

Standardization of Entrepreneurship in the Concept of Human Resource Management in SMEs

Daniel RUSU¹

Abstract

This study examines distinct and unique methods of entrepreneurship in terms of organizing, managing, and recruiting human resources within an organization or enterprise. It is complemented by the ever-increasing volume of entrepreneurial literature through a systematic review of the literature that analyzes the link between the practice of human resource management and entrepreneurship. This study analyzes the theoretical framework that underlies the relationship between entrepreneurship and human resource management. The research establishes the strategic management of human resources as an entrepreneurial strategy with which employees are seen as essential tools for the full fulfillment of the objectives set at the organizational level. It can be summarized that with the establishment of a new company or through the continuity of an already existing company with relatively limited resources, entrepreneurship and the role of an entrepreneur become an essential management function in terms of development and selection personal skills, competences and capabilities of human resources. In conclusion, organizations are encouraged to encourage the role of entrepreneurship in human resource management to stimulate innovation, drive change and achieve continuous improvement.

Keywords: *SMEs, Strategy, Entrepreneurship, Human Resources Management*

JEL classification: *M54*

DOI: 10.24818/RMCI.2022.1.80

1. Introduction

Joseph Schumpeter, in 1934, best introduced the theory and concept of entrepreneurship. In his theory, Schumpeter developed entrepreneurship as the process that involves the restructuring of various industrial organizations, marketing and production equipment, producing innovation in the process of developing new sources of products, materials and raw materials to achieve new goals. financial, social and economic. He believes that innovation, creativity and the absolutely necessary knowledge are indispensable and significant factors in achieving the success so necessary for entrepreneurship. Moreover, such a development cannot be represented by an automatic process because it requires a type of active and deliberate commitment coming from certain agents called the Entrepreneur, who establishes and starts the whole process. The entrepreneur represents that person who

¹ Daniel Rusu, Bucharest University of Economic Studies, Romania, E-mail: rusumdaniel@gmail.com,

produces within the system dynamic discontinuous changes and guarantees the economic governance that modifies the preceding and incipient circumstances of the economy. Entrepreneurship is the process of starting a enterprise as a result of identifying an opportunity or a need (Bibu, N.A., 2008). Entrepreneurs are independent and at the same time determined by uncertainty, considered a real opportunity. The mechanism by which economic change leads to development and progress is re-presented by entrepreneurship. Studying the link between macroeconomic factors and anti-entrepreneurship, it is observed that entrepreneurship is mainly determined by investment freedom and fiscal freedom. This freedom is also supported by legal, economic, social frameworks that offer stability and predictability in a country, region or economic blocks as well as the possibilities to cooperate with organizations from different countries (Andruş, 2010). Business freedom influences primarily the rupture of the business rate (Căescu, S., Constantinescu M., Dumitru, I., Ioniță, D., 2015).

In the opinion of Dal Zotto and Gustafsson (2007), within an organization, entrepreneurs represent valuable resources, able to develop for employment, growth and investment absolutely new opportunities through the high-level development of creativity. They are able to recognize the opportunity, to create a new business as well as to assume the adjacent and related risks in response to unsatisfied demands coming from the market and at the same time supervise that opportunity by transforming it into marketable, concrete and especially viable innovations. In this context, entrepreneurship ultimately belongs to various other factors such as the knowledge base of human resources, cognitive skills, cultural environment and education, talent and personal quality, which, all together, lead to inspiration and finally to creativity. According to Amabile (1996), the exclusive and defining condition imposed on inspiration to become the mobilizing daily force and able to generate a continuous innovation within an organization is to have an intrinsic motivation based exclusively on the skills provided by human resources. According to Madmoli, (2016), a primary role in establishing managerial decisions and which can affect the specific entrepreneurship of the organization is played by human resources management; for this reason it is particularly important to analyze the link between entrepreneurship and human resource management. In this context, there are few studies on this field. The practice and experience of human resources management, such as development and training, compensation, reward, promotion are the determining factors that, used to the maximum capacity, optimize the creativity and innovation of employees, ultimately stimulating entrepreneurship. In the opinion of Dal Zotto & Gustafsson, (2007), if in an entrepreneurial team trained in the beginning of a new product or in the beginning of a new company there would be beginners (and who are administered to the creators of a new autonomous business) or common entrepreneurs (address promoters of several companies) this aspect can influence the skills of human resource management. In conclusion, the structure of the staff team (entrepreneurs or entrepreneurs) that defines the

organization is crucial in characterizing the way they are supported, motivated, developed, empowered and selected and therefore conditions successful performance and rapid growth of the organization.

The article focuses on the process of management, growth and development in terms of staff or people resources within an organization that have and develop the ability to continuously produce creativity and innovation for the organization. In other words, this study focuses on the concept of entrepreneurship as an important tool used to build the main skills involved in human resource management present in an organization. This research focuses on the theory related to resource dependence, a theory that most effectively analyzes the link that is present between entrepreneurship and human resources management. In this respect the functional congruency refers to the match between stakeholders' expectations regarding the implementation of a social responsibility code and their perceptions on how an organization or system is assessed from the social perspective (Cristache et al, 2019).

According to Barney (1991), according to this theory, the absence of inimitable and unique resources, such as organizational, technological or human resources that can effectively differentiate between an organization and its direct competitors, can quickly lead to reduced specific growth potential. within organizations, uncompetitiveness and inefficiency.

The paper is composed according to the following structure. The first section focuses on human resource management as well as on the origin and concept of entrepreneurship. The second section studies the aspects present in the literature on the structure of the relationship between entrepreneurship and human resource management. Moreover, the theoretical prediction that substantiates the existing relationship between variables is presented. Obviously, the conclusions of this study are presented at the end.

2. Review of the specialized literature

2.1 Presentation of the theoretical framework

In small competitive enterprises, organizational learning theory, general systems theory, comparative advantage theory, resource dependence theory, behavior management theory, organization life cycle theory are just some of the most important theories used to explain the connection and relationship between entrepreneurship, human management and the basic principles of human resource management. Under these conditions, the theory of resource dependence, behavioral management theory and life cycle theory of the organization are analyzed in the study and finally selected the theory of resource dependence as the theory that underlies the theoretical relationship between entrepreneurship and human resource management in research.

2.2 Organization life cycle theory

The theory conceived by Cameron & Whetton (1981), describes the growth and development of the organization using different and distinct stages in defining a life cycle, starting from the formation, growth, maturity and decline of the organization and reaching its death. According to this theory, the general interpretation of these stages of organizational development, the way in which all these structures and activities change constantly as the organization matures and grows, gives top managers the opportunity to select strategies or competitive trajectory appropriate to the action. moves the organization further or returns it to its original state, but much more innovative. In all this context, this notion of the life cycle of an organization is theoretically opposed as deterministic in a distinct way, so that the organization can pass absolutely inevitably and without management action, from one stage of development to another. According to Lester, Parnell and Carraher (2003), the life cycle of an organization has five distinct stages, namely: existence, survival, success, renewal and decline. This structure amplifies a hierarchy necessary for the classification of organizations, in close connection with the specific activities associated with each specific stage of development as well as in the manner dictated by the superior hierarchical management. Moreover, it analyzes the link between performance, competitive strategy and the life cycle of organizations. For example, during the renewal or maturity stage of the organization, its top management may establish a certain type of organizational structure capable of supporting high performance, teamwork, innovation and creativity of human resources that can induce survival and growth and which at the same time, it will be able to withstand the pressure from competitors. In conclusion, for small entrepreneurial organizations and as the transition from their formation to their stage of decline is made, this theory can explain the link between the competitive strategy and the life cycle of those organizations. For companies, technologies, methods but also people represent imperative challenges (Tohănean, D., Buzatu, A.I., Baba, C.A. and Georgescu, B., 2020).

2.3 Behavioral management theory

In the opinion of Naylor, Pritchard and Ilgen (1980), behavior management theory presents the use of human resource practices as absolutely necessary tools for drawing the behavior patterns of team members who are responsible for achieving the organization's goals. The foresight and especially the understanding of such behavioral patterns supports the information and the edification of the managers as correct as possible regarding the adoption of well-founded decisions as well as on the measures that can be taken regarding the management of people and the expected effects and consequences.

Within the management study, management principles have been developed that approach and define the individual type behavior of employees and at the same time analyze the human amplitude regarding work. Schuler and Jackson (1987)

analyzed all three generic strategies formulated by Porter (1985), strategies that present in detail the way in which, depending on the type of market chosen, organizations seek to gain a competitive advantage. According to them, organizations adjust policies and practices appropriate to human resource management with a specific strategy chosen in a generic way and that will optimize productivity and work performance.

In this way, according to Rogers, (1983), organizations that apply a cost minimization strategy are forced to opt for a more rigid policy and organizations that apply a strategy to achieve innovation are forced to optimize resources such as and its work environment, in order to stimulate new employee behavior, including career reward and long-term goals, to promote positive behavior in the workplace but at the same time to include possible penalties by to control some more negative behaviors. From a managerial point of view, decision-makers who encourage organizational change should be aware of its importance and be willing to make efforts to implement it. But the solution does not change anyway and especially at any time. Change must be adapted, evaluated, tested and planned according to the effects it produces (Ionita, D., 2013).

2.4 The theory of resource subordination

In the version supported by Pfeffer and Salancik, (1978), the theory of resource dependence clarifies the way in which organizations are able to use and acquire scarce resources in an efficient manner, and which, in a competitive market, allows them to differentiate it from competitors because these resources are not substitutable, cannot be easily imitated and have durability over time. This theory presents a company that operates within an open system and that develops a relationship of dependence with the external environment from which it obtains its resources (labor, technological, physical and financial). According to Bird, et al, (2007), the theory exposes the competence and specific training of a certain organization so necessary for creating an adequate connection with the external environment through which it obtains and sustains easy access to special, distinct and especially unique resources. , resources with which the organization obtains a set of special benefits such as increased customer trust, greater affinity from employees, increased reputation of the organization, an improved brand name and all of which ultimately lead to competitive advantage and implicit to increase the overall financial performance of the organization. This theory also implicitly explains how the selection of appropriate resources from the external environment can increase and develop the brand image as well as the value of an organization's services and products. Human resources within an organization can be defined as a true core of power. Supporting the competitive advantage held by a growing entrepreneurial company is the natural choice of a specific strategy regarding human resources management, in full internal concordance with the fundamental objectives assumed by the organization. Given all these things, according to Pfeffer & Salancik, (1978), due to insecurity as well as uncertainties that can not be managed by the

organization, it could be harmful excessive dependence on external resources. Also, the theory provides a certain potential necessary for the integration in the strategic management of the company of the specific objectives of human resources management. The choice of this theory of resource dependence was made in order to study the basis of the link between human resource management and entrepreneurship.

According to this theory, according to Barney (1991), the absence of inimitable and unique resources such as organizational, technological or human resources and which differentiates an organization from its competitors, can limit the capacity for development between organizations and can also lead to uncompetitiveness. and inefficiency. It provides a certain absolute framework needed to explain how organizations can absorb, applying fundamental human resource management strategies, environmental proactivity, innovation, and risk-engaging behaviors. In the case of several particularly innovative and entrepreneurial organizations, which use exceptional resources and could not be replaced in any way, if they want to keep them at an extremely competitive level in the business environment, a source The importance of sustainable competitive advantage is represented by human resources. According to resource-based theory, a more advanced use of some of the human resource management strategies such as employee development and training, harmonizing employees according to the specific objectives of the organization, designing the category and the right number of human capital could leads to higher performance in terms of organization. This theory also supports the concept of strategic human resource management that involves connecting people management with the organization's strategy so that the way and especially the way in which the company rewards, evaluates, places, selects or recruits employees could be strategically selected. in correlation with the objectives pursued by the company (such as diversification objectives, closures, mergers, innovation, survival, growth). In conclusion, according to Dabic, Ortiz-De-Urbina-Criado and Romero-Martinez, (2011), the commitment, values, attitudes and culture of employees prove to be fundamental for organizations in order to achieve success. The quality of promotional activities, combined with the quality of economic activity and communication helps companies to generate competition, sell more, create new products and, finally, to ensure as many jobs as possible (Popescu, I., D., 2013 , p. 125).

3. Standardization of the concept of entrepreneurship

The specific activities of an entrepreneur are described using the concept of entrepreneurship. In recent decades this concept has evolved and grown significantly and different authors have presented different definitions. According to Shane and Venkataraman, (2000), Reynolds, (2005), many authors have defined entrepreneurship as the identification and capitalization of opportunities as well as the subsequent establishment of a new and profitable activity, most often by setting up a new organization. Other authors, including Schumpeter, (1934; 1942) and

Miller, (1983) focus on the specifics of the entrepreneurial spirit that combines the classic theories of imaginative functions, initiatives and risks outside or inside an already existing organization, innovation and exploration in order to create new opportunities. In the opinion of Inegbebor (1998), quoted by Oviawe (2010), entrepreneurship is defined as the desire and ability of a particular entrepreneur to identify and confirm opportunities in the face of inherent adjacent risks and uncertainties, to always be ready to start a new company, a new business, to take risks and at the same time to prepare new commercial transactions in order to obtain a profit. According to Ikeme & Onu, (2007), entrepreneurship is the function of seeking production and investment opportunities, organizing the company to start a new production process, including new projects to achieve financial, social and economic goals, use of resources, employment as well as raising capital. According to Covin and Slevin (1999), entrepreneurship is defined in close correlation with three main components; proactivity, risk-taking as well as innovation, which leads to a corporate entrepreneurship or the establishment of new companies (start-ups). In the business dynamics of a country, entrepreneurship plays a vital role and, thus, its development requires and requires a certain social, cultural, judicial, managerial and economic context. At the beginning, SMEs face difficulties in strategic thinking of managers that affect, in the long run, the level of competition of enterprises (Deaconu, A., Rasca, L., 2016, Minculete, Gh., 2013).

According to Putari (2006), entrepreneurship involves the duties of an entrepreneur (agent) who can unite all means involved in production, rediscover and restore all capital used, the value of rent paid, interest, wages and earnings, seeing in this way entrepreneurs as agents of change. Even under these conditions, according to Shane (2004), the concept of entrepreneurship has progressed over time to include businesses that are not normally related to financial activities or business. He argues that entrepreneurship may require the involvement of social or political aspects of entrepreneurship, such as absorbing or enabling globalization, innovation and creativity through the use of the new concept of cultural innovation in schools or the establishment of a youth support platform. Perhaps the first, most coherent but also remarkable description of entrepreneurship is represented by Joseph Schumpeter's theory of "creative destruction." According to Schumpeter (1934), the entrepreneur is the person who establishes new technologies or processes, production methodologies, services or products, restructuring industries, recognizes new sources of supply or export markets, identifies new industrial agreements or new types of organization. which ultimately lead to an irreversible transformation of the economy through the so-called process of "creative destruction". If the host country has the capacity to create and develop a sustainable and innovative business environment, an entrepreneurial company can drive competitive and sustainable international business. The environment and the company are closely linked and are forced to grow and develop together to develop knowledge and attract new capacity to generate economic growth and through increasing the level of entrepreneurship and the SME sector (Costache, I.C. and Buzatu, A.I., 2019).

According to Soyibo (2016), entrepreneurship is the process of recognizing new requirements and opportunities related to meeting and meeting needs and changing them into new products or services, thus creating value and wealth for people. According to Soyibo's business, entrepreneurship could be abstracted in order to represent the process and activities carried out by entrepreneurs that refer to the reception of value, in association with business-related opportunities. According to Dal Zotto & Gustafsson (2007), entrepreneurship could be materialized by analyzing inventions or innovation made in an existing company (intrapreneurship) or by setting up new organizations. Also, according to Esomonu quoted by Oviawe (2010), entrepreneurship could be presented as an effective manipulation of human intelligence in order to create and develop a new company or a new approach or new ideas necessary for a previous or existing business. Moreover, in the opinion of Oviawe (2010), the definition given to entrepreneurship implies and implies the persistence of a certain opportunity in exploitation, a certain mobilization of resources, an adaptation to change, recognition and identification of business opportunities, according to the National Directorate. of Employment (NDE). International entrepreneurship is defined as a combination of risk-seeking, proactive and innovative behavior that is designed to create value in organizations and crosses national borders. Better communication between country representatives, easier access to information and technological progress can help SMEs in their efforts to enter foreign markets. The entrepreneur is the main factor of this theory (Belu, G., M., Țartavulea, I., R., 2016).

In defining the conceptual framework attributed to entrepreneurship, this term could be examined as a charismatic leadership, as discovery and vigilance, as innovation, as creativity or imagination, as a management process, etc. The present research analyzes in the following the entrepreneurship as management, by introducing its role within the human resources management.

4. Management as entrepreneurship

In the opinion of Ibrahim and Shailendra (2003), in the typical entrepreneurial curriculum, this process has often been pursued as a classic management for small businesses, in which entrepreneurs are managers of start-up companies, family or small businesses. Within the management vision, the theory of entrepreneurship takes into account the way managers manage and organize their assets, the improvement, development and marketing of products, the various sources for external financing and their relationships with venture capital and the burden of management. daily for small business owners.

Entrepreneurship is defined as the management process by which a group of people, inaugurating a new company or presenting a new product on the market, take risks and seek a certain opportunity gained by changing innovation with ideas with creative potential. Moreover, the process of personal development and selection of human resources, in order to ensure a permanent motivation to oversee such opportunities in the management of new and small companies, but also for

established and large businesses, is particularly important in order to achieve performance. successful for the organization. Establishment of new companies, when there is a limitation of resources and, in most cases, entrepreneurs do not have the necessary expertise in human resources, it is advisable for new companies to focus on the acquisition of competent staff who are able to maintain continuity in the process. improving quality within the organization, being able to lead change and ultimately delivering innovation.

5. Strategic Human Resource Management (SHRM) and Human Resource Management (HRM)

In the opinion of Madmoli, (2016), the management and development of existing human resources within an organization constitute an important mechanism, especially necessary in order to obtain an organizational performance in an extremely competitive and constantly changing market as well as a competitive advantage for the organization. A fundamental constituent part of management and which involves a constant process of employment, development, training, maintenance and rewarding trusted staff for the organization in order to motivate and strengthen organizational performance is represented by human resources management. Human resource management is a special interpretation of the management of the employment process and examines the achievement of competitive advantage through the strategic development of specialized, capable and engaged workforce, using an integrated set of techniques. personal, structural but also cultural. According to Byars and Rue (2004), human resources management is a set of specific activities, developed to ensure and coordinate the entire human resources present in the organization. The growth but also the performance of each new business or company consists precisely in the level of investments in valuable human resources through an adequate management or the development and growth of the staff. According to Dabic, Ortiz-De-Urbina-Criado and Romero-Martinez, (2011), human resources management includes all activities on recruitment, satisfaction and development of staff in the organization. In the opinion of Itika, (2011), it also involves the guarantee process according to which the staff structure has the right quality and number of people, performing the right tasks at the right time. Within an organization, existing human resources represent a set of heterogeneous groups that include people with their own points of view, objectives and especially specific interests. Because the organization includes people with different behaviors, value systems, education and attitudes, it is very difficult to maintain a climate without conflicts, in perfect harmony (Muscalu, E., 2015).

According to Dabic et al., (2011), strategic human resource management shows organizations the internal skills needed to adapt to an ever-changing organizational environment by increasing, developing and amplifying effective practices and policies within the field of human resources that are aligned with the strategic objectives of the organization towards a source of sustainable competitive

advantage. Moreover, in Harrison's (1993) view, strategic human resource management is "coherent and comprehensive long-term planning as well as short-term management, monitoring and control of human resources within a given organization, in so that from them to obtain a maximum added value and an optimal position of them in order to achieve the objectives and the corporate mission of the organization ". Human capital within an organization that refers to the expertise, knowledge, creative skills obtained by human resources present in a given organization is a significant resource that when it receives efficient management can quickly lead to a positive effect on processes delivery of performance and services, productivity and growth. Also, in this context, human resources management could be seen as a tool used in order to obtain the best possible results within an organization that acts for people.

A challenge of the organizations of the 21st century is the management of the multi-generational work force, which includes almost eight decades of history of generations, with different perceptions and objectives and a cultural diversity. Every generation has unique characteristics and talents. The manager's responsibility is to understand every generation so that he can create a work field that is productive and healthy which can inspire and motivate the employees keeping the base values of the company (Abrudan, 2021).

In this way, the establishment of new businesses or organizations as well as the building of talents and innovations can be achieved in an efficient manner where the human resource is evaluated, developed, trained, selected, oriented, organized and planned in the most appropriate way for to result in the growth and development of the most appropriate organizational skills and core competencies that underlie value creation. In conclusion, organizations are obliged to design, create and especially develop human resource management strategies in order to maintain the best possible human relations necessary to encourage entrepreneurial objectives.

6. Entrepreneurship and human resources management

Although many studies have recently examined independent entrepreneurship (Schumpeter, 1934) but also human resource management (Cardon & Steven, 2004), very few studies have closely investigated what these two fields have in common, such as Castrogiovanni, Urbano and Loras. , (2011); Dal Zotto and Gustafsson, (2007); Madmoli, (2016). In these conditions, contemporary research present in the literature, such as Dabic, Ortiz-De-Urbina-Criado and Romero-Martinez (2011), analyzed and reviewed studies to determine the consistency and amplitude of the results obtained in this research, for to substantiate the specialized literature and at the same time to identify the limitations of these studies in order to improve future research. Although some research, such as Dal Zotto and Gustafsson, (2007) would seem to be limited in terms of a solid descriptive analysis but also rarefied in analytical research, they expose a consistent but also exploratory study in terms of topics and recommendations future directions of study.

6.1 Dialogue on entrepreneurship and human resource management

Human resources management is an important factor of entrepreneurship and from this point of view it is necessary a research that deals with the contribution brought by human resources management to the competencies of a certain company in order to accept risks, accept proactivity and innovation. Dabic, Ortiz-De-Urbina-Criado and Romero-Martinez (2011) studied 68 articles that analyzed the relationship between entrepreneurship and human resource management. Using the ABI databases they analyzed 44 articles and from the complete databases of the business source they studied 24 articles. The purpose of the research was to describe the published works, to examine the previous literature and to identify any omissions present in the research and which would be able to help motivate further research. Almost all the works examined regarding the duo, according to the study, proved to be empirical, even if it is about works published between 2000 and 2009. Of all the articles written about entrepreneurship, 61% referred to entrepreneurship. corporate (Hayton, 2005) or small and medium enterprises (SMEs) such as Heneman, Tansky and Camp (2002); 32% referred to startups such as Zoltan and Catherine, (2004) and only 7% referred to a composite point of view (Dal Zotto and Gustafsson, 2007, Gabor M.R, 2021). Moreover, of the total articles on HRM, 71% referred only to human resources management as a whole (Dal Zotto and Gustafsson, 2007), and 29% referred to specific aspects of HRM, such as employee motivation, commitment, training, etc. Camelo-Ordaz, Garcia-Cruz, Sousa-Ginel and Valle-Cabrera (2011) on entrepreneurship. They concluded that it is absolutely necessary to carry out more current work to promote a better understanding of the role of management. The relationship between organizational entrepreneurship and human resources management in Iran was investigated by Madmoli (2016), using as a mediation variable the exchange of knowledge achieved by The research was an applied study conducted on a sample of 393 specially selected employees and managers using the sampling formula mentioned by Cochran. The data collection was performed using a questionnaire written by the author and analyzed using the analysis of The research revealed a significance and a positive relationship between all the variables as well as an improved relationship with the role of mediating knowledge exchange practices regarding middle managers that supports the reduction of the knowledge gap between top managers and employees. The examination of empirical studies on human resources as leading agents of corporate entrepreneurship was conducted by Hayton (2005), even if the study was not based on growing and initial firms. Although research has identified some agreement on how human resource management makes effective contributions to corporate entrepreneurship, empirical evidence signals a mixed finding and identifies two main and central themes such as stimulating discretionary entrepreneurial contributions and admitting risk. individually which is necessary to be treated in the process of seeking a possible and theoretical explanation regarding the relationship between them.

However, researchers working in entrepreneurship have not been encouraged to study in SMEs, with priority given to small businesses and growing organizations due to the fact that a formalized human resources management department is present only in slightly larger organizations. The growth and development of human resources within a company in its infancy or in its infancy is often much more critical. Several studies have been conducted on the role played by human resources management in startups, despite the current limitations regarding new entrepreneurial companies. The relationship between business entrepreneurship and human resource management in small and medium organizations was studied by Castrogiovanni, Urbano & Loras (2011). They found that management management styles as well as the practice of human resources have a major influence on the innovation present in SMEs but also on the level of creation of new companies. Also, Zoltan and Catherine, (2004) proved that the development as well as the survival of new companies are largely dependent on their endowment with experienced and qualified employees which depends directly on the effects of knowledge dissemination and the real level of education. According to Heneman, Tansky & Camp (2002), human resource management in small but fast-growing firms is very different from that of large firms but also from that of slow-growing firms. In the opinion of Dal Zotto and Gustafsson, (2007), there can be real problems with the adequacy of experienced and qualified staff in the initial stage of a growing company and therefore it is very unlikely that these companies will be engaged in expensive and elaborate human resource management practices. Moreover, this type of company may be subject to the liabilities of novelty and smallness, an aspect often demonstrated by the absence of resources and the legitimacy of the employer. Investigating the effect of human resource management practice on innovation and knowledge exchange using concrete employee engagement as a variable parameter of mediation was conducted by Camelo-Ordaz, Garcia-Cruz, Sousa-Ginel and Valle-Cabrera (2011). They identified that with regard to the exchange of knowledge with the power to mediate an effective commitment, the practice of human resource management has no effect. The different notions and concepts of entrepreneurship as well as their contributions to the practice of human resources within the Spanish company Montalt-Valencia, a Ford Car Dealer in Spain were analyzed by Lee, Peris-Ortiz, and Fernandez-Guerrero, (2011). Following the confirmation study carried out by them, the constant improvements as well as the continuous renewal regarding the human resources techniques strengthen the innovation capacity and, in conclusion, can lead to a modification of the commitment stages manifested in relation to the company and those of efficiency organization.

Also, the new companies, compared to the confirmed companies, use a much less categorical personnel management system, a system in which most of the times the owner takes care of the specific office works, the record systems as well as the salary systems but presents a more pronounced orientation towards innovation in terms of compensation strategies, human resource planning and thus increases the value of the management of their organizations. Dal Zotto and Gustafsson, (2007) pointed out that, in addition to human resources functions, which include training,

selection and recruitment, health insurance payments and payroll taxes as well as specific salary accounting is a particularly important function. which should be included in the human resources management of a new business, firm or enterprise. In conclusion, while the company is growing, the strategic functions specific to human resource management, represented by performance management, compensation, motivation and leadership, evolved based on objectives, policies, mission and organizational vision must be correlated with company strategies. and especially with those related to financing, marketing and product portfolios, in order to generate competitive advantage. A model that associates entrepreneurship with strategic human resource management is proposed by Tang, Wei, Snape and Ng (2014). In addition, the link between organizational development and the relational and political skills manifested by human resources was studied. Research has finally found that human resource management influences entrepreneurship in a suggestive way, and the link between organizational development and human resource skills is directly influenced by a specific leadership style developed only partially.

According to the conclusions of the specialized studies presented, which analyzed the link between entrepreneurship and human resources management, this article supports the idea that, to achieve success and effective growth by an entrepreneurial firm or a new one, the fundamental skills of resource management human beings must be in charge of people capable of taking risks as well as recognizing creative ideas and opportunity, ready at any time to translate them into innovative and productive pragmatic values that must be systematically capitalized on. The previous sections discussed functions of human resource management, such as Performance Management, Staff Motivation, Training and Development, Leadership, Compensation, Recruitment, Human Resource Planning (HRP), Human Resources, etc. but also other factors, such as the use of contingent labor as well as the outsourcing of human resources management, critical issues for emerging companies and new entrepreneurs.

7. The influence of Human Resource Planning (HRP) on entrepreneurship

According to Itika (2011), human resource planning is a qualitative but also a quantitative process that ensures that an organization has the right employees, placed at the right time, who have the right and necessary skills and performing the right activities. This requires planning the quality and number of employees required in the various specific job classes but also supporting the fact that staffing decisions such as reduction, transfer, retention, development, promotion, reward, use and acquisition are relatively small. The acquisition of human resources refers directly to the need for human resources, in direct correlation with the ever-changing factors of the business and undoubtedly must be guided by the policies, missions, objectives and strategies of the business. Therefore, if the organization risks in the next few years with the acquisition of a new production line, it must quickly plan for the retraining and recruitment of all qualified personnel in order to make the best use of

this new production line, in order to ensuring a sustainable competitive advantage for the organization.

7.1 Recruitment through entrepreneurship

In the opinion of Dal Zotto and Gustafsson (2007), the goal of any company, whether it is newly established or an emerging company, is represented by the continuous improvement of their competitiveness in the market and, as they grow and reach maturity, their human resource requirements are also changing rapidly. The selection and recruitment of the most suitable people, with adequate and essential skills and abilities who have the ability to adapt and adjust to the needs of the organization at different levels of growth is a key component for success for organizations. This greatly increases the efficiency of a particular organization from an economic point of view, it can benefit from the increase of its market share or it could simply lead to the establishment of new or improved services or products through innovation.

7.2 Compensation through entrepreneurship

Compensation is a distinct component of the human resource management function, with which entrepreneurial firms could gain a competitive advantage by gaining core talent. Entrepreneurial firms are required to have a certain structure in terms of human resources practices and policies, absolutely necessary in order to adequately reward innovation, creativity and the willingness to take on uncertainty, cooperation and risk. According to Cardon and Stevens (2004), reward models have a significant impact on employee job satisfaction and are often based on the granting of certain bonuses expressed in stock sharing and profit. In their study, Bengtsson and Hand (2013) investigated compensation practices for 1,812 entrepreneurial firms controlled by venture capitalists and founders. They concluded that the way employees are compensated is caused by the specific degree to which the founding capitalists versus the venture capitalists have control over the business. Also, companies that are controlled by VC have developed more formal payment policies, provide much more formidable capital and financial incentives and last but not least pay larger amounts in cash to employees who are non-founders. Moreover, the employees who are founders have weaker financial incentives and receive much less money. In conclusion, there were differences in compensation because the capacities as well as the preferences of the controlling shareholders increased in a significant way the intrinsic quality of human capital retained and attracted by the company. Almost all entrepreneurial companies are visibly moving away from the traditional hierarchical structure of the organization in such a way that the financial rewards are not a certain indication in terms of employee status. In such cases, companies provide a multidimensional reward system that is based on successful creativity or innovation. According to Graham, Murray, and Amuso (2002), the satisfaction that comes from owning a business causes a certain sense of reward. Maintaining

employees with strategic policies such as encouraging good reward and employer-employee relations systems, benefits and pay, career planning, composes a certain sense of interest in property, and also employs various operational strategies. , such as the relocation, redistribution or re-training of the aid regarding the assurance of the employees' movement in the direction of a correct perspective.

Development, training, leadership through entrepreneurship, doing the right job all the time in an environment characterized by uncertainty, is often difficult. Given all these things, the role of the leader becomes essential, especially when the emphasis is on an enthusiastic participation of the people who are led, with the clear goal of achieving change, innovation and improvement. According to David (2016), the easiest improvements are those made by people with responsibility for improving those processes. In addition, according to David (2016), when the entrepreneur recognizes a specific niche of opportunity, he hires employees involved in change, motivated to work according to their capabilities, uncompromising in taking risks but also proactive and stimulated on full with the process. Entrepreneurial leadership management specifically trains the ability of a particular entrepreneur to respond effectively to all opportunities with the help of the dynamics of the organizational framework that unitarily defines the performance obtained by organizations. These aspects involve opening new bases, assisting employees to exploit new opportunities as well as working beyond current knowledge.

7.3 Performance management through entrepreneurship

Entrepreneurship is encouraged by employee performance management which is another very important element of human resource management. Unfortunately, in this field, according to Cardon and Stevens (2004), very little research has been done. In fast-growing entrepreneurial firms, employee performance appraisal is done with financial incentives rather than using other traditional human resource management measures. According to Heneman, Tansky and Camp (2002), small and medium-sized entrepreneurial firms that are oriented towards flexibility, creativity and innovation are often characterized by a high turnover of employees. This is due to the existence of a growing flow of new knowledge, expertise and skills, all gained from the admission of new employees. Even in these conditions, in the opinion of Baron and Hannan (2002), the intense and continuous rotation of employees can prove to be to the detriment of the fast-growing company, as this can lead to the disappearance of intellectual property of the company, with especially in companies that use intensive knowledge. These companies must be able to include countermeasures in order to retain and attract valuable expertise and knowledge for the organization.

7.4 Motivating staff through entrepreneurship

According to Lorincová, Štarcho, Weberová, Hitka and Lipoldová (2019), for small entrepreneurs, hiring and recruiting employees is a special step, but

perpetuating their productivity and performance through motivation and continuous training could be a real challenge. According to Hornsby and Kuratko, (2003), research concluded that "a highly skilled and well-motivated workforce is a decisive factor for a small firm's ability to continue to remain competitive in the contemporary business environment." Highly motivated managers or employees manage creativity, commitment and energy in the workplace in order to increase the contribution to raising the specific values of the company and also to promote the company in the most positive ways. According to Feldman (2018), a series of difficulties that could diminish the employee's productivity and motivation and, implicitly, the general performance of the business include, among others, low expectations for success from the employer, fear of a possible failure, lack of interest in the subject. manifested by employees, low self-confidence of employees. Even in these conditions, the daily, deliberate and conscious actions coming from the management in order to increase the satisfaction shown by employees at work, such as improving the relationship with the direct supervisor, opportunities for using skills and abilities, job security, compensation, specific on-the-job training, financial stability of the organization, benefits (retirement and healthcare), could motivate them in terms of improving productivity.



Figure 1. Conceptualization of entrepreneurship in human resources management
Source: Own conception.

According to Devins & Johnson, (2003), although SMEs have often been reluctant to train employees who may go to competition, training and training of employees is a particularly important determinant. in terms of growth, an element that is proven to be strongly correlated with turnover and employee satisfaction. Another determining parameter is represented by money but also by other reward procedures, such as promotion and bonuses that play a particularly important role in optimizing the organization's productivity, performance and employee satisfaction. Other motivational agents include stimulating a more relaxing work environment, encouraging opportunities related to professional development, evaluating good performance. According to Ghassemieh, Thach and Gilinsky (2005), other important motivational parameters can be appreciated as the provision of appropriate work equipment, proper leadership style, correctness of senior staff, provision of relevant

information, expression of all positive personality traits and characteristics. from the supervisors, the feedback, the responsibility, the most adequate empowerment, the full employment of the employees, the most adequate definition of the representative workload, the setting of some achievable and realistic objectives. Managers select and attract employees responsible for stimulating creativity and innovation in order to increase the performance and competitiveness of companies.

8. Conclusions

The research analyzed the concept of entrepreneurship and human resource management. In addition, he analyzed the function of human resources management in modernizing entrepreneurship and the connection between the concepts of duo. Entrepreneurship refers to the mechanism of establishing value through a reunion of a single set of resources in order to exploit an opportunity, the human resources management of the organization is presented as a systemic process of maintaining, developing and acquiring human resources within a given organization in order to achieve a certain goal. The research highlighted the fact that an efficient management of human resources is essential in new organizations, in order to compete in the dynamic world of business and achieve a high level of entrepreneurial success. In other words, the special responsibilities of human resource management can optimize entrepreneurship. The literature shows that the specific practice of human resource management and entrepreneurship works in tandem while corporate entrepreneurship could be used as a proxy to streamline human resource management. The research also claims that the strategic use of human resource management practices or the establishment of human resources is an important source of competitive advantage for the organization and entrepreneurship. The research supports the theory of resource dependence, according to which entrepreneurial companies recruit highly critical and valuable resources from the environment by obtaining the most appropriate personnel who could bring novelty, innovation and creativity to business operations. That theory gives credibility to the strategic management of human resources. In conclusion, while entrepreneurial companies are constantly developing and addressing new market opportunities, organizations are constantly adjusting their human resources by recruiting and selecting the most appropriate human resources that will have the ability to stimulate performance and organizational competitiveness.

References

1. Abrudan, D. (2021). *The impact of multigenerational leadership on organizational performances*, ECOFORUM, Volume 10, Issue 1(24), 2021, pp. 1, <http://www.ecoforumjournal.ro/index.php/eco/article/view/1173>
2. Andruș, C., (2010). 'Relațiile Uniunii Europene cu SUA și Canada', în volum *Internal Affairs and Justice in the Process of the European Integration and Globalization*, vol. I, Sesiunea anuală de comunicări științifice cu participare internațională organizată de Academia de Poliție "Alexandru Ioan Cuza", București, Ediția a-3-a, 13-14 mai 2010, Editura ProUniversitaria, București, (ISSN 2066-995X), pp. 435-440

3. Amabile, T. M. (1996). *Creativity in Context*. Boulder Co: Westview Press.
4. Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120. Retrieved on 11th July, 2016 from: <http://dx.doi.org/10.1177/014920639101700108>
5. Baron, J.N. & Hannan, M.T. (2002). Organizational blueprints for success in high-tech start-ups: Lessons from the Stanford project on emerging companies. *California Management Review*, 44 (3), 8-36.
6. Barringer, B.R, Jones F.F., & Neubaum, D.O. (2005). A quantitative content analysis of the characteristics of rapid-growth firms and their founders. *Journal of Business Venturing*, 20, (5), 663-687.
7. Belu, G., M., Țartavulea, I., R., (2016), Strategies for Internationalization of Romanian SMEs. Focus on the European Market, *European Journal of Interdisciplinary Studies*, Vol. 8 ♦ Issue 2 ♦ 2016.
8. Bengtsson & Hand (2013). Employee compensation in Entrepreneurial companies. *Journal of Economics and Management Strategy*, 22 (2), 1-11.
9. Bibu, Nicolae Aurelian and Orhei, Loredana, Social Entrepreneurship in the Context of Romania's European Integration (July 7, 2008). *The Annals of the University of Oradea, Section Economic Sciences*, 2008, Available at SSRN: <https://ssrn.com/abstract=1156425>
10. Bird, R., Hall, A., Momente, F. & Reggiani, F. (2007). What corporate responsibility activists are valued in the market. *Journal of Business Ethics*, 76 (1), 189-206.
11. Byars, L. L. & Rue, L. W., (2004). *Human Resource Management*. Seventh Edition. Front Matter Preface: *The McGraw-Hill Companies*.
12. Camelo-Ordaz, C., Garcia-Cruz, J., Sousa-Ginel, E., & Valle-Cabrera, R. (2011). The influence of human resource management on knowledge sharing and innovation in Spain: The mediating role of affective commitment. *The International Journal of Human Resource Management*, 22 (7), 1442-1463.
13. Cameron, K., & Whitton, D. (1981). Perceptions of organizational effectiveness over organizational life cycle. *Administrative Science Quarterly*, 26(1), 68-82.
14. Cardon, M. S. & Stevens, C. E. (2004). Managing human resources in small organizations: What do we know. *Human Resource Management Review*, 14, (3), 295-323.
15. Castrogiovanni, G. J., Urbano, D., & Loras, J. (2011). Linking corporate entrepreneurship and human resource management in SMEs. *International Journal of Manpower*, 32 (1), 34-47.
16. Costache, I.C. and Buzatu, A.I., 2019. Innovation in Romanian companies – trends and patterns. *Proceedings of IBIMA 2019 International Conference*.
17. Covin, J. G. & Slevin, D. P. (1989). The strategic management of small firms in hostile and benign environments. *Strategic Management Journal* 10(1), 75-87.
18. Cristache, N., Năstase, M., Petrariu, R. and Florescu, M., (2019). *Analysis of Congruency Effects of Corporate Responsibility Code Implementation on Corporate Sustainability in Bio-Economy*. *Amfiteatru Economic*, 21(52), pp. 536-553
19. Dabic, M., Ortiz-De-Urbina-Criado, M., & Romero-Martinez, A. (2011). Human resource management in entrepreneurial firms: A literature review. *International Journal of Manpower*, 32 (1), 14-33.
20. Dal Zotto, C., & Gustafsson, V. (2007). *Human Resource Management as Entrepreneurial Tool*. Rowena Barret and Susan Mayson (Ed.), *International Handbook of Human Resource Management and Entrepreneurship*, Edward Elgar Publishing.

21. David, P. (2016). *Introducing Leadership* (Second Edition). Making Things Happen.
22. Deaconu, A., Rasca, L., (2016), Human resources development strategies in small and medium enterprises, *Euromentor Journal*, Volume VII, No. 4/December 2016.
23. Devins, D., & Johnson, S. (2003). Training and development activities in SMEs. *International Small Business Journal*, 21(2), 213.
24. Feldman, M. (2018). How Small Business Can Motivate Employees. Retrieved from <https://startupbros.com/how-small-business-can-motivate-employees-to-boost-productivity/>
25. Gabor M.R., M. Kardos, N. Cristache, M. Nastase, I.-R. Petrariu, (2021), *Dynamic Analysis of Tourism Competitiveness of the European Countries Based on Discriminant Statistical Analysis*, *Economic Computation and Economic Cybernetics Studies and Research*, Issue 3/2021; Vol. 55, pp. 103-118
26. George, J. & Jones, G. (2005). *Understanding and Managing Organizational Behavior*, 4th Edition, Pearson Prentice hall, Upper Saddle River, NJ.
27. Ghassemieh, G., Thach, L., & Gilinsky, A. (2005). Does my business need a human resources function. A decision-making model for small and medium-sized firms. *New England Journal of Entrepreneurship*, 8 (1), 25-36.
28. Graham, M.E., Murray, B. & Amuso, L. (2002). Stock-related rewards, social identity, and attraction and retention of employees in entrepreneurial SMEs. In J. Katz and T.M. Welbourne (Eds.), *Managing people in entrepreneurial organizations*, (5). Amsterdam: JAI Press, pp. 55-81.
29. Harrison, R. (1993). *Diagnosing Organizational Culture: Trainer's Manual*. Amsterdam: Pfeiffer & Company.
30. Hayton, J.C. (2005). Promoting corporate entrepreneurship through human resource management practices: A review of empirical research. *Human Resource Management Review*, 15 (1), 21-41.
31. Heneman, R.L., Tansky, J.W. & Camp, S.M. (2000). Human resource management practices in small and medium-sized enterprises: Unanswered questions and future research perspectives. *Entrepreneurship Theory and Practice*, 25(1), 11-26.
32. Hornsby, J., & Kuratko, D. (2003). Human resource management in U.S. small business: A replication and extension. *Journal of Developmental Entrepreneurship*, 8(1), 73.
33. Ibrahim, G., & Shailendra, V. (2003). *Defining the role of the entrepreneurs in economic thought: Limitations of mainstream economics*. Working Paper, Nottingham Business School.
34. Ikeme, A. I., & Onu, V.C. (2007). Creativity, Innovation and *Entrepreneurship: Implication for Youths and Government*. A Paper Presented at the Annual Conference of the Psychological Association, University of Nsukka, Nigeria.
35. Ionita, D., (2013), An exploratory research on change and performance in small and medium enterprises in Romania, *Management & Marketing Challenges for the Knowledge Society (2013)* Vol. 8, No. 1, pp. 147-164
36. Ioniță, D., Dumitru, I., Constantinescu, M. and Căescu, Ș., 2015. Entrepreneurial Clusters in European Union. A Macroeconomic Comparative Analysis. *Amfiteatru Economic*, 17(38), pp. 93-106.
37. Itika, J. S. (2011). Fundamentals of human resource management: Emerging experiences from Africa *African Public Administration and Management series*, 2 (1), 1-254. University of Groningen / Mzumbe University.

38. Karadjova-Stoer, G. & Mujtaba, B. (2009), Strategic human resource management and global expansions: Lessons from the euro disney challenges in France. *International Business and Economics Research Journal*, 8(1), 69-78.
39. Lee, S., Peris-Ortiz, M., & Fernandez-Guerrero, R. (2011). Corporate entrepreneurship and human resource management: Theoretical background and a case study. *International Journal of Manpower*, 32 (1), 1-10.
40. Lester, D. L., Parnell, J. A., & Carraher, S. (2003). Organisational life cycle: A five stage empirical scale. *International Journal of organizational Analysis*, 11 (4), 1-17.
41. Leung, A., Zhang, J., Wong, P.K., & Foo, M.D. (2006). The use of networks in human resource acquisition for entrepreneurial firms: Multiple “fit” considerations. *Journal of Business Venturing*, 21(5), 664-686.
42. Lorincová, S., Štarcho, P., Weberová, D., Hitka, M., & Lipoldová, M. (2019). Employee motivation as a tool to achieve sustainability of business processes. *Sustainability*, 11(1), 3509. Retrieved from <http://www.mdpi.com/journal/sustainability>.
43. Madmoli, Z. (2016). Investigating the relation between human resource management and organizational entrepreneurship: The mediating role of knowledge sharing by middle managers (case study: Ahwaz Pipe Manufacturing Company). Retrieved from: <http://www.ijhcs.com/index.php/ijhcs/index>.
44. Martins, E.C. & Terblanche, F. (2003). Building organizational culture that stimulates creativity and innovation. *European Journal of Innovation Management*, 6(1), 64-74.
45. Minculete, Gh., (2013), Issues Regarding electronic commerce and e-marketing, *International Scientific Conference "Strategies XXI", suppl. Technologies - Military Applications, Simulations And.; Bucharest*, Vol. 2: 26-32. Bucharest: "Carol I" National Defence University. (2013)
46. Munteanu, A.-I.; Bibu, N.; Nastase, M.; Cristache, N.; Matis, C., (2020), Analysis of Practices to Increase the Workforce Agility and to Develop a Sustainable and Competitive Business. *Sustainability* 2020, 12, 3545. <https://doi.org/10.3390/su12093545>
47. Muscalu, E., (2015), Considerations on the causes of conflicts in the organization, *Revista academiei fortelor terestre*, Nr. 4 (80), 2015.
48. Naylor, J.C., Pritchard, R.D., & Ilgen, D.R. (1980), *A Theory of Behavior in Organizations*, New York: Academic Press.
49. Obasan, K. A. (2014). Impact of Human Resources Management on Entrepreneurship Development. *Economica*, 10, (1), 83- 93.
50. Pfeffer, J., & Salancik, G.R. (1978). *The External Control of Organisations: A Resource Dependence Perspective*. New York, NY: Harper and Row
51. Popescu, I. D., 2013. *Dezvoltarea strategică a firmei*. București: Editura A.S.E.
52. Porter, M. E. (1985). *Competitive Advantage*. New York: Free Press.
53. Putari, V. (2006). Evolution of Entrepreneurship. Retrieved from: <http://www.managementparadise.com/forums/entrepreneurship/1118-Rogers>. E.M. (1983). *Diffusion of Innovations*. New York: Free Press.
54. Schuler, R.S. & Jackson, S.E. (1987). Linking competitive strategies with human resource management practices. *Academy of Management Executive*, 1(1), 207-19.
55. Schumpeter, J. (1934). *The History of Economic Development*. Cambridge, MA: Harvard University Press.
56. Shane, S. (2004). A general theory of entrepreneurship: The individual- opportunity nexus. *International Small Business Journal*, 22 (2), 206-216. Retrieved from: <https://www.researchgate.net/publication/291798010>.

57. Storey, J. (1989). From personnel management to human resources management. In: J. Storey, Ed., *New Perspectives in Human Resources Management*. London: Routledge.
58. Swiercz, P.M., & Lydon, S.R. (2002). Entrepreneurial leadership in high-tech firms: A field study. *Leadership and Organizational Development Journal*, 23 (70), 380-389.
59. Tang, G., Wei, L., Snape, E., & Ng, Y. (2014). How effective human resource management promotes corporate entrepreneurship: evidence from China. *The International Journal of Human Resource Management* 26(12), 1586-1601. doi: 10.1080/09585192.2014.953973.
60. Tohănean, D., Buzatu, A.I., Baba, C.A. and Georgescu, B.,2020. Business Model Innovation Through the Use of Digital Technologies: Managing Risks and Creating Sustainability. *Amfiteatru Economic*, 22(55), pp. 758-774.
61. Walsh, A. (2018). Outsourcing HR for Small Businesses. Retrieved from: <https://waterwelljournal.com/outsourcing-hr-for-smallbusinesses/>
62. Zoltan, A. & Catherine, A. (2004). *New firm survival and human capital. Discussion Papers on Entrepreneurship, Growth and Public Policy*. Germany: Max Planck Institute for Research into Economic Systems Group Entrepreneurship, Growth and Public Policy.