

The Roles of Collective Organizational Engagement and Entrepreneurial Orientation in the
relationship between HRM Practices and Organizational Innovation in Pakistani SMEs

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DECLARATION

I declare that this research thesis, which I submit to School of Business and Economics, University of Management & Technology (UMT), Lahore for examination in consideration of the award of degree MS Strategic Human Resource Management is my own personal effort. Where any of the content presented is the result of input or data from a related collaborative research this is duly acknowledged in the text such that it is possible to ascertain how much of the work is my own. I have not already obtained a degree from UMT or elsewhere on the basis of this work. Furthermore, I took reasonable care to ensure that the work is original, and, to the best of my knowledge, does not breach copyright law, and has not been taken from other sources except where such work has been cited and acknowledged within the text.

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ABSTRACT

This study is designed to examine the effect of human resource management (HRM) practices on organizational innovation in Small and Medium Enterprises (SMEs) operating in Pakistan. This study examined the roles of collective organizational engagement and entrepreneurial orientation in the relationship between HRM practices and organizational innovation. By using the theoretical lens of resource management process model and engagement theory; this study conceptualizes how HRM practices can enhance organizational innovation of SMEs through collective organizational engagement. Moreover, the study also investigates the effect of entrepreneurial orientation in the relationship between HRM practices and organizational innovation. Specifically, the purpose of this paper is to empirically test the moderation role of entrepreneurial orientation and mediation role of collective organizational engagement in the relationship between HRM practices and organizational innovation.

A multisource cross-sectional research method is used to conduct this research study including collection of data from Pakistani SMEs. The data was collected from 170 SMEs operating in Pakistan randomly selected from the consolidated list by using structured questionnaire. The findings revealed that the HRM practices significantly and positively related to collective organizational engagement and organizational innovation. Collective organizational engagement was found as a significant predictor of organizational innovation and mediating factor in the relationship between HRM practices and organizational innovation. Moreover, the result confirmed that entrepreneurial orientation significantly and positively moderates the relationship between HRM practices and organizational innovation. But didn't show any significant moderating effect on the relationship between HRM practices and collective organizational engagement. This study is completed with some limitations including cross-

sectional research design. Although, the researcher used multisource cross-sectional research design but future studies may use longitudinal research design to investigate the impact of predictors over time.

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CHAPTER I

INTRODUCTION

1.1 Chapter Overview

This chapter is devoted to the introduction of this study including studybackground and problem statement in light of literature. Furthermore, this chapter explains research questions, research objectives, contribution in literature and definitions of key terms used in this study.