plays a key role in empower organizations to gain competitive advantage, conform for environments dynamics and increase high performance. Although there is strategic entrepreneurship which consist of other

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<sup>1</sup> Wood, J. *Digitalization and financial inclusion among ASEAN youth | World Economic Forum*. [https://www.weforum.org/agenda/2022/12/asean-youth-digitalization-inclusivity-digital-generation/?utm\\_source=sfmc&utm\\_medium=email&utm\\_campaign=2790721\\_Agenda\\_weekly-9December2022&utm\\_term=&emailType=Agenda Weekly, 2022](https://www.weforum.org/agenda/2022/12/asean-youth-digitalization-inclusivity-digital-generation/?utm_source=sfmc&utm_medium=email&utm_campaign=2790721_Agenda_weekly-9December2022&utm_term=&emailType=Agenda Weekly, 2022).

<sup>2</sup> Gubernur Bank Indonesia. BI 7-Day Reverse Repo Rate Tetap 3,50%: Memperkuat Sinergi Untuk Menjaga Stabilitas Dan Mendukung Pemulihan. In *Bank Indonesia*. [https://www.bi.go.id/id/publikasi/ruang-media/news-release/Pages/sp\\_2413622.aspx](https://www.bi.go.id/id/publikasi/ruang-media/news-release/Pages/sp_2413622.aspx), (2022).

<sup>3</sup> Chen, Jianhong, et al. "CEO self-monitoring and corporate entrepreneurship: a moderated mediation model of the CEO-TMT interface." *Journal of Management* 48.8 (2022): 2197-2222.

dimensions. Model of the strategic entrepreneurship by Hit et al. and Covin Miles became the reference for writing this thesis. Strategic thinking and planning are necessary in strategic management, allowing companies to seek, plan and envision what new sources of competitive advantage they will have, so that they can become "outperformers" under internal and external conditions. You get a platform for short-term and long-term vision that will allow you to 'form'. It offers many possibilities, and intimidation.<sup>4</sup> Then hit et al. propose three aspects: input (environmental factors, organizational and personal resources), resource organization, and wealth creation for various stakeholders (customers, communities, individuals and organizations). From that by using entrepreneurial antecedent those three variables from Ireland et al. which consist of culture and leadership, mindset, which make individual and organizational resources to be exploited. Within expect result those resource can be processed and managed through strategic process. Strategic entrepreneurship is the name given to this dimension chain.<sup>5</sup>

The goal of this study is to better understand how the interaction of individual-level resources influences the propensity of corporations to acquire resources with the intention of developing innovations at the level of corporate entrepreneurship. This study investigates how the quantity of financial, human, and social capital can impact the willingness of entrepreneurs to attain goals of competitive advantage using a resource-based viewpoint.<sup>6</sup> This study aims to offer greater insights into how various individual-level resources might help and inspire entrepreneurs to stay afloat in a changing world by studying financial, human, and social capital as three types of individual resources. In particular, the focus is on creating opportunities, as a category from individuals to companies.<sup>7</sup> Entrepreneurship need resources at individual level. According to the resource-based theory, resources can influence the identification and consideration of new business opportunities and provide entrepreneurs with the ability to operate on a large scale of tasks, which directly affects entrepreneurial decision-making. In particular, commercial and non-commercial business activities are significantly influenced by financial, human and social capital.<sup>8</sup>

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<sup>4</sup> Ahdia, A. *Ini Bank BUMN dengan Aset Terbesar pada 2022*. [https://databoks.katadata.co.id/datapublish/2023/04/05/ini-bank-bumn-dengan-aset-terbesar-pada-2022#:~:text=Pada akhir 2022 Bank Mandiri,dan BTN Rp402%2C2 triliun. 2022](https://databoks.katadata.co.id/datapublish/2023/04/05/ini-bank-bumn-dengan-aset-terbesar-pada-2022#:~:text=Pada%20akhir%202022%20Bank%20Mandiri,dan%20BTN%20Rp402%2C2%20triliun.2022).

<sup>5</sup> Omotosho, Sule Ishola, and Hod Anyigba. "Conceptualising corporate entrepreneurial strategy: a contingency and agency collaborative approach." *Journal of Strategy and Management* 12.2 (2019): 256-274.

<sup>6</sup> Shehata, Gamal Mohamed, Mohammed Abdel-Hakim Montash, and Mohamed Raafat Areda. "Examining the interrelatedness among human resources management practices, entrepreneurial traits and corporate entrepreneurship in emerging markets: an evidence from Egypt." *Journal of Entrepreneurship in Emerging Economies* 13.3 (2021): 353-379.

<sup>7</sup> Özdemirci, Ata. "Corporate entrepreneurship and strategy process: A performance based research on Istanbul market." *Procedia-Social and Behavioral Sciences* 24 (2011): 611-626.

<sup>8</sup> De Clercq, Dirk, Dominic SK Lim, and Chang Hoon Oh. "Individual-level resources and new business activity: The contingent role of institutional context." *Entrepreneurship Theory and Practice* 37.2 (2013): 303-330.

On the other hand, human resource management (HR) is seen as a critical figure in corporate enterprise (CE).<sup>9</sup> An organization cannot accomplish enterprise without having profoundly talented, competent, proficient and learned human assets. Person assets with inventive, inventive and risk-taking characteristics can discover and take advantage of openings found to realize organizational objectives. To have this particular person, viable and competent HR hones are progressively required. HRM is progressively seen as a factor for gaining CE. In spite of the fact that inquire about on HRM and CE has advanced, connecting the two is still an unused marvel and needs encourage examination. Jo et al shown in their writing survey that CE offers a few joins with HRM but experimental inquire about in this region is still restricted. Moreover, HRM investigate can intercede the relationship between person assets and CE.<sup>10</sup> The researcher then looks at the other side of management and corporate entrepreneurship. Organizational internal factors are important factors of human resources that can directly affect entrepreneurial management within the organization. so to make the company entrepreneurship better, the competency of the company and the members of the organization need to develop new business opportunities to still maintain even more in terms of competitive advantage is very important.<sup>11</sup> Therefore, they argue that the intrafirm factors that promote entrepreneurship arise from the efforts of organizational members within the firm. Meanwhile, Hornsby et al. mentioned the main internal factors of the company that influence the emergence of entrepreneurial entrepreneurship, including management support, labor policy, reward/reinforcement, time availability and organizational constraints.<sup>12</sup>

## LITERATURE REVIEW

### Individual Resource

From resource based theory, individual resource is needed for entrepreneurship.<sup>13</sup> Resources can shape the identification and consideration of new business opportunities, enable entrepreneurs to accomplish a variety of tasks, and directly influence business decisions.<sup>14</sup>

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<sup>9</sup> Ferdinand, Augusty. "Marketing Strategy Making: Proses & Agenda Penelitian." *Jurnal Sains Pemasaran Indonesia (Indonesian Journal of Marketing Science)* 1.1 (2002): 1-22.

<sup>10</sup> Shehata, Gamal Mohamed, Mohammed Abdel-Hakim Montash, and Mohamed Raafat Areda. "Examining the interrelatedness among human resources management practices, entrepreneurial traits and corporate entrepreneurship in emerging markets: an evidence from Egypt." *Journal of Entrepreneurship in Emerging Economies* 13.3 (2021): 353-379.

<sup>11</sup> Osterwalder, Alexander, and Yves Pigneur. *Business model generation: a handbook for visionaries, game changers, and challengers*. Vol. 1. John Wiley & Sons, 2010.

<sup>12</sup> Kim, Ji Yeon, and Min Jae Park. "Investigation of critical factors on corporate entrepreneurship: Rethinking the organization culture." *Journal of Entrepreneurship in Emerging Economies* 13.1 (2021): 1-25.

<sup>13</sup> Fis, Ahmet M., and Dilek Cetindamar. "Unlocking the relationship between corporate entrepreneurship and firm performance." *Entrepreneurship Research Journal* 11.1 (2019): 20180213.

<sup>14</sup> Fis, Ahmet M., and Dilek Cetindamar. "Unlocking the relationship between corporate

Financial, human and social capital, in particular, have a significant impact on commercial and non-commercial entrepreneurship.<sup>15</sup> De Clercq also shout that for entrepreneurs there are three most importance of individual capital which is financial, human and social. Entrepreneurs have abundant resources and are more motivated to pursue organizational goals with their companies. Abundant financial, human and social capital can be important prerequisites for realizing the goals of social value creation. Tangible and intangible resources enable entrepreneurs to develop or execute value-added strategies.<sup>16</sup> Those three things individual capital can be described like so. First, financial capital, such as family pay or monetary resources, may be an essential for the entrepreneur's social esteem creation introduction. Without adequate monetary assets, business people tend to prioritize financial objectives and requests for productivity, to make sure that they can meet for living basic human needs. Hence, business visionaries require a least sum of monetary capital to have control over their lives, which permits them to create a caring orientation. In expansion, past inquire about notes the troubles that socially arranged business visionaries have when they look for to mobilize monetary assets, whereby business people who emphasize social esteem creation objectives frequently have less accessible channels to get to boundless financing and depend primarily on their claim monetary assets.

Second, human resources, related to experience, education, community skills have long been labeled as an important thing for business. Intangible assets also considered as human capital, can make businesses run for competitive advantage and grow.<sup>17</sup> Human capital is additionally related to information pertinent to entrepreneurial action;<sup>18</sup> critical for business in common and socially situated entrepreneurial exercises in specific.<sup>19</sup> Human capital emphatically impacts the entrepreneur's capacity to mobilize the cognitive, motivational, and activity assets essential to overcome the day-to-day challenges of running a commerce. Individuals with higher instruction tend to be more included in pro-social activities, such as volunteering or social developments, and Estrin et al. and Pathak and Muralidharan appear that instruction emphatically impacts the probability of getting to be included in social, not commercial, corporate exercises.

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entrepreneurship and firm performance." *Entrepreneurship Research Journal* 11.1 (2019): 20180213.

<sup>15</sup> Brieger, Steven A., and Dirk De Clercq. "Entrepreneurs' individual-level resources and social value creation goals: The moderating role of cultural context." *International Journal of Entrepreneurial Behavior & Research* 25.2 (2019): 193-216.

<sup>16</sup> Osterwalder, Alexander, and Yves Pigneur. *Business model generation: a handbook for visionaries, game changers, and challengers*. Vol. 1. John Wiley & Sons, 2010.

<sup>17</sup> Fis, Ahmet M., and Dilek Cetindamar. "Unlocking the relationship between corporate entrepreneurship and firm performance." *Entrepreneurship Research Journal* 11.1 (2019): 20180213.

<sup>18</sup> Fahy, John. "The resource-based view of the firm: some stumbling-blocks on the road to understanding sustainable competitive advantage." *Journal of European industrial training* 24.2/3/4 (2000): 94-104.

<sup>19</sup> Ziyae, Babak. "Presenting an evaluation model of human resource management's effect on corporate entrepreneurship." *World Journal of Entrepreneurship, Management and Sustainable Development* 12.3 (2016): 228-242.

Third, social capital reflects the breadth of arrange associations. Social capital is an intangible asset, which portrays “relational assets, happening in cross-sectoral individual ties”. Networks are fundamental for business, as wealthy networks give get to to enthusiastic bolster, start-up abilities, and entrepreneurial involvement. With more social capital, business people can overcome asset limitations, increment their effectiveness, and create unused procedures, competencies or development.<sup>20</sup> Social capital moreover produces believe and correspondence among firm individuals, and empowers business people to advantage from the exchange of imperative data and information. Ingenious systems are critical for any business person, but particularly socially situated business visionaries, due to their constrained get to ordinary assets or formal bolster. As Montgomery et al. note, “most emerging social entrepreneurship is, in fact, collaborative and collective, leveraging a wide range of endorsements, partnerships, and alliances to build awareness, acquire resources, and ultimately, make a difference”. As portion of a solid arrange with a tall notoriety, business visionaries can mobilize assets to embrace social esteem creation objectives.

In this manner, the degree to which business people emphasize social objectives for commerce must be emphatically affected by the accessibility of social capital. At the person level, social capital is portrayed as the capacity of one's connections to create get to to assets that can lead to positive individual results.<sup>21</sup> Social capital hypothesis contends that the trade of assets that happens through associations, connections, and believe between people and inside communities is basic for societal success. In substance, social capital includes seen potential and realized benefits accomplished through the trade of assets and resources inside a specific social arrange. Both people and communities can advantage from trade through social relations (Lin, 2008; Putnam, 2000), and social capital has been considered as a catalyst for tall levels of financial versatility. This study then raises the hypothesis:

*H1: Individual resources have an effect on corporate entrepreneurship*

### **Human Resource Management**

Currently, human resource management (HR) is regularly seen as a critical calculate in corporate business (CE). An organization cannot accomplish business without having exceedingly talented, competent, productive and learned human assets. People with imaginative, inventive and risk-taking characteristics can discover and take advantage of the openings they discover to attain organizational objectives. To have this particular person, compelling and competent HR hones are

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<sup>20</sup> Ferdinand, Augusty. "Marketing Strategy Making: Proses & Agenda Penelitian." *Jurnal Sains Pemasaran Indonesia (Indonesian Journal of Marketing Science)* 1.1 (2002): 1-22.

<sup>21</sup> Osterwalder, Alexander, and Yves Pigneur. *Business model generation: a handbook for visionaries, game changers, and challengers*. Vol. 1. John Wiley & Sons, 2010.

progressively required.<sup>22</sup> HR hones are the as it were implies utilized by organizations to create and impact the behavior, states of mind, and aptitudes of representatives to carry out their parts in accomplishing organizational objectives. These hones basically center on making strides and creating organizational execution.

In this study, strategic human resource management is utilized as an independent variable and components of corporate business are considered as the dependent variable for the arrangement of the survey and the investigation of the information gotten. The independent variable consists of: (1) Organizational Structure. Organizations are for the most part planned to be congruous with wild key assets, adaptable, and give an environment where representatives are free to investigate and make openings. Employers' organizations make a work environment full of thoughts, whereas bureaucratic organizations are as it were concerned with thoughts related to company assets. Entrepreneurial organizations center on the deft behavior of representatives and consider their thoughts in connection to the openings found or made, looking for ways for improvement and development for long-term financial flexibility. (2) Development of Human Resources. Each organization ought to enlist workforce to develop; hence, the management of the companies must carry out the essential arranging. The method of enlisting unused laborers must be in line with the advancement of entrepreneurial exercises. It appears that the finest time to enroll those with entrepreneurial characteristics is at the begin of the enlistment since at that time the chances of making great choices are higher. Conducting identity tests in expansion to considering the applicant's specialization, abilities, and career history can lead to the enrollment of those who are able to actualize corporate enterprise in line with the vital objectives of the organization.<sup>23</sup> (3) Performance management is a coordinates vital strategy beginning with arranging and setting objectives for the organization and workers. After assessing it by controlling the execution file, suggestions show up for handle change and representative execution. Conservation of this cycle will bring enduring victory for the organization to realize its objectives, counting corporate business enterprise; (4) Controlling and Supervising. The number of rules and directions and the sum of coordinate control that managers apply to the behavior of workers; (5) Train and empower. Training could be a process based on the event of moderately lasting changes within the potential level of representatives to make strides organizational execution. Based on this, training incorporates moving forward the skills, knowledge, attitudes, or behavior of representatives of the organization. It may be a bridge between workers and their work, where they not as it were performing their obligations ideally but are too willing to enhance and make

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<sup>22</sup> Osterwalder, Alexander, and Yves Pigneur. *Business model generation: a handbook for visionaries, game changers, and challengers*. Vol. 1. John Wiley & Sons, 2010.

<sup>23</sup> Ziyac, Babak. "Presenting an evaluation model of human resource management's effect on corporate entrepreneurship." *World Journal of Entrepreneurship, Management and Sustainable Development* 12.3 (2016): 228-242.

unused openings to progress items or begin modern forms. Common enterprise abilities training on the one hand and holding particular and proficient courses on the other hand contribute to accomplishing organizational objectives. Preparing can happen on the premise of person or organizational learning. (6) Reward management. Planning a remunerate framework for corporate workers requires senior supervisors to be completely mindful of the mental and monetary needs of representatives. Corporate workers do not need to totally exchange off their month to month compensation for a hazardous remunerate framework. In expansion, the clearing compensate framework is lacking for business visionaries, as they see it as an advantage of an unsafe venture. The compensate framework must be both money related and non-financial. Undoubtedly, the non-financial perspectives of the compensate framework may be more vital for corporate bosses. The same thing is also discussed in this research with the condition of technological disruption that organizations must maintain a competitive advantage with the following hypotheses:

*H4: Human Resource Management influences corporate entrepreneurship*

*H5: Human resource management mediates the relationship between individual resources and corporate entrepreneurship*

### **Management Support**

Management support has been a spotlight as a key point and can influence company performance by exploiting resources to learn and create innovates. Tierney and Farmer argue that top management must transfer and share the vision and mission of company so that workers can contribute business success. Management support is exceptionally critical for improving worker learning since it requires broad worker association so that a sense of mental proprietorship can be activated. In expansion, management support, a dynamic intellect and inspiration to memorize are a necessarily portion of the individual's learning prepare. Antoncic and Hisrich point the significance of internal organizational component as well as human resource that can influence the management of corporate entrepreneurship directly. Hence, it is very important for companies including the workers who willing to capture and gain new business opportunities, open new markets, and build new business. Therefore, they argue that the company's internal factors that promote corporate entrepreneurship originate from the efforts of the workers within the company itself, and they emphasize that corporate entrepreneurial non-class organizational and culture structures encourage corporate entrepreneurship. Besides that, Hornsby et al. argue the internal factor of company that encourage realization of corporate entrepreneurship, consist of management support, work flexibility, rewards/strengthening, organizational boundaries, and time availability. Based on the five key proposed by Hornsby et al. and Kuratko et al. some element that can develop corporate factors for entrepreneurship has measurement items in terms of internal



environmental factors, that contribute internal environmental assistance for entrepreneurial actions. As explanation above, several model studies that can be the factors affect corporate entrepreneurship have been conducted. So, this research determines various perspectives, and those model of research from Hornsby et al. and Kuratko et al., is applicable and comprehensive.

Management support for corporate entrepreneurship, rewards/strengthening, organizational boundaries, work discretion, and time availability are the categories that classified in to main factors of corporate entrepreneurship. First, there is four elements that can shape management support for corporate entrepreneurship based on its characteristics which is: rewards and co-benefits for performance, direct application and use of enhanced works, recognition of challenging intentions unrelated to results and free time for idea development. Second, job discretion embodied of work assessments subjective, opportunity to do their own style work and steer clear of identical work approaches. Third, reinforcement and reward made of four factors which is superior work support, performance-based recognition, innovation-based compensation, and sharing of supervisors' performance. Fourth, time availability made up by having time for develop idea within amount of time. Adequate time and workload and having plenty of time for problem solving for long-term. Lastly, organizational boundaries made from four factors, which is work process and implementation, discussing work performance with immediate supervisors and job evaluation with specific criteria, also job expectation. In this study, based on this, the following hypothesis emerged:

*H2: Management Support influences corporate entrepreneurship*

*H3: Management Support mediates the relationship between individual resources and corporate entrepreneurship*

### **Corporate Entrepreneurship**

Corporate Entrepreneurship is the definition of renewal, all innovation, and organizational struggles. Generating new business from outside and also inside organizations, adventuring is perhaps the most obvious form of this new combination. The dissemination of the entrepreneurial atmosphere and the view of the whole operation of the organization which is a struggle for renewal from within is another embodiment of Corporate Entrepreneurship behavior. Also known as strategic renewal purpose that can take place as redefinition of business concepts, reorganization, introduction of new systems for innovation, and also new directions of strategic. Finally, it refers to the establishment of new products, processes, technologies, systems, techniques, resources, or capabilities into a company or its market, innovation, forming an important thing of corporate entrepreneurship.<sup>24</sup> The innovation dimension, as well as

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<sup>24</sup> Shehata, Gamal Mohamed, Mohammed Abdel-Hakim Montash, and Mohamed Raafat Areeda.

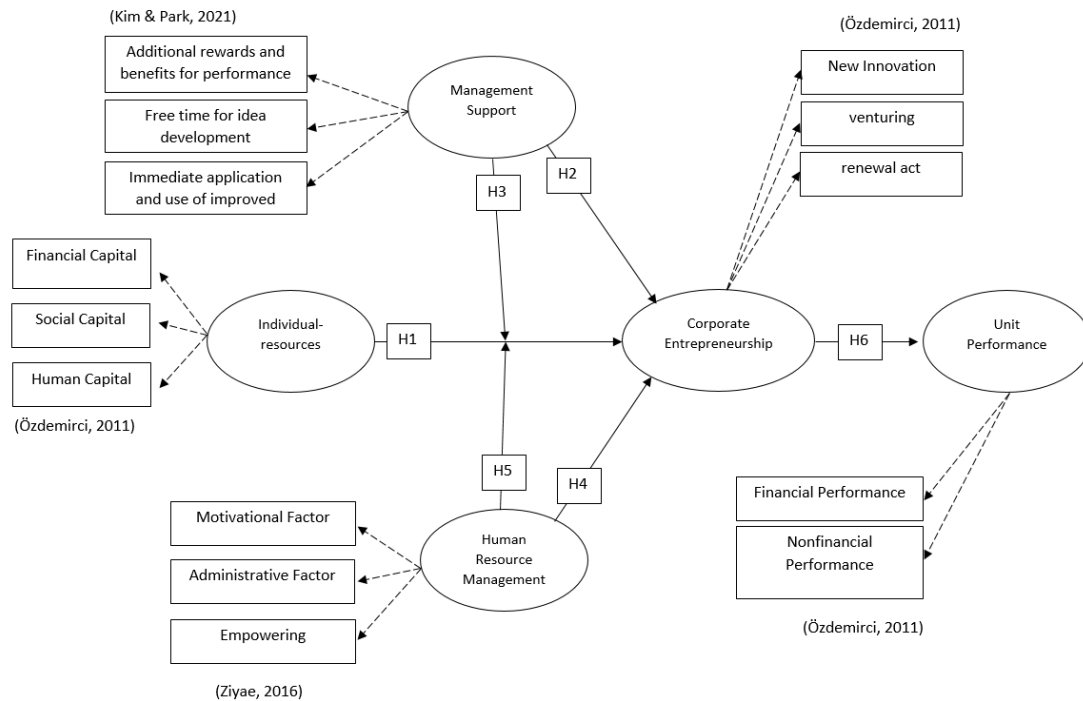
transformation in the field of organization, goes through the renewal stages of the ideas created. on organizational change and strategy has the scope of reorganization, defining business concepts, and carrying out new stages to become an innovating system then proactive, which is related to an aggressive attitude towards opponents in the same industry or business. These companies tend to take a lot more risk than other companies that tend to take it safe in doing business by experimenting. to pursue opportunities requires aggressive behavior so as to produce new things to explore. matters that include aggressive behavior, especially in the field of introducing new products or services, operating systems, along with administration in running a business. Business people must measure their exploitation opportunities. Efforts to take risks and carefully use resources and their impact on the environment to find out what is expected or not so as to get results as expected. From this it is required that entrepreneurial activities can be measured precisely and clearly their effectiveness so that the data and data are clearly visible for taking further action.

By using performance growth criteria, it can change the business activities carried out by entrepreneurs in a more measurable manner and convert this into a company opportunity that leads to growth. The growth rate of work units through launching new products to the market, entering new markets in the same industry, or innovation in business processes can undoubtedly strengthen and make a company grow in the industry it is running. this is in accordance with the opinion that the results of work in a unit are conceptualized with operational performance which ultimately leads to growth in company performance. Performance companies that have growth as a dimension tend to influence the strategy in the work unit's operations including in terms of sales and marketing of new products, as well as pushing into markets that had not previously been explored. This has consequences for shifting the competitive position of an organization or company towards market share growth. Therefore, the researcher raised the hypothesis as mentioned below:

*H6: corporate entrepreneurship has an effect on unit performance*

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"Examining the interrelatedness among human resources management practices, entrepreneurial traits and corporate entrepreneurship in emerging markets: an evidence from Egypt." *Journal of Entrepreneurship in Emerging Economies* 13.3 (2021): 353-379.



**Figure 1. Research Hypothesis**

## RESEARCH METHOD

### Data Collection

Sources of data used in this study used primary data and secondary data where the primary data was obtained from quantitative research so that the data was obtained through a questionnaire consisting of several questions addressed to respondents with several criteria. The criteria needed are the head of a Supporting Branch of one of the state-owned banks in Indonesia. Data is obtained by providing a link on the Google form via a short message addressed directly to the Head of Supporting Branches throughout Indonesia.

### Research Instrument

The research instrument is a tool used to measure and collect data, namely a questionnaire. A research instrument is a tool in collecting data that can be used to measure the observed object. Each research instrument must have a scale, where this study uses 5 Likert scales, namely one (1) for a scale of strongly disagree to five (5) for strongly agree. The Likert scale is a scale for ranking in which respondents are given detailed numbers according to each category, and these numbers are sorted according to the position of the scale and respondents are asked to choose one of these numbers. Hair et al. argues that using a 5-point Likert scale can provide a simple understanding to respondents, so that respondents can easily understand the intent of this research.

### Statistic Method

This study uses the structural equation modeling (SEM) analysis method with the partial least squares (PLS) approach. SEM PLS is used to analyze the research model of collecting respondent data through questionnaires. SEM PLS is able to test samples with small sizes. Data were analyzed using partial least squares (PLS) with the calculation process assisted by SmartPLS3 software. Partial least squares (PLS) is becoming a powerful method of analysis due to the lack of dependence on the scale of measurement (eg measurements requiring interval or ratio scales), the sample size and the distribution of residuals usually indicators in PLS can be of a reflective or formative type. This research uses PLS analysis in order the following concern: (1) the analysis on PLS has a component-based approach that the minimum sample size does not have specific strict amount requirements. (2) PLS is not based by assumption also powerful analytical method that allows analysis of certain indicators from latent variables. (3) PLS analysis can provide theoretical structural models that can be evaluated also has measurement models simultaneously (4) from the construct side, PLS can patch indicators of variable, even from formative or reflective indicators.

### RESULT AND DISCUSSION

The following section shows the profiles of research respondents who were collected including gender, age, tenure, as heads of sub-branches at the bank studied by the respondents, then profiles of heads of sub-branches include those with significant transaction value to the company as a whole. The following data is the demographic data of the respondents.

**Table 1. Demographic Data of the Respondents**

Characteristics of Respondents	Category of Respondents	Total	Percentage
1. Gender	Male	62	60%
	Female	41	40%
2. Age	<30 years	13	13%
	>30 years	5	5%
	30 - 35 years	45	44%
	36 - 40 years	19	18%
	41 - 45 years	12	12%
	46-50 years	4	4%
	51 - 56 years	5	5%
3. Served as Head of Sub-Branch for (year)	< 1 years	19	18%
	> 10 years	16	16%
	1-3 years	40	39%
	4-7 years	15	15%
	7 - 10 years	13	13%

Characteristics of Respondents	Category of Respondents	Total	Percentage
4. Sub-Branch Office	Region I / Sumatera 1	8	8%
	Region II/ Sumatera 2	9	9%
	Region III / Jakarta 1	18	17%
	Region IV / Jakarta 2	10	10%
	Region V / Jakarta 3	12	12%
	Region VI / Jawa 1	10	10%
	Region VII / Jawa 2	15	15%
	Region VIII / Jawa 3	9	9%
	Region IX / Kalimantan	4	4%
	Region X / Sulawesi dan Maluku	2	2%
	Region XI / Bali dan Nusa Tenggara	2	2%
	Region XII / Papua	4	4%

### Measurement Model

Several criteria are used so that the data can be understood as reliable and valid, namely: (1) standardized loading factor has a value greater than or equal to 0.5 ( $\geq 0.5$ ) for each indicator; (2) has good convergent validity which can be seen from the average variance extract (AVE) value  $> 0.5$ , if the AVE value is greater than it has a diversity value from other indicators. (3) cross loading which has a higher value than the correlation value in other constructs; (4) cronbach's alpha (CA)  $> 0.7$  and has a value of composite reliability (CR)  $> 0.7$ . However, Hair (2004) says a value of 0.6 is still acceptable for construct testing.

In analyzing the external measurement (outer model) there are several criteria needed so that the data can be said to be reliable and valid. According to Hair et al. (2014) these criteria are: (1) the standardized loading factor on this indicator is greater than or equal to 0.5 ( $\geq 0.5$ ), (2) has good convergent validity which can be seen from the average variance extract (AVE) value  $> 0.5$ , the greater the AVE value, it can be said that the indicator has diversity from other indicators,

(3) cross loading which has a higher value than the correlation value in other constructs, (4) cronbach's alpha (CA) > 0, 7 and has a composite reliability (CR) value of > 0.7. However, CA values above 0.6 are still acceptable for construct testing.

### **Structural Model**

After conducting an analysis of the outer structural model to prove its validity and reliability, an analysis of the inner structural model will be continued with the aim of examining the influence of exocene variables on endogenous variables in this study. There are three criteria for analyzing the model, namely: (1) evaluating the value of the coefficient of determination ( $R^2$ ), then (2) identifying the quantity of  $Q^2$ , then finally (3) using the value of the path coefficient.

The three gal criteria have various purposes where the coefficient of determination ( $R^2$ ) is to assess the accuracy of the predictions of the expected research model with values of 0 and 1. In addition, Hair et al. categorizes the  $R^2$  value into: a strong value or  $R^2= 0.75$ , a moderate  $R^2$  value= 0.50, and a weak  $R^2$  value=0.25. Then the magnitude of  $Q^2$  serves to assess the predictive relevance of the model, especially endogenous and reflective constructs, with a conditional value that is if  $Q^2 \geq 0$  then the model has good predictive relevance, meaning that exogenous variables can predict endogenous variables. Vice versa if the  $Q^2$  value < 0 then the model has no productive relevance.

### **Hypothesis Testing**

After the  $R^2$  and  $Q^2$  tests, hypothesis testing is carried out by looking at the path coefficient to find out how strong the relationship between constructs is by running the SmartPLS software and making t-statistic and p-values. To find the path coefficient seen from the t-statistic value, if the t-statistic value is greater than 1.96 then the construct can be said to have a significant relationship. In addition, it can be seen from the p-value which is smaller or equal to 0.05 which can also indicate that the relationship pattern is significant. The results of testing the hypothesis in this study can be seen in the image below:

**Table 2. The Results of Testing the Hypothesis**

Hypothesis		T-statistic > 1,96	P Value < 0.05	Conclusion
H1	Individual Resources → Corporate Entrepreneurship	0,835	0,404	Not supported
H2	Management Support → Corporate Entrepreneurship	2,534	0,011	supported
H3	Management Support X Individual Resources → Corporate Entrepreneurship	0,767	0,443	Not supported
H4	Human Resource Management → Corporate Entrepreneurship	2,582	0,010	Supported
H5	Human Resources Management X Individual Resources → Corporate Entrepreneurship	0,286	0,775	Not supported
H6	Corporate Entrepreneurship → Unit Performance	11,715	0,000	supported

From the table above there are six hypotheses and three of them have a relationship, namely H2 with a T-statistic value of 2.534, H4 with a T-statistic value of 2.582, and H6 with a T-statistic value of 11.175. In addition, the p-value for the hypothesis is smaller than 0.05, namely 0.011, 0.010 and 0.000.

## CONCLUSION

The purpose of this study was to examine the influence of individual resources, management support, and human resource management on unit performance through the role of corporate entrepreneurship. Respondents in this study consisted of 103 sub-branch heads at banks that serve people spread across Indonesia. The results of the study show that management support can improve unit performance through the role of corporate entrepreneurship, as well as the role of human resource management can improve unit performance through the role of corporate entrepreneurship.

In this study, it can be concluded that unit performance will be better if management support and human resource management are increased, because these variables have an indirect impact thanks to the ability of corporate entrepreneurship in terms of unit performance. From this conclusion it can be interpreted that by improving the human resource management and management support owned by the head of the sub-branch, the unit performance will immediately

increase. Improving human resource management and management support will directly increase corporate entrepreneurship and indirectly increase unit performance as expected by heads of sub-branch units.

With this research, unit performance will increase if there is a direct increase in corporate entrepreneurship. From this conclusion it can be interpreted that by increasing corporate entrepreneurship, the head of the sub-branch will do it and be able to increase the success of human resource management and management support for good performance indirectly. However, there was no increase in management support and human resource management in this study that had a direct impact on unit performance. This means that in order to achieve increased unit performance, one must go through the role of corporate entrepreneurship.

### **Theoretical Contribution**

This research on sub-branch heads supports one of the theories in the field of strategic management, particularly in management support within the scope of corporate entrepreneurship. In a review of several references, based on a study by Kim & Park (2021) that management support in the construct of corporate entrepreneurship has four main elements, which is better use of work directly from applicative task done, rewards and additional benefits for achieved performance done, acknowledgment of challenging intentions that is not related to results also the last had free time for doing idea development. The second is job discretion which has work assessments subjectively, opportunity to do their own style work and steer clear of identical work approaches. Third, reinforcement and reward made of four factors which is superior work support, performance-based recognition, innovation-based compensation, and sharing of supervisors' performance. Fourth, time availability and finally, the categories of boundaries from organizational which composed of main factors: key job processes and execution, clear job expectations, discussion of job performance with immediate supervisor and specific job evaluation criteria.

### **Managerial Implication**

Based on the results of this study, an evaluation can be made that sub-branch offices require sufficient resources to form and enhance corporate entrepreneurship. Even though a number of sub-branch heads in Indonesia already have increased management support, the capability improvement in the form of human resource management also needs to be strengthened. It should be realized that currently not all heads of sub-branches do not have the ability to improve human resource management in the midst of competition for technological disruption. The process of digital transformation that continues to increase should also be in line



with increasing the competitive advantage of an organization. Awareness of the importance of developing human resources in the organization is urgently needed because sub-branch offices will be greatly assisted so that they can still provide excellent service. This is very useful in helping companies achieve their goals. It is true that technological disruption is inevitable, but working together with maximizing physical services at sub-branches will greatly affect public services that still rely on physical services. Improvement in management in terms of supporting the heads of sub-branches and improvements in terms of managing human resources so that they can continue to obtain digitalization information and the creativity of financial industry service players at the unit level can increase knowledge in order to maintain a competitive advantage. In addition, the activeness of the organization at the unit level following directions from branch offices or offices at higher levels can open up the acquisition of information regarding changes to the strategy to be adopted which can also help in terms of improving performance.

### **Limitation and Future Works**

This study has limitations that focus on the financial services industry with coverage of the unit branch office level where at the sub-branch office level there have been many closures with the transition of physical financial industry services to digital. Even though in Indonesia itself the number of transaction values is still relatively large for physical services, the frequency of services continues to decrease. In addition, individual resource factors are not found in this study, clear definitions are needed regarding the indicators and dimensions that form the construct of individual resources.

The population of sub-branch offices is quite large, but not all heads of sub-branch offices are open to collecting data through questionnaires. The closed nature of branch offices is also an obstacle to the limited number of respondents because not all respondents have free time to fill out questionnaires to give responses. This study also uses a Likert scale which has a tendency for respondents to answer neutrally thereby reducing the validity of the questionnaire results.

Due to the limitations in this study, the researcher realizes that there are suggestions that can be added for further research, especially in the discussion of testing individual resources for their reliability of the organization, especially those that focus on performance output as the final result, some of these suggestions include, namely, this research only focuses on at the sub-branch level, it is possible to carry out research at a higher level, namely at the company or regional office level. Future research can use a mixed method with a combination of quantitative and qualitative so that the research results are more comprehensive. Focus group discussions (FGD) can also be carried out to obtain in-depth research. Future research can examine other strategic management process variables such as strategic thinking, strategic planning and other variables.

This is because there are many variables that can moderate or mediate the role of individual resources for corporate entrepreneurship.

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