The Moderating Role of HR Operational Autonomy on the Entrepreneurial Orientation–Performance Link in Franchise Systems

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Abstract

The role of entrepreneurial activity in franchising has often been questioned. This study investigates the concept of entrepreneurial orientation (EO) in franchise systems, drawing on a sample of franchisors operating in the United Kingdom. The results demonstrate EO’s significant and positive impact on performance outcomes, both from financial and non-financial perspectives. In addition, operational autonomy with respect to HR policies is shown to have a significant positive moderating effect on the EO-performance link among UK franchise systems, explaining over 20 percent of the variance in performance outcomes. Implications and future research directions are discussed.

Keywords:
Human Resources, HR, Operational Autonomy, Entrepreneurial Orientation, Performance