

**“The Role of Intellectual capital and Organizational  
Innovation in Organization Performance: A Case of  
Commercial Banks in Pakistan”**

A Thesis Submitted to

School Of Business and Economics

In Partial Fulfillment of the Requirement

For the Degree of

**MASTERS OF SCIENCE IN MANAGEMENT**

**By**

**Sara Shafaqat**

**ID-12014092003**

**2014**

## **Declaration**

I, Sara Shafaqat declare that “*The Role of Intellectual capital and Organizational Innovation in Organization Performance: A Case of Commercial Banks in Pakistan*” is my thesis, which is my own work and all the contents that I have used or quoted, have been suggested and accredited by means of complete references.

## **Abstract**

In present era, in all financial institutions banking sector is facing competitive and dynamic environment. Due to international competition, local banks are in focus to adjust their competitive positions to sustain their financial performance. The link of Intellectual Capital (IC) components studying in banking industry is why because the banking industry is one of the most knowledge-intensive industries as well as literature supports the arguments that Intellectual Capital (IC) generally elected as the critical resource in the value creation process. This study is empirical in nature and investigates three main objectives. What is the nature of relationship between components of intellectual capital and organizational performance? What is the role of innovation in the relationship between components of Intellectual capital and organization performance? Do all intellectual capital components have the same impact on innovativeness in the organization as well as its performance?

Intellectual capital components are taken in this thesis is given by Bontis are human capital, customer/relational and structural capital in private commercial banks of Pakistan, the Bonits (1998) intellectual capital measurement items are working as to asses effectiveness of intellectual capital employed and its impact on organizational performance. The regression models and mediation procedure of Andrew F. Hayes are used to examine the relationship between IC and OP and mediating impact of organizational innovation between IC and OP. The research confirms the presence of Intellectual Capital impact in the performance of the Banking Industry in Pakistan as well as mediating impact of organizational innovation.

## **Acknowledgements**

Big thanks to Allah Almighty who made me able to write this thesis. After that, come all people who helped me out during my entire writing journey.

I want to mention my sincere thanks to the following people for their time, assistance, patience, guidance, and motivation in helping me to achieve this milestone in my life:

- ✓ All the students who helped me in data collection.
- ✓ UMT (LHR) library staff for their assistance in obtaining journal articles and books.
- ✓ My husband Muhammad Zia ur Rehman and parents (specially my Mom) for their support and tolerance.

## **Glossary**

- |                                       |             |
|---------------------------------------|-------------|
| <b>1. Intellectual Capital:</b>       | <b>(IC)</b> |
| <b>2. Human Capital:</b>              | <b>(HC)</b> |
| <b>3. Structural Capital:</b>         | <b>(SC)</b> |
| <b>4. Customer Capital:</b>           | <b>(CC)</b> |
| <b>5. Organizational Innovation:</b>  | <b>(OI)</b> |
| <b>6. Administrative Innovation:</b>  | <b>(AI)</b> |
| <b>7. Technical Innovation:</b>       | <b>(TI)</b> |
| <b>8. Organizational Performance:</b> | <b>(OP)</b> |

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