

**SCHOOL OF BUSINESS AND ECONOMICS**  
**UNIVERSITY OF MANAGEMENT & TECHNOLOGY**



**Impact of HRM Practices on Innovativeness: Mediating  
Effect of Organizational learning**

**MS Thesis**

Submitted

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## **Declaration**

I certify that this thesis contains my original work submitted in fulfillment of the requirement of the degree of MS management submitted to the Centre for Graduate Research (CGR), School of Business & Economics, University of Management & Technology, Lahore, Pakistan. It consists of no material which has been accepted for the award of any other degree in my name, in any university, to the best of my knowledge and belief, and contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree in any university.

*Dedicated to*

*My beloved parents*

*Mr. & Mrs. Akram*

## **Acknowledgement**

“I hate ingratitude more in a man than lying, vainness, babbling, drunkenness, or any taint of vice whose strong corruption inhabits our frail blood”.” (William Shakespeare)

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## **Abstract**

During the last two decades, there have been a number of researchers establishing the positive effect of HRM practices on organizational innovativeness, but there are very few researches presenting a deeper understanding of the role of Organizational learning in this relationship, which was the main objective of this thesis. For the purpose, four hypotheses were developed, the first three predicting positive relationships between HRM practices, organizational learning and organizational innovativeness and the last one suggesting the mediating effect of organizational learning. The respondents consisted of managerial level employees working in four categories of banks enlisted in the State Bank of Pakistan: public banks, private banks, Islamic banks and specialized banks. The variables of the research scored high on the reliability tests. The results of the study supported all the hypotheses. Accordingly, positive relationship was confirmed among all the variables of interest and Organizational learning was established as a strong mediator in the impact of HRM Practices on organizational innovativeness. In the light of the findings, it is suggested that merely positive relationship between HRM Practices and Innovativeness may not automatically lead an organization to achieve the outcome of organization-wide innovativeness and succeed in the market. The secret of success, therefore, lies in fostering Organizational learning through a suitable set of HRM Practices and preparing the employees for knowledge sharing and knowledge transfer, thus embedding creativity and innovativeness in the whole organization and ensuring long term success in the business world through sustained competitive advantage.