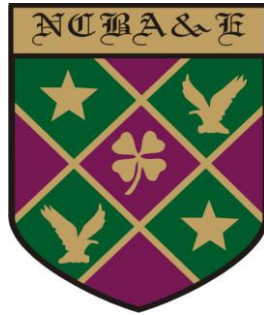


*National College of Business  
Administration and Economics  
Lahore*



**ASSESSING THE LINKAGE  
BETWEEN HRM PRACTICES AND  
ORGANIZATIONAL PERFORMANCE**

**BY**

***IRAM LATEEF***

**MASTER OF PHILOSOPHY  
IN  
BUSINESS ADMINISTRATION**

**JUNE, 2016**

# **NATIONAL COLLEGE OF BUSINESS ADMINISTRATION AND ECONOMICS**

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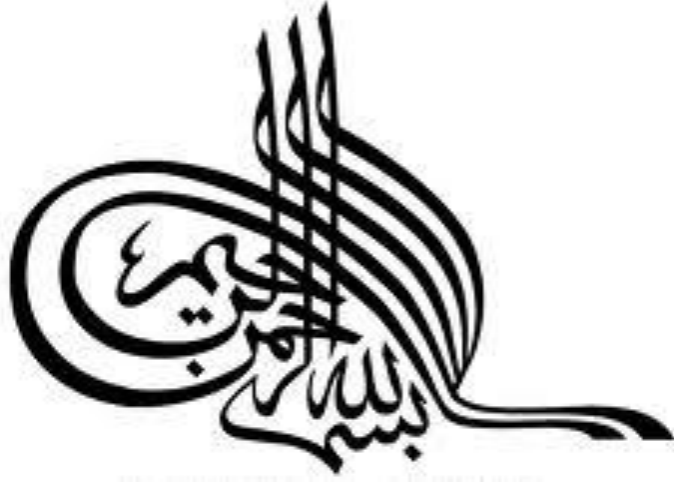
**IRAM LATEEF**

**A dissertation submitted to  
School of Business Administration**

**In Partial Fulfillment of the  
Requirements for the Degree of**

**MASTER OF PHILOSOPHY  
IN  
BUSINESS ADMINISTRATION**

**JUNE, 2016**



*In the name of ALLAH,  
The Most Beneficial,  
The Most Merciful,*

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ADMINISTRATION AND ECONOMICS  
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**Dissertation Committee:**

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**Chairman**

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**Member**

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**Member**

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**Rector**

National College of Business  
Administration and Economics

# **DECLARATION**

It is to declare that this research work as not been submitted for obtaining similar degree from any other university/college.

**IRAM LATEEF**  
**JUNE, 2016**

*DEDICATED*  
*TO*

*My*

*Parents*

## **ACKNOWLEDGEMENT**

Thanks to Almighty Allah Whose unending blessings enabled me to accomplish this gigantic task. This dissertation could not have been completed without the time, effort and support of a number of people. Therefore, I wish to acknowledge the contributions of all of them.

I am grateful to my supervisor, Dr. Aman Ullah, (Assistant Professor, Faculty of Life Sciences and Business Management, University of Veterinary & Animal Sciences, Lahore), a true teacher, for his endless help, support and encouragement. His knowledge, wisdom, patience and availability are significant sources of my work's conceptual development and dissertation writing. Simply, this work would not have been possible without him.

At last not least to my parents and my siblings, I wish to express my appreciation to you all for your encouragement and support during the journey of my study—especially my mum, who never stops wishing all the best for me. To all my friends in England and Pakistan, I am deeply gratefully for all your prayers, encouragement and support during the long journey of deliberating on this thesis.

Thank you all...

# **RESEARCH COMPLETION CERTIFICATE**

Certified that the research work contained in this thesis entitled **“Assessing the Linkage between HRM Practices and Organizational Performance”** has been carried out and completed by **Iram Lateef** under my supervision during her **M.Phil. Business Administration** Programme.

*(Dr. Aman Ullah)*  
**Supervisor**

## **SUMMARY**

The current study examines the linkage between a theoretically grounded design of high-involvement human resource (HR) practices and organizational performance. Studies in Human Resource Management frequently emphasized the impact of HRM practices on organizational performance. Little research has been investigated on human resource management (HRM) in schools. In addition to the direct impact of HRM practices on organizational performance, researchers call for investigating intervening mechanism.

The current study attempts hypothesized the predictive role of HRM practices towards employee engagement, employee creativity, organizational innovation capability and organizational performance. Particularly, social exchange theory also proposes and supports this mediating mechanism. Hence it is therefore, on the basis of literature review and social exchange theory, the present study has focused to determine the impact of HRM practices to encourage and maintain creativity and organizational innovation capability through employee work engagement for improving organizational performance in this innovative and competitive environment.

To test the proposed hypotheses, the study utilizes convenient sampling of the population of teaching faculty of 8 large schools. Data was collected through questionnaires. Survey was conducted in natural setting with minimal interference in 8 selected private schools. The 247 questionnaires were distributed from which 208 (response rate is 84%) useable were received.

Data is analyzed by using appropriate and recommended techniques in HRM, such as mean, standard deviation, correlations for descriptive analyses, Cronbach's alpha for reliability analysis and linear regression for hypotheses testing. Results show predictive role of high involvement human resource practices toward generating employee engagement, employee creativity, organizational innovation capability and organizational performance. The study discusses the results and also provides limitations and directions.

## ABBREVIATIONS

<b>Acronym</b>	<b>Meaning</b>
HRM	Human Resource Management
REC	Recognition
EMP	Empowerment
DEV	Competence Development Practices
ISP	Information Sharing Practices
FRP	Fair Rewards Practices
EE	Employee Engagement
EC	Employee Creativity
VIG	Vigor
DED	Dedication
ABS	Absorption
CRE	Employee Creativity
OIC	Organization Innovation Capability
OP	Organizational Performance

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# CHAPTER 1

## INTRODUCTION

### 1.1 BACKGROUND

According to Barney (1991) human resources play an important role for an organizational success and survival. They should not be treated as simply a variable cost, but as a significant organizational asset. HRM has been defined as “the process of attracting, developing and maintaining a talented and energetic workforce to support organizational mission, objectives and strategies” (Sheikh, Hasnu and Khan, 2016). For an organizational success and survival the significant role of human resources cannot be ignored (Pfeffer 1994; 1998).

According to (Shahzad, Bashir and Ramay, 2008) developing human resources properly in developing countries is one of the major challenges which influence employee and organizational performance at hand. Value and existence of HR practices in organizations of developing countries has also been identified by Anakwe (2002). However, no study is observed to determine the impact of human resource management practices on school performance especially in the context of Pakistan. Therefore, this thesis focuses on examining the impacts of HRM practices on primary private schools performance.

Private sector contributes a significant role in providing the elementary education in Pakistan. It is necessary to give instant attention towards the primary education because higher education is served on the basis of private interest while primary education is largely provided to majority of the population. Private primary schools are having 40% of the total enrolment under primary level of the whole private and public schools. Because of the poor performance of the public sector primary schools, people prefer private schools for the initial education of their children because they are considered better to give better knowledge to them (Ahmad, 2012).

It is estimated that there are almost 36,096 private educational institutions in Pakistan. Out of which 93.5% contribute by providing primary and elementary education. Of these almost 61% of the private institutions are working in the urban areas and 39% work in rural areas. Surprisingly, even low level income people prefer private schools for their children as compare to public schools (Kazmi, 2005).

The basic purpose of investigating the human resource management in educational sector in this study is four fold:

First, Malik, (2015) has observed that education till primary level is underprovided both punitively and qualitatively in Pakistan. Therefore suitable strategies must be used to increase the performance. This could only be happened through the much input of efficiently appropriate investments. It is also determined that only 2% of gross domestic product (GDP) is spent on educational sector. This is not considered an appropriate rate to achieve the targets and it is also against the agreements put together by Pakistan international and national levels (UNESCO, 2013).

Second, educational sector contributes a significant role in the formation of human capital. In this regard to achieve sustainable economic development, it helps to enhance individual's efficiencies and competency, which leads to develop the skilled manpower and enables them to lead the economy (Kazmi, 2005).

Third, educational sector has experienced significant challenges from the last many years. We are lacking in many things like investments in educational sectors on compensation packages, job design and working environment, performance management system and training and development affect teachers' motivation in schools of Pakistan.

Fourth, in this competitive and knowledge base economy, innovation is investigated as a significant factor to achieve sustainability and competitive advantage for the success of an organization (Sonenshein, 2014).

Moreover, according to Konermann (2012) innovative behavior is a vital factor for the efficiency and survival of an organization, for this purpose creative employee help to create, develop and apply different ideas. It is not only important for organizations working in highly competitive markets but also for the non-profit organizations like educational sector. Likewise the school's environment is much dynamic and flexible because of more variations in students' populations, novel duties, increasing in knowledge fields and increasing social requirements of schools (Organization for Economic Cooperation and Development, 2005).

Three main causes of innovative behavior of teachers are, to remain update of quickly society changing (Brandsford, Derry, Berliner and Hammerness, 2005), for upcoming modern technologies and new approaches and initiating innovative behaviors among students to face society in order to stay competitive in this society. Moreover, education helps to develop

creative behaviors and innovative thinking among students (Andiliou and Murphy, 2010).

In other words, teachers with innovative behaviors help to develop the educational professions. It also helps for the growth and success of school organizations and our knowledge society. This is the reason innovative behaviors must be the main part of the teaching profession. Therefore it is important to know which important factors help to create creative and innovative behaviors among students (Thurlings, Evers and Vermeulen, 2015).

Mumford (2000) has examined that organizational innovation capability can be promoted in two ways. Firstly to determine how to select, develop and engage employees to generate new ideas and secondly how to encourage them to implement their innovative ideas. HRM practices from the employers' side indicate their support to employees which encourage and engage them to explore and find the solutions of problems and encourage them to explore their existing knowledge, in result it leads to innovation at work and stimulates to increased organizational performance (Shipton, West, Dawson, Birdi and Patterson, 2006).

## **1.2 PROBLEM STATEMENT AND STUDY SCOPE**

In this competitive and knowledge-based economics, promoting creative educational practices has become a basic concern of all developed countries for the purpose to meet competitive advantage. For this reason creative teaching is being focused by all educational institutions (Chang et al., 2011).

Pakistan is not considered a competitive country as regard to the other developed countries in the field of education (Aziz et al., 2014). The major reason behind that education sector is not being encouraged in Pakistan as well in other developing countries. We are lacking in various things specifically in finance investments, HRM practices (e.g. job definition, selection, performance appraisal, compensation, employee participation and career planning), creative policy, well qualified workers and training of the employees etc. The major cause of low level development in this sector is the lack of public investment in this field (Memon et al., 2010).

Researchers of HRM field explain how to develop the HRM systems which could maintain and boost employee motivation, effect of increased employees' creativity and improved organizational performance, profit and

growth. This system is also a skill needed aspect in respect to be innovative and proficient in a modernized world (Hassan et al., 2013). Employees' selection, recruitment, development and maintaining practices are considered important factors by scholars to attain competitive advantage. However, achieving and retaining compatible employees is not only a big issue in organizations but how to engage employees by holding their heart and mind at each stage of their work is also being considered one of the major problems (Thavakumar and Nawaratne, 2015).

Furthermore, employee engagement has been revealed to influence employees' performance, organizational performance (Christian et al., 2011) and organization innovation capabilities (Hassan et al., 2013). Asserts that the quality of students is produced in schools and their performance is being polished by teachers. An engaged and motivated teacher teaches better than the demotivated teachers from the limited resources. They found that the morale and motivation in schools is weak and declining (Aslam, 2014).

It is perceived that teachers help students in developing to think critically and to make them independent to solve their problems, this sort of creative thinking's are encouraged by most of the teachers. Makel (2009) and Rinkevich (2011) have called this lack as a "creativity gap". The reason behind is that teachers focus on the students basic knowledge and its rough memorization but not on their creativity.

Lack of teachers' creativity is found in educational institutions because of having the lack of appropriate understanding for it. As teachers in schools are not having enough understanding for creativity so therefore, they are also incapable to develop the creative students. By developing teachers' commitment and engagement in schools, individuals' creative behaviors can be increased. If teachers are innovative this could help them to increase the creative behaviors of students (Fasko, 2001).

Specific strategies can be used to improve the employee performance at work place. Employee performance can be increased by developing innovative behaviors among them at work place which can be described as the process of developing new and creative ideas. Developing creative behaviors among teachers is necessary to update quickly for rapid society changing, new upcoming technologies and new approaches which also help them to initiate creative behaviors among students (Thurlings et al., 2015).

Many elements that may either support or stop creativity and innovation. The topic of employee engagement and understanding its

antecedents and results, have attracted huge interest over the past decade or two.

### **1.3 RESEARCH GAP**

Becker and Huselid (2006) and Wright et al., (2005) have found a limited research to determine the impact of HRM practices on firm performance. According to Collins & Smith (2006) more positive results can be attained if mediating link is developed to determine the impact of HRM practices on firm performance. Nonetheless strong and positive results are found to determine the impact of HRM practices on firm performance through employee engagement (Sparrow, 2014).

The conceptual and empirical links between employees' engagement and employees' creativity is found in the literature (Bakker and Xanthopoulou, 2013). Nevertheless, mediating impact of employee engagement and employee creativity between HRM practices and organizational performance, are well recognized in other context (Guest, 2014; Sparrow, 2014). Makel (2009) and Rinkevich (2011) have also found "creativity gap" among teachers.

The impact of examining the linking of HRM practices with individuals and organizational performance is developed in other context. Lack of teacher creativity is found in literature. In this way the contribution of this research proposal is to determine how HRM practices relate to firm performance through employee engagement, employee's creativity and organizational innovation capability in Pakistani context of private primary schools' systems.

In this regard, shortage of literature is found to determine the link of HRM practices and teachers' performance in Pakistan (Khan et al., 2011). Research focusing on to determine the impact of HRM practices on teachers' performance is still scarce in Pakistan. (Waseem et al., 2013). The present study of school teachers in Pakistani context is developed to cover this gap in the literature.

### **1.4 RESEARCH OBJECTIVES**

Although existing literature indicates that there is positive association between high involvement HRM practices and organizational performance. However, no work is examined to determine the linkages of HRM practices,

work engagement, employee creativity, organizational innovation and organizational performance in Pakistani context. Therefore, this study contributes to the Pakistani private schools for understanding of the role of HRM practices in schools innovation and their performance. Utilizing the mediators of work engagement, employee creativity and organizational innovation capability, the impact of HRM practices on school performance is examined, thereby contributing to the existing literature.

On the basis of these arguments, the researcher suggests that HRM may promote organizational innovation and performance by influencing work engagement and employee creativity. This study helps to determine the linkage between HRM practices and organizational performance through employee engagement, employee creativity and organizational innovation capability.

This study is designed to determine the impact of progressive HRM practices on school performance in the following different ways:

1. To measure the effect of five key HRM practices (“empowerment, fair organizational rewards, recognition, competence development and information-sharing practices”) on employee’s work engagement.
2. To determine the role of work engagement on teacher creativity.
3. To examine how individual level creativity contributes towards school innovation capability.
4. To determine the extent to which school innovativeness has impact on school performance.

## **1.5 RESEARCH QUESTIONS**

The present study aims to response the following research questions in order to investigate this in the context of Private schools:

1. How HRM practices help to foster employee’s work engagement?
2. What is the impact of teacher’s work engagement on teacher’s creativity?

3. Does teacher creativity have an impact on school innovation capability?
4. To what extent school performance is determined by school innovative capability?

## **1.6 SIGNIFICANCE OF THE STUDY**

1. The current study is significant for education industry which is growing at a higher pace.
2. It is observed that the organizations in Pakistan usually do not care or consider it important to apply HRM practices for employee engagement, employee creativity and organizational innovation capability and employee perceptions for organizational performance specifically at school level. The research will provide a relationship amongst all of these variables.
3. Scholars in HRM field have offered an empirically check a theoretical framework that examine the linking of HRM practices with individuals and organizational performance but no study is available to measure the effect of HRM practices on organizational performance through employee engagement, employee's creativity and organizational innovation capability simultaneously in one overall model.
4. The current study is also significant because it is conducted in schools to determine the importance of HR department in increasing the quality of education and school performance by changing attitude and behaviors of teachers towards it.

## **1.7 RESEARCH METHODOLOGY**

Type of investigation of current study is co-relational where unit of analysis is individuals. Population of study comprises all teaching faculty of a large private primary schools of Pakistan. The study utilizes convenient sampling to select 18 branches of 8 schools Lahore with total 247 teachers. The actual sample size of study is 208 with response rate of 84%. Data is collected at one point of time during the normal working hours of schools from Lahore. One self-administered questionnaire is designed to investigate study variables by using well established constructs. Questionnaires were

delivered and collected through personal visits of resource person. Complete details of research design, sampling procedures, measurements and other methodological issues is available in Chapter 3.

## **1.8 DATA ANALYSIS**

Statistical package for social sciences (SPSS) is used for statistical analysis of study variables. Descriptive analysis is performed to investigate the characteristics of sample data and to determine the appropriate techniques for further analysis. Cronbach's alpha is calculated to check the inter item consistency of items. Corelational analysis is executed to estimate association between study variables. Finally linear regression analysis is performed to test study hypotheses. A detail of data analysis is provided in Chapter 4.

## **1.9 FINDINGS**

Key findings reveal that all HRM practices are positively and significantly linked to employees' engagement. Strong and positive relationship is found to determine the impact of employee engagement on employee creativity. The direct and significant relationship is investigated between employee engagement and employee creativity. The same results have also found between employee creativity and organizational innovation capability and between organizational innovation capability and organizational performance in teaching faculty of private schools. The regression analysis between HRM practices and work engagement indicated that employers need to develop proper and well-structured HRM policies in attaining high work engagement level among the employees. The details of findings, discussion, implications, limitations and future directions are provided in Chapter 5.

## **1.10 THESIS STRUCTURE**

A brief introduction to the thesis structure is discussed here. The Chapter two discussed the literature survey consisting of basic definitions of the variables and the researches inter-relating the variables selected of the research i.e. HRM practices, employee engagement, employee creativity, organizational innovation capability and organizational performance. The objective of the literature survey is to find the work already and to extracts the information that can help us formulating the theoretical framework.

Chapter 2 also formulates the theoretical / conceptual frame work for the research. The hypotheses of the research are stated with full justification from the literature presented and management theories. Towards the end of the chapter, the limitations of the researches and the gaps that form the basis of this thesis are discussed.

Chapter 3 describes the research methods that will be used to conduct the research. The selection of the sample is also described. The measurement instrument for each of the variables is developed and the reliability of the scales adopted is discussed. The software and data analysis techniques that will be deployed for data analysis are discussed briefly at the end of chapter.

Chapter 4 documents the results obtained from the survey conducted in the private primary schools in Pakistan. First, the descriptive analysis of the data received will be presented and later in the chapter the results obtained through regression analysis will be discussed. A brief summary of the whole analysis is given at the end of chapter.

Chapter 5 highlights the results of the research in comparison to the previous researches. The chapter also discusses the implications of the thesis on the private primary schools in Pakistan. At the end of the chapter, the limitation of the research conducted and future possibilities of the research will be discussed.

After concluding the research, the references of the literature quoted in the research are given. The questionnaire used for data collection is attached as an annexure.

## **CHAPTER 2**

### **LITERATURE REVIEW AND DEVELOPMENT OF THEORETICAL FRAMEWORK**

#### **2.1 RESEARCH BACKGROUND AND JUSTIFICATION OF STUDY VARIABLES**

Human resources in the education sector in forms of worth and number contribute largely to the overall success of the education system (Uko et al., 2015). To determine the impact of HRM practices on firm level has got much familiar among researchers (Huselid, 1995). To get an organizational effectiveness, maximum output and competitive advantage several bundles of human resource management practices are suggested to maintain and keep hold of capable workers (Pfeffer and Veiga, 1999). The collaborations of these bundles are scarcely found in literature and are also having a deficiency of theoretical grounding.

To develop the high performance work system model Bailey (Appelbaum et al., 2000) has examined five distinctive and supportive HR practices. They help to maintain the employee attitudes and behaviors at work place. This study chose the high involvement HR practices incorporated by Appelbaum et al., (2000) like “recognition, empowerment, fair organizational rewards, competence development and information-sharing practices”.

The solitary impact of HRM practices like training, selecting, empowering or performance maintaining on employee behavior has been observed by many research scholars. But recently holistically impact of HRM practices on employee and organizational performance is considered better than individual impact of HRM practices. As individual practices can be interchanged, flattered and separated with other HRM practices.

Many frameworks have been developed on determining the impacts of groupings of HRM practices or HRM bundles on individual and organizational performance because it has been suggested that it is better to use aligned or bundled of firm’s HRM practices rather than individual to analyze them (Meyer, Tusi and Hinings 1993; Delery and Doty 1996). Youndt (2000) argued that to improve organizational performance and increasing value creation, HRM practices do not solely important but these practices lead to employee engagement which in turn help to facilitate

intellectual capital and this engaged intellectual capital direct to improved organizational outputs.

Alfes et al. (2013) observe that high involvement of HR practices and investments indicate and signal employees of a company's assistant, confidence and assurance for its employees. The positive impact of HRM practices on employees' behavioral outcomes by using mediating and moderating approaches is also examined. They observe the positive impact of HRM practices on employee engagement. This model has also been proved by research data collected from 297 workers, through a service field organization in the UK. Employers are much concerned in employee engagement at the work place since the importance of employee engagement is revealed by the researchers (Christian et al., 2011).

HRM practices help to increase individual and organizational performance via employee engagement (e.g. Alfes et al., 2013; Truss et al., 2013; Sparrow, 2014). The findings of Nawaz et al., (2013) examined the mediating impact of employee engagement between the association of HR practices and workers creativity. Lack of research is found in the literature that describes the role of HRM practices like training and empowerment on employee creativity.

In the same way, Guest's (1997) HRM-performance model give details how employee commitment behavior was effected by "HRM selection, training, appraisal, reward, job design and involvement practices" and effect in improved individual performance and increased organizational profit. Positive link is found between employee creativity and firm innovation capability and organizational performance (Hassan et al., 2013). Researchers collected data by using convenient sampling from banking staff functioning in several branches.

A survey conducted by Jiang et al., (2013) observed the role of HRM practices to increase the employee creativity and organizational innovation from 106 firms in China. The information was collected from three different sets of participants individually so that common method biasness could be removed. Results propose that in Chinese organizations, HRM practices help in organizing people to encourage innovation.

The study presented by Damanpour et al., (1989) shows that in this competitive and modern period organizational innovation capability help to increase the organizational performance but however a little is conducted to test this link fully through developing employee attitudes and behaviors.

Though different arguments are found in literature but a large number of researches encourage the positive impact of organizational innovation on firm performance. As an instance quantitative analysis is used to exhibit an encouraging and considerable relationship between firm innovation and performance and examine firms having good performance can act better in organizational innovations (Mazzanti et al., 2006). The present study among teaching faculty is intended to cover this space in the previous study.

## **2.2 SOCIAL EXCHANGE THEORY**

Employers of an organization can use HRM practices as an approach to reveal their readiness to invest and support for their employees. Social exchange theory developed by Sun et al., (2014) and Tsui et al., (1997) is used here to argue that mutually beneficial environment is created by investing for maintaining high commitment HRM practices to employees and which induce them to respond that investment by putting their higher rate of flexible attitudes and behaviors. Therefore, high involvement HRM practices may be linked with employees' engagement (Alfes et al., 2013) which motivates human capital to innovation in organizations (Youndth et al., 1996).

According to Cropanzano and Mitchell (2005) social exchange theory illustrates that loyalty, trust and mutual commitments are developed among parties like employer and employee if they are up with definite rules of exchange. Economic relationships are found at work place which means the relations which exist tangibly and are short term in nature while social exchange relationships mean "close personal attachment and open-ended obligations" (Cropanzano et al., 2003). In the same way as organizations give importance to their employees and take care of them in return employees will be obliged to repay it, in the same way organizational targets and missions are achieved when there are social exchange relation exists at work place (Cropanzano and Mitchell, 2005).

According to review of literature and social exchange theory links between different study variables are developed and these relationships are further discussed in the hypothesis development discussed in the next section of this chapter.

## **2.3 HYPOTHESES DEVELOPMENT**

### **2.3.1 HRM Practices and Work Engagement**

Social exchange is considered as a basic mean between employee organization relationship and outcomes (e.g. Hom et al., 2009; Shaw et al., 2009). Sacramento, Dawson and West, (2008) examine decision makers make investments on employees and expect certain behaviors from their side. In the same way, employees respond in return according to the level of commitment. Basically social exchange is a way of reciprocation with attitudes and behaviors according to the level of provided inducements and expectations from the employer.

Usually the researchers of the human resource management field are frequently interested in to determine how well control the people to gain excellent organizations outcomes (Huselid, 1995). To get an organizational effectiveness, maximum output and competitive advantage several bundles of HR management practices are suggested to maintain and retain capable workers (Pfeffer and Veiga, 1999). The collaborations of these bundles are scarcely found in literature and are also having a deficiency of theoretical grounding.

Five distinctive high involvement HRM practices have investigated by Bailey (Appelbaum et al., 2000) which are considered useful to influence employees attitudes at work place and behaviors to develop high performance work system model. This study chose the HR practices incorporated by Appelbaum et al., (2000) like “recognition, empowerment, fair organizational rewards, competence development and information-sharing practices”.

In this section we will use high involvement HR practices such as “recognition, empowerment, fair organizational rewards, competence development and information-sharing practices” because such practices are considered to increase employees’ performance through enhancing of motivation and professional development.

When organizations provide inexpensive and socio-affecting resources to employees, they feel obligation to repay it. In the same way when employees are given empowerment, they perform well by dedicating their physical, emotional and cognitive resources. Employee discrimination along with influence via activity involvement fosters a larger sense connected with service, confidence, along with inbuilt enthusiasm and provides constructive do the job attitudes. This attitude makes the employees more engaged at their

work (Eby, Freeman, Rush and Lance, 1999; Lawler, 1986, Alfes et al., 2013, Nawaz et al., 2013).

Firstly, Aggarwal and Bhargava, (2009) investigate that all succeeded IT organizations offer full empowerment to their employees to increase their sense of responsibilities at their job and for decision making. According to Kanter's (1977) the employees, who are empowered, are more committed and innovative as compared who are less empowered because of getting more chance of being promoted.

Secondly competence development practices (like, "job rotation programs, mentoring and training") also signal the employees for the organizational support and interest from the organizations and lead to more engaged and productive employees (Morrison, 2014). Training and remaining competence development practices also support to take competitive advantage. Because the knowledge and skills provided them through training help them to perform their job efficiently and effectively (Pfeffer and Veiga, 1999 & Combs, Liu & Ketchen, 2006). Combs et al., 2006 also found that employee skills and efficiencies can be increased through empowerment and training which also lead to increased creative behaviors of employees.

Third, information sharing practices also incorporates the organizational goals and values through employee, which also increases employer and employee mutual understanding and make employee to feel significant for the company (e.g., Rodwell, Kienzle and Shadur, 1998). These practices also foster employee engagement and involvement in the organization to achieve organizational goals (Lawler (1986). For high performance organizations these information sharing practices represent an important factor because "the sharing of information on such things as financial performance, strategy and operational measures conveys to the organization's people that they are trusted" (Pfeffer and Veiga, 1999).

Fourth, motivation researchers viewed recognition as an essential component of human attitude and behavior. It is observed that recognition from the managers for doing well job motivate employee more too well and also encourage them by realizing to facilitate they are essential for the organization (Gomolski, 2000). Recognition practices are used as non-economic compensations in this study by which an organization physically indicate its admiration of excellence effort and accomplishment, which also contain the attempts of an organization to appreciate the employee suggestions and giving them positive feedback.

Fifth, fair organizational rewards are considered an important factor for fair perceptions of employees for their organizations, which include fair rewards conditions, performance estimation and work assignments. An increased level of fair perceptions of individuals motivates them for the high level of equity signals and support from an organizational side (Lawler, 1986; Eisenberger, Huntington, Hutchison and Sowa, 1986). It is expected that human resource management practices may present as job resources and might increase employees' work engagement. This would facilitate employees to be intrinsically enforced to frequently grow themselves which may lead to organization's growth and development (Albrecht et al., 2015).

Employer of an organization can use HRM practices as one mode for to indicate his readiness to spend in and maintain his workforce. So, it is observed that perceived HRM practices have positive link with employee engagement (Alfes et al., 2013). If employees perceive that there is a lack of resources for them to perform, they are not motivated well to execute their task and become less engaged that can also direct many unpleasant outcomes including turnover (Schaufeli and Bakker 2004).

To establish the link between high involvement HRM practices and employee engagement is still on its initial stage and has become a part for dearth in the field of research (Thavakumar and Nawaratne, 2015). In line with this assumption it is expected HR practices within institutes indeed are aimed at enhancing employees' work engagement. Hence it is proposed the following

**H1:** HRM practices are positively linked to work engagement.

### **2.3.2 Work Engagement and Employee Creativity**

Managers and organizations have started giving attention to work engagement as it gives some important consensus like employee commitment, attachment, efficiency and organizational profit, growth of financial performance and reducing employee absenteeism and turnovers. There are some other variables also found in business environment in the place of engagement like commitment and involvement. Thus researchers have also started to use the positive concepts like commitment and engagement in place of negative concepts like absenteeism and burnout.

Employee work engagement helps to obtain organizational objectives, mission and targets because engaged employees exhibit better results than unengaged employees. Many definitions of engagement have been given by

researchers but in the present study we have used most common Schaufeli and Bakker's (2010) frequently used definitions. Accordingly, "work engagement is a positive, fulfilling, work-related experience that includes three complementary dimensions: an energetic (i.e. vigor), an affective (i.e. dedication) and a cognitive dimension (i.e. absorption)."

Vigor describes to exploit maximum rates of power during functioning. Dedication describes the fully concentration of employee during work and to solve the problems by considering problems as their challenge. Absorption means gladly involvement of employees during work. It is studied by (May et al., 2004) engaged employees are much excited and dynamic during their job and even don't realize how the time is passed. It is reported that high level of employees' work engagement is considered an important factor for organizations well performance.

In this dynamic and changing environment HRM practices play an important and positive role in developing innovation at job level. In this order, scholars have started study to establish the link between HRM practices and employee engagement (Thavakumar and Nawaratne, 2015). Engagement and commitment of teacher are the heights to which system of education can lift (Aziz et al., 2014). Teacher competence and commitment are most significant factors in getting higher quality educational results (Akram et al., 2015).

Engaged employees usually engage in innovative experiences and are devoted to utilize their full energy required to take competitive advantage and exceptional performance in organizations (Demerouti et al., 2010). Bakker's (2011) have found encouraging relation between work engagement and employees' creativity in their research. Nevertheless, few studies are found to explain the conceptual and empirical links between employees' engagement and employees' creativity in the literature (Bakker and Xanthopoulou, 2013). The present study among teachers in Pakistani primary private schools is also designed to fill this gap.

**H2:** Work engagement is positively related to employee creativity.

### **2.3.3 Employee Creativity and Organizational Innovation Capability**

The first scholar who addressed the importance of innovativeness in organizational settings was Drucker (1954). Hurley and Hult (1998) defined organizational innovation as it is the process of implementation of new and novel ideas to provide new products and services. It is observed that firm

innovativeness starts from two perspectives. Behavioral variable is considered the first perspective that is the rate of execution and achievement of innovation by the firm. The other perspective is to readiness to change by an organization (Hurt et al., 1977).

According to Baer (2012), innovation starts from creativity. Thinking up a new and creative idea of an employee or a group help to make the new goods, new services and new organization practices. It has become a central challenge for the innovation management to convert the good and creative ideas into useful innovations. The thing which makes the exchange of creative ideas into innovative products so complex is that both of them do not essentially to go on in a linear fashion and this conversion takes two different and even opposite ways which are idea creation and idea execution.

Meyer and Smith (2000) have found the indirect role of the HR practices on firm efficiencies like improving employee organizational commitment and employee fair perceptions or justice. In spite of it our understanding how HR practices leads to increased organizational performance through attitude-behavior relationships is un-cleared.

Several positive outcomes of employee creativity have been observed by researchers like competitive edge and organizational survival (Amabile, 1988). Similarly the study on how creativity has an impact on social environment has got reasonable attentions in the modern period (Amabile et al., 1996; Perry-Smith and Shalley, 2003). Amabile et al. (1996) has also identified several factors impacting on employee intrinsic motivation, thus enhancing or reducing their level of creativity.

In this competitive and knowledge-based economy innovation is considered as an important factor for the success of organizations. Innovation in such organizations depends on people's behavior. Therefore, innovative employee behavior is crucial for organizational success and survival. Creativity is varied from innovation, as it is focused about coming up with novel and useful ideas whereas innovation is further about implementation and execution of ideas at a work place (Amabile et al., 1996). So for innovative practices, creativity is considered a first step which helps to carried out innovations in an organization (Shalley et al., 2004). Amabile et al., (1996) have showed that creativity is the most important component for an organizational innovation, effectiveness and to take competitive advantage.

**H3:** Employee creativity has positive and significant link with organizational innovation capabilities.

### **2.3.4 Organizational Innovativeness Capability and Organizational Performance**

Importance of innovativeness in organizations was firstly introduced by Drucker (1954) and he also forced its being neglected in the previous studies. In order to maintain competitive advantage it is necessary for organizations to learn faster and create new products which protect them from highly uncertainty and enable them to seek new opportunities in this unstable environment.

In order to get the long term organizational success it is important for an organization to maintain its innovations in the competitive markets today. In this competitive and high dynamic environment firms must operate in such a way to meet all global changing and new innovations in the market (Droge, Calantone and Harmancioglu, 2008; Im, Montoya and Workman, 2012). To achieve competitive advantage and sustain in the economy innovations in organizations play a vital role which help to increase an organizational performance (Damanpour and Aravind, 2012).

The study presented by Damanpour and Aravind, D. (2012) determined the linkage between organizational innovation capability and organizational performance. The importance of innovations for an organizational success has been studied by many scholars in the literature. Many factors which can have positive impact on organizational performance have also been examined (Koc and Ceylan, 2007). Positive impact of organizational innovation capability is also found on firm performance by Damanpour and Aravind, (2012) and Zhang, (2011).

In this modern and competitive environment organizational innovation characteristics show a distinctive and exclusive ability to generate long-term competitive advantage. In spite of it, to develop and maintain firm performance the importance of organizational innovation cannot be ignored (Hamel, 2009). Not only do organizations in highly competitive markets need to innovate, so do nonprofit organizations, such as educational institutes. Likewise, the environment in which schools operate changes rapidly because of more varied student populations, expanding knowledge fields, new responsibilities and higher social expectations of schools.

Positive impact of firm innovative capability on organizational performance in flexible environment is found (Johnson et al., 1997). Hurt, Joseph and Cook (1977) have defined innovativeness as “the degree to which

an individual, compared to others in the social system, is relatively early in adopting something new”.

The definition focused on employee innovativeness not on the organizational capability. Firm innovation define by Hurley and Hult (1998) is of a combined perception that is “openness to new ideas as an aspect of a firm’s culture and implement the ideas to new products and services” and firm innovativeness is described from two perceptions. The first one is a behavioral variable that means the extent of adopting innovations and the other one is an organizational readiness to transform new and novel ideas into new developments.

Similarly some innovation scholars have also summated the significance of organizational innovation for firm performance, but have not developed adequate empirical studies to show details of this link fully yet. Even though, some contrasting points of different studies are also present in the literature but a large number of studies sustain the beneficial effect of organizational innovation on firm performance. For instance, quantitative analysis technique is used by Mazzanti et al., (2006) that show a positive and strong relationship between firm performance and organizational innovation. It was also concluded that organizations having extra ordinary performance contribute and take part more largely in organizational growth and development.

This relation presents a wide measurement of perceptions of organizational performance. The important issues relate to perceived organizational performance like customer satisfaction, quality of product and new development of product. To determine the best measure of firm performance without financial measures is an issue in itself.

So it is necessary for all primary schools to develop innovations at their organizational level for sustaining competitive advantage which also in return to improve institutional and managerial performance. Many organizations have also started working on innovations at work place for their long term sustainability and success.

It can be hypothesized:

**H4:** Organizational innovation capability is positively related to organizational performance.

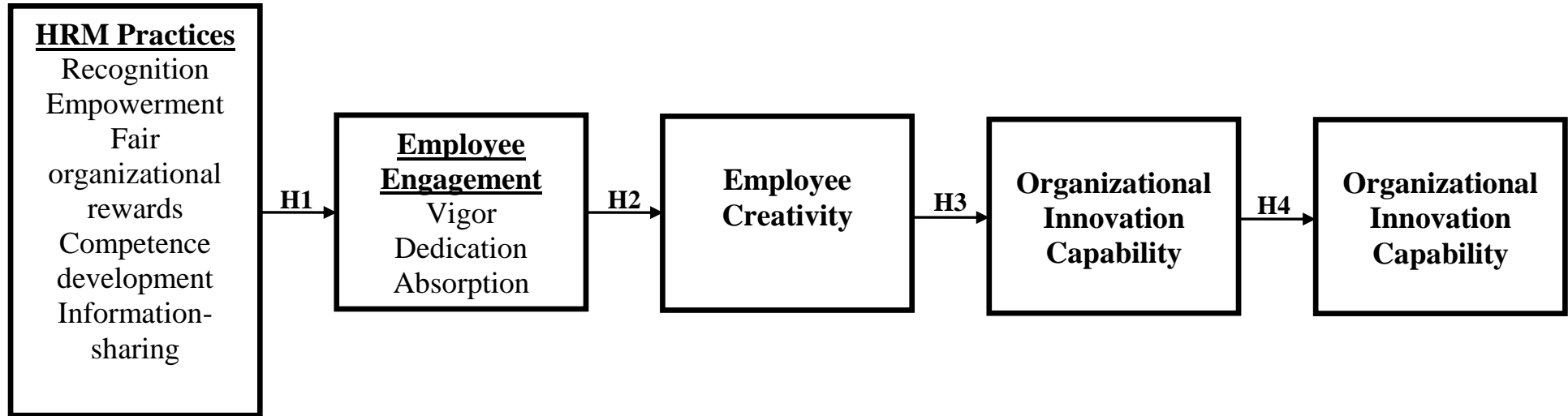
## 2.4 DEVELOPMENT OF THEORETICAL FRAME WORK

In this rapid, modern and competitive environment, it is necessary to manage human resources to provide innovative services and products. For this purpose organizations must have to improve their performance. As the importance of improving organizational performance has been determined by many scholars so therefore many linkages of different HRM practices bundles introduced by them in the area of human resource management. There are also some contrary approaches observed by scholars so these approaches must be handled cautiously (Savaneviciene and Stankeviciute, 2015).

To get an organizational effectiveness, maximum output and competitive advantage several bundles of HR management practices are proposed to maintain and retain capable workers (Pfeffer and Veiga, 1999). The collaborations of these bundles are scarcely found in literature and are also having a deficiency of theoretical grounding. Bailey (Appelbaum et al., 2000) has examined the five important HRM practices which help to increase the organizational performance through developing employee attitudes and their behaviors at work place. This study chose the HR practices incorporated by Appelbaum et al., (2000) like “recognition, empowerment, fair organizational rewards, competence development and information-sharing practices”.

In this section we will use high involvement HRM practices such as “recognition, empowerment, fair organizational rewards, competence development and information-sharing practices” because such practices are considered to increase employees’ performance through enhancing of motivation and professional development. Many researchers in the field of HRM have made various consensus that various HR practices have positive and significant impact on corporate performance through multiple factors like employee engagement, employee creativity and organizational innovation capability (e.g. Hirst, Knippenberg and Zhou 2009, Nadkari and Herrmann 2010, Thavakumar and Nawaratne, 2015, Nieve and Quintana 2016).

In this respect, Youndt (2000) determined that organizational performance is not directly influenced by HR practices, basically these HR practices develop intellectual capital and then it turn directs to the value creation of an organization. The graphical illustration of the relationship between HRM practices and school’s performance is shown in Fig. 2.1. Moreover, the moderating role of teachers’ engagement, teachers’ creativity and schools’ innovation capability also depicts in Fig. 2.1.



**Fig. 2.1: The Theoretical Framework**

## **2.5 SUMMARY**

In this chapter, the elementary review of the literature available so far on the variables selected for the research is discussed and theoretical framework for the research variable is developed as well. In the next chapters, the research method is discussed that will be adopted to conduct the research to verify the research model develop in this chapter. The survey instrument will be developed that will be used to measure the variables of the research i.e. HRM practices, employee engagement, employee creativity, organizational innovation capability and perceived organizational performance. Later the data handling and data analysis techniques will be discussed. Towards the end of the thesis the results of the data analysis are discussed along with their brief interpretation. At the end of the document the implications of the research on the private primary schools in Pakistan along with the limitations of the study are discussed.

# **CHAPTER 3**

## **RESEARCH METHODOLOGY AND MEASURES**

### **3.1 INTRODUCTION**

The literature review discussed earlier led us to research variables that provide an initial clue regarding the research framework. The theoretical framework developed in the previous chapter provided us with the initial framework of the research consisting of the variables: HRM practices, employee engagement, employee creativity, organizational innovation capability and perceived organizational performance. The impacts of these variables in private primary schools in Lahore of Pakistan are observed in this research.

This chapter provides information regarding the next moves that will be made in order to test the hypotheses formulated in chapter 2. By the end of this chapter the below listed questions will be answered:

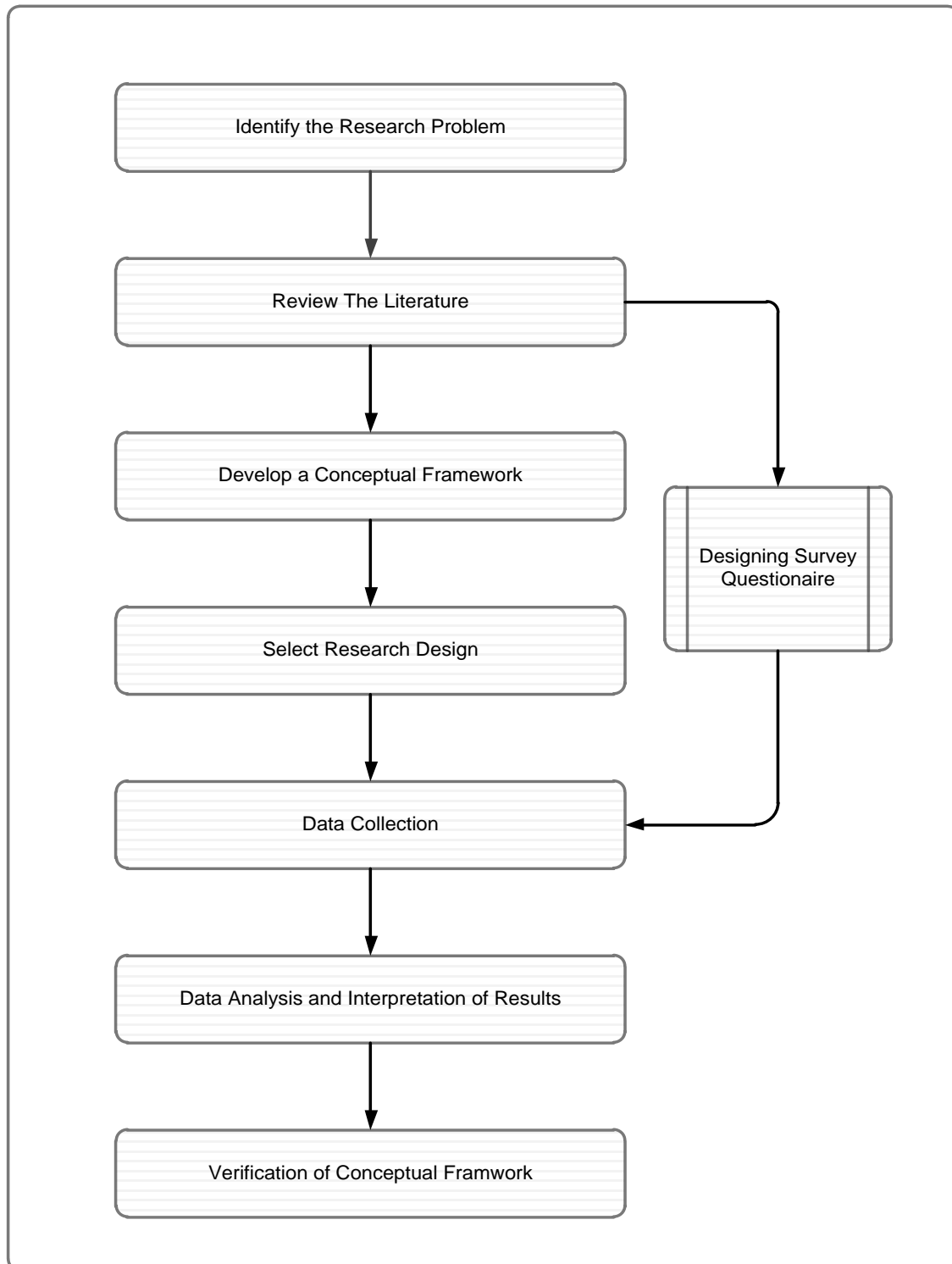
1. What is the research design?
2. How population and sampling selection will be done?
3. What survey instruments will be used to obtain information regarding the selected variables?
4. What will be data collection method?
5. What data analysis tools will be used to analyze the data?

### **3.2 RESEARCH PROCESS**

Research process is a systematic process to work is used to increase the knowledge by using the current available knowledge or in continuance of a previously studied concept that in researchers mind needs to be further addressed or discussed. The research process explained by Clark and Creswell (2010) has been selected for the present study. The major activities of the research process are:

1. Identification of research problem.
2. Review of literature.
3. Framing a conceptual framework.
4. Select a research design.
5. Data collection.
6. Analyses of data and interpretation of results.
7. Verification of conceptual framework.

The process flow (Clark and Creswell's) is shown in the Figure 4.1.



**Fig. 4.1: Research Process**

Source: Drawn as described by Plano and Creswell (2010, p. 166)

In the pages to follow research design development of survey instrument is discussed.

### **3.3 ETHICS CONSIDERATIONS**

In the research process the four components (De Vaus, 2002) regarding the ethical guidelines i.e. confidentiality, anonymity, privacy and consent of the participant / respondent were kept in mind. A consent form was attached with the survey questionnaire asking the respondent to participate in the research voluntarily. The name of the respondent was not included in the data entry/data analysis to maintain the privacy. To manage this, the case was ranked numerically. The questionnaire also briefly introduced the respondents regarding research. The respondents were also made sure that their information will not be disclosed to their organization or employer.

### **3.4 RESEARCH DESIGN ELEMENTS**

As the variables of interest are under intense investigation from past several decades, therefore exploratory research or qualitative data collection may not be essentially sufficient. A more formal and structured conclusive research design is preferred that is purely based on a truly representative, so the results generated are subject to quantitative analysis. This technique allows greater accuracy and generalization of findings resulting into enhanced statistical comparison and summary generation.

#### **3.4.1 Purpose of Research**

It attempts to better describe the linkage of HRM practices and organizational performance through employees' engagement, employees' creativity and organizational innovation capability. In other words, the research helps to enhance description of known variables and their interrelationship system. Specifically, researcher makes an effort to analyze the positive impact of HRM practices on employees' engagement, employees' engagement on employees' creativity, employees' creativity on organizational innovation capability and the impact of organizational innovation capability on organizational performance. All the hypothesized relations are tested.

#### **3.4.2 Type of Investigation**

The current research is investigative and analytical in nature. The kind of analysis is quantitative in nature where data is empirically analyzed to examine the relationship between all of the research variables. This technique

allows statistical testing of the proposed relationship and to know the extent and nature of association between these variables.

### **3.4.3 Unit of Analysis**

Keeping in view the dependent variable i.e. organizational performance and other study variables of the faculty, the unit of analysis of this study is individual that include the permanent or contractual teaching faculty serving in the private primary schools of Lahore.

### **3.4.4 Time Horizon**

The data collected from employees has been in one shot, in other words this is a cross sectional study. The data is collected by the researcher from eight private schools. The whole data is simultaneously collected over the period of two month.

### **3.4.5 Study Setting**

The data collection has been done in natural environment without any kind of manipulation of the predictor. Therefore, setting of the study is non-contrived. There is a minimal interference of the researcher with the normal flow of employment at the workplaces of employees using self-administered questionnaire.

### **3.4.6 Researcher Interference**

The researcher for data collection just handed over the questionnaires to the planned sample i.e. to the teachers serving in private primary schools and collected back the questionnaire without indulging in any other interactions with the participants.

## **3.5 STUDY VARIABLES**

Clear definitions of several terms are required with a particular reference to the educational sector, as they are not usually defined in the literature related to HRM and performance. The basic variables used in this study are broadly grouped under the five main constructs in this thesis. They are high

involvement human resource management (HRM) practices, employee engagement, employee creativity, organizational innovation capability and organizational performance. Definitions are as under:

### **3.5.1 HRM Practices**

According to social exchange theory it is investigated that positive exchange relationship between employer and employee is found when organizations take some steps in favor of employees like HR practices (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Allen, Shore, & Griffeth, 2003). High performance of an organization is examined when an organization use such HR practices to show their concern for employees Wayne, Shore, & Liden, 1997; (Huselid, 1995).

Five different high-involvement HR practices investigated by Appelbaum et al., (2000) are positive related with developing employee attitudes and behaviors at work place. Guy and Michel (2007) presented a set of high involvement HRM practices on the base of theoretical ground of the Lawler (1986) in this context.

Being considered as the key engine in the wake of the development of modern strategic HRM, high involvement HR practices can be dealt with five distinct HR practices (Guy & Michel, 2007), namely “empowerment, competence development, information sharing, recognition and fair reward”. Therefore, this study assumes that high-involvement HR practices are the key components of employees’ attitudes and behaviors which direct to increase organizational performance.

### **3.5.2 Employee Engagement, Employee Creativity and Organizational Innovation Capability**

Employee engagement, employee creativity and organizational innovation capability are described as mediating variables between high involvement HR practices and organizational performance. Khan (1990) proposed the study of work engagement first. According to Khan (1990) has defined the work engagement as “the harnessing of organization members selves to their roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performance”.

Many definitions of engagement have been given by researchers but in the current investigation we have used Schaufeli and Bakker’s (2010)

frequently used definitions. Accordingly, “work engagement is a positive, fulfilling, work-related experience that includes three complementary dimensions: an energetic (i.e. vigor), an affective (i.e. dedication) and a cognitive dimension (i.e. absorption).”

Vigor describes to exploit maximum rates of power during functioning. Dedication describes the fully concentration of employee during work and to solve the problems by considering problems as their challenge. Absorption means gladly involvement of employees during work. So engaged employees are highly dynamic and excited about their work and frequently fully engrossed in their job so the time is passed (May et al., 2004).

Many definitions of creativity have found in the literature. Employee creativity describes as “the production of novel and useful ideas by an individual or a small group of individuals working together” (Amabile et al., 1996). Employee individual creativity helps to produce new ideas and determining the solutions of problems (Zhou, Hirst and Shipton 2012). Hence creativity is the production of new ideas and innovation is the development of really putting the innovative ideas into practice.

Firm innovativeness is analyzed from two prospects. The first one is as a behavioral variable which means the speed of implementation of innovations in an organization. The other one is as an organization’s readiness to alteration (Hurt et al., 1977).

### **3.5.3 Organizational Performance**

Researcher did not find the financial measure of the firms. Those measures of the perceived organizational performance were found which positively correlate to objective measures of the firm performance (Powell, 1992). Accordance to this perceptual organizational measures can be used for an analysis for both profit-making and nonprofit organizations (objective data of non-profit organizations are generally unavailable).

## **3.6 POPULATION AND SAMPLE**

An adequate sample size is needed in order to provide accuracy for estimates from a sample to represent the population. In spite of every precaution taken, there are chances of rejecting null hypothesis whilst it is true or may accept the null hypothesis while it is false.

### **3.6.1 Target Population**

The teaching faculty serving in the private primary schools of Lahore is the population of the study.

### **3.6.2 Sampling Design**

Keeping into consideration the unit of analysis of the study (i.e. individual teaching member), the simplest of all, convenient sampling technique was used for sampling to select 18 branches of 8 schools Lahore with total 247 teachers at primary level to administer a survey questionnaire for this thesis. The list all employees in the schools were asked from the Human resources department for conducting sampling. The teaching faculty was considered for convenient sampling. Later in the data collection phase questionnaires were distributed to collect data from the selected (sampled) teachers.

### **3.6.3 The Planned Sample**

In order to fetch a reasonable sample size, data was collected from the teachers of 8 private schools with 18 branches. The entire available primary teaching staff of private schools of Lahore is the planned sample.

### **3.6.4 Actual Sample**

The researcher distributed developed questionnaire in the 8 sampled private schools to all the teaching faculty members. Thus 247 questionnaires were distributed. After accounting for non-response and implicit or explicit refusals 208 valid useable questionnaires from the collected data are used for the current study which is the actual sample. For more detail see Table 3.1.

## **3.7 ISSUES OF SAMPLING SIZE**

It was not a straight forward decision to select the sample size in this study. In most of the studies it is affected by the perceptions of time and cost Bryman and Bell (2007). To select the appropriate sample size for developing a framework with various variables is more critical. For the practical and statistical significance the decision for selecting proper sample size is also

much concerned. Various rules for determining the sample size is investigated. Roscoe (1975) investigates having a sample size 10 or more times larger than the number of variables in the theoretical framework.

**Table 3.1**  
**Response Rate of the Survey**

Schools	Questionnaires		Response Rate %
	Dropped	Useable	
S1	26	20	76.92
S2	38	34	89.47
S3	35	30	85.71
S4	25	22	88
S5	24	21	87.5
S6	30	24	80
S7	27	23	85.18
S8	42	34	80.95
<b>Total</b>	<b>247</b>	<b>208</b>	<b>84.21</b>

### 3.8 DATA COLLECTION

Survey research technique is used for the collection of data. Furthermore, primary data is collected more unequivocally from the high quantity of respondents thus provides coherence for analysis. The discussion about the instrument and its administration procedure is provided as following:

#### 3.8.1 The Instrument

The current study is conducted by using a developed questionnaire (Annexure A), targeting the teaching faculty in the private schools of Lahore. The instrument has been designed to cover variables HRM practices as independent variables, employees' engagement, employees' creativity and organizational innovation capability as moderators and organizational performance is dependent variable.

The data was collected through 4 printed questionnaires, which consists of 5 sections. Questionnaire is considered the most appropriate instrument to collect data in standardized way. Moreover, due to the nature of data i.e. primary questionnaire is most suitable and preferred in collecting data.

The collected data from respondents were firstly coded before applying any analytical technique to investigate. All coded variables are presented in Table 3.2. The survey questionnaire has five segments of information categories for the easily understanding and easiness of respondents (Appendix A). These variables are further segmented and explained below.

### **Section 1 - HRM Practices**

There are five HRM practices included in the questionnaire. Each practice also contains several items. These items are all measured using a 7-point Likert scale ranging from '1' (strongly disagree) to '7' (strongly agree).

### **Section 2 - Teachers' Engagement**

Teachers' engagement contained three dimensions employee vigor, dedication and absorption. Each dimension also contains several items. These items are all measured using a 7-point Likert scale ranging from '1' (strongly disagree) to '7' (strongly agree).

### **Section 3 - Teachers' Creativity**

Section 3 contained teachers' creativity which is measured by three dimensions employee vigor, dedication and absorption. Each dimension also contains several items. These items are all measured using a 7-point Likert scale ranging from '1' (strongly disagree) to '7' (strongly agree). Respondents were asked to rate their level of creativity on their schools.

### **Section 4 - School Innovation Capability**

Section 4 contained school innovation capability which contains several items. These items are all measured using a 7-point Likert scale ranging from '1' (strongly disagree) to '7' (strongly agree). Respondents were also asked to rate the level of innovation capability of their schools.

### **Section 5 - School Performance**

Section 5 of the questionnaire consisted of school performance. Respondents were asked to indicate the level of their school performance according to their perceptions over the past three years. It contains different items. These items are all measured using a 7-point Likert scale ranging from '1' (strongly disagree) to '7' (strongly agree) shown in the Table 3.2.

**Table 3.2**  
**Coding and Measurement of all Selected Variables**

Names	Codes	Measurements
<b>HRM Practices</b>		
Recognition	REC-1 to REC-6	1-7 (1=strongly disagree, to 7=strongly agree)
Empowerment	EMP-1 to EMP-3	1-7 (1=strongly disagree, to 7=strongly agree)
Competence development practices	DEV-1 to DEV-6	1-7 (1=strongly disagree, to 7=strongly agree)
Information sharing practices	ISP-1 to ISP-5	1-7 (1=strongly disagree, to 7=strongly agree)
Fair rewards practices	FRP-1 to FRP-5	1-7 (1=strongly disagree, to 7=strongly agree)
<b>Teachers Engagement</b>		
Vigor	VIG-1 to VIG-6	1-7 (1=strongly disagree, to 7=strongly agree)
Dedication	DED-1 to DED-5	1-7 (1=strongly disagree, to 7=strongly agree)
Absorption	ABS-1 to ABS-6	1-7 (1=strongly disagree, to 7=strongly agree)
<b>Teachers Creativity</b>	CRE-1 to CRE-13	1-7 (1=strongly disagree, to 7=strongly agree)
<b>School Innovation capability</b>	OI-1 to OI-6	1-7 (1=strongly disagree, to 7=strongly agree)
<b>School Performance</b>	OP-1 to OP-4	1-7 (1=strongly disagree, to 7=strongly agree)

### 3.8.2 Strengths and Limitations of Survey Design

Many research designs are investigated in the literature but survey design is considered more appropriate than others because of its some strengths but weakness can be minimized. To determine the suitability of survey design for the current study is discussed first.

First, it helps to determine the attributes of large sample through the small sample (Fowler 2009). Second, it is purpose designed so it is cost effective as well as time effective way of collecting data (Tharenou et al. 2007). Third, it helps to determine the relationship between independent variables and dependent variables with little interference of researcher (Mitchell 1985, cited in Tharenou et al. 2007). Therefore, a survey design is considered an appropriate way of collecting data for this study.

Though, the risks of using survey design can be minimized. For example, by using cross sectional data the risk of using survey design can be increased. Using strong theoretical theory helps to minimize the concern of using cross sectional data (Tharenou et al. 2007). This thesis has developed a conceptual framework, driven by relevant theory and the variables chosen were based on literature with strong theoretical backgrounds. Therefore, the cross-sectional data could be used to explore the relationship between HRM practices and school performance by mediators.

### **3.8.3 Administration Procedure**

The survey is cross-sectional in nature. Principals of all selected branches were requested to participate in study. In Lahore (the resident city of resource person), survey was conducted through the personal visits of resource person during the routine working hours of schools. Before visit, consent of principal was also made sure through telephone call. Moreover, it was cleared that each questionnaire would take 20-25 minutes to fill, which would provide confidence to the respondents that this activity probably create no disturbance in routine functioning of schools.

To ensure the ingenuous response from employees, resource person introduced study prior to the distribution of survey questionnaire. Further, secrecy of information would be assured to provide confidence that response would not affect performance appraisal and relationship with manager. Respondents were informed earlier before conducting survey. Survey questionnaires were distributed during the visit and collected in same visits from all respondents.

### **3.8.4 Sampling Strategy**

Convenient sampling is used to administer this survey. It is non-probability type of sampling method which helps to reach people easily. The survey questionnaires with consent letters were distributed among teachers of private schools in Lahore from 1<sup>st</sup> January 2016 to 28<sup>th</sup> February 2016.

### **3.8.5 Measurements and Sample Items**

Various items taken from different studies are used here to calculate the relevant constructs, namely: HRM practices, employee engagement, employee

creativity, organizational innovation and perceived organizational performance presented in the Table 3.3.

**Table 3.3**  
**Sample Items of all Selected Variables**

<b>Variables</b>	<b>Authors and years</b>	<b>No of items</b>	<b>Sample items</b>
<b>1. HRM Practices</b>			
Recognition	Tremblay et al., (1998)	<b>6</b>	Teacher' suggestions are seriously taken into consideration.
Empowerment	Tremblay et al., (1998)	<b>3</b>	Teachers are given great latitude for the organization of their work (e.g., work schedules)
Fair rewards	Tremblay et al., (1998)	<b>5</b>	I estimate my salary as being fair internally
Competence development Practices	Tremblay et al., (1998)	<b>6</b>	Teachers can develop their skills in order to increase their chances of being promoted
Information sharing practices	Lawler et al., (1992)	<b>9</b>	Teachers are regularly informed of financial results.
<b>2. Employee Engagement</b>			
Vigor	Schaufeli et al., (2002)	<b>6</b>	"When I get up in the morning, I feel like going to work".
Dedication	Schaufeli et al., (2002)	<b>5</b>	"To me, my job is challenging".
Absorption	Schaufeli et al., (2002)	<b>6</b>	"When I am working, I forget everything else around me".
<b>3. Employee creativity</b>	Tang & Chang (2010)	<b>13</b>	"Suggests new ways to achieve goals or objectives".
<b>4. Organizational innovation capability</b>	Calantone et al., (2002)	<b>6</b>	Our school frequently tries out new ideas.
<b>5. Perceived organizational performance</b>	Delaney & Huselid (1996); Harel & Tzafrir (1999)	<b>4</b>	This school's performance is much better than the performance of our main competitors.
<b>Demographic variables</b>	Kinnie et al., (2005)	<b>5</b>	age, gender, full time versus part-time, permanent versus fixed term contract, working hours and job role, namely, 'managerial', 'administrative' and 'other'

### **3.8.6 Data Analysis**

After the collection of data it is entered carefully into excel sheet and then it is transferred to SPSS version 21 statistical software. After entering data it is analyzed using a variety of statistical methods such descriptive statistics, correlation and linear regressions. Inter-item consistency (reliability test) is determined by Cronbach's Alpha. Pearson correlations are used to determine the hypothesis testing and stepwise linear regression is used for mediating role of variables is measured. Reliability and validity of data is checked to ensure accuracy of measures.

The Analytical techniques that will be used in data analysis are discussed briefly here:

## **3.9 DESCRIPTIVE STATISTICAL TECHNIQUES**

The descriptive analytical techniques are used to get the basic view of the data. The frequently referred and used statistics include MEAN, Standard Deviation, variance etc. To get the visual feel of the data the techniques like frequency distribution plots are used. The above discussed techniques will be used in chapter number 4 to separate the data in different classes and groups.

## **3.10 RELIABILITY ANALYSIS**

Prior to Data analysis internal reliability of the scales is measured to check how well the used scales can measure the required phenomenon. The internal reliability is measure in terms of Cronbach's alpha. Usually a value of 0.70 is considered sufficient (Nunnally, 1978) whereas some of the researchers believe that the results become inaccurate if the number of items in a scale is lesser (De Vaus, 2002).

## **3.11 CORRELATION ANALYSIS**

Correlation analysis is performed on a set of variables to find out the extent to which they are related to each other in either positive or negative manner. The resultant values of correlation ranges in between +1 to -1. A value of +1 means that there is perfect positive correlation between the two variables whereas a value of -1 means that there is perfect negative correlation. The correlation analysis will be used see if multi-co linearity exists between the scale items or not before opting for regression analysis.

### **3.12 REGRESSION ANALYSIS**

Regression analysis is a quantitative approach that helps in expressing relation between to variable. It is suggested that regression analysis can deployed to study the relation between two variables on a continuous scale (Pallant, 2011). To check how good the regression model fits the data,  $R^2$  is measured. The extent to which the variance in dependent variable is explained by dependent variable is explained by R square. On the other hand adjusted R square explains how good a fit this model will be for the whole population (Field, 2009).

It is also important to see how much each of the independent variable contributes in prediction of dependent variable. Beta ( $\beta$ ) coefficients are calculated to see the contribution of each variable in prediction. The beta coefficient at different significant level i.e.  $p < 0.001$ ,  $p < 0.01$ ,  $p < 0.05$  are calculated. According to Pallant (2011) significant level is measured of that level to which that variable makes statistically significant contribution to the regression analysis.

### **3.13 SUMMARY**

This chapter introduced the reader to the research methods that will be deployed for data analysis. The research process, including sampling method, development of survey instrument, data handling and data analysis techniques were discussed. In the next chapter, the results obtained by using the above discussed method are discussed in detail.

# CHAPTER 4

## DATA ANALYSIS AND RESULTS

### 4.1 INTRODUCTION

Different data analysis techniques that will be used in data analysis were discussed in chapter number 3. This chapter discusses the results obtained from that analysis. First, the respondents' characteristics and descriptive analysis for each of the variable selected is given. Second, the results of descriptive analysis, reliability analysis and correlation analysis are discussed. Towards the end of the chapter results of regression analysis are also discussed. The chapter ends with a brief summary of the whole data analysis and its findings.

### 4.2 RESPONDENTS CHARACTERISTICS

The participants of the study are the teaching faculty members of 8 random selected primary private schools of Lahore. The overall representation of the females in the sample (i.e. out of 208) is 99 % of the whole population. This percentage is very high and may be surprising too.

**Table 4.1**  
**Descriptive Analysis from Demographics Section**

<b>Variables</b>	<b>Categories</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male	2	1
	Female	206	99
<b>Age</b>	20 or less	7	3.4
	20-24	53	25.5
	25-29	129	62.0
	30-39	18	8.7
	40-49	1	0.5
<b>Job Time</b>	Full Time	193	92.8
	Part Time	15	7.2
<b>Job Type</b>	Permanent	70	33.7
	Fixed Contract	138	66.3
<b>Job status</b>	Administrative	13	6.3
	Other	195	93.8

The demographics are not used to determine the relationship with organizational performance in the current study. The objective of Table 4.1 is to show composition of respondents to have better perceptions about their reactions and consequences for current study. Majority of the respondents are female.

Table 4.1 describes the age % of teachers in primary private schools of Lahore, in which participants having age of 20 or less are 3.4%, 20-24% are 53%, 25-29 are 62%, 30-39 are 8.7% and 40-49 are 0.5%. The percentage of data collected from having full time job of private primary schools teachers in Lahore is 92.8% and part time is 7.2 % shown in the Table 4.1. This demonstrates out of 208 faculty participants 33.7% are having permanent job and 66.3 % are holding fixed contract. This also illustrates that of 208 participants 6.3% are working for an administrative level and 93.8% are working as other.

The transformation of raw data into interpretable facts generates descriptive statistics that comprise of mean and standard deviations along with the range of the variables. The descriptive statistics for the numeric variables of faculty participants' age, job time, job type and job status is presented in Table 4.2. Data explains that the mean age of the participants is 2.77 years, having an average job time, job type and job status.

**Table 4.2**  
**Mean and Standard Deviation of Faculty Age,**  
**Job Time, Job Type and Job Status**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>Age</b>	208	1.00	5.00	2.7740	.66804
<b>J. Time</b>	208	1.00	2.00	1.0721	.25930
<b>J. Type</b>	208	1.00	2.00	1.6635	.47367
<b>J. Status</b>	208	2.00	3.00	2.9375	.24265

### **4.3 DESCRIPTIVE STATISTICS OF STUDY VARIABLES**

Table 4.3 below provides descriptive statistics of the study variables. As a seven point Likert Scale is used to measure the response of participants' therefore the minimum score of each variable is 1 and maximum score is 7. The mean for the HRM practices is 4.97, for engagement is 5.51, for creativity

is 5.36, for organizational innovation is 5.00 and for organizational performance is 5.36, presented in the Table 4.3. All the values of standard deviation also show that the data is not much widely dispersed, so the results obtained from this sample are reliable enough to be generalized.

**Table 4.3**  
**Descriptive Statistics of Study Variables**

<b>Study Constructs</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>HRM practices</b>	206	3.43	6.23	4.9754	.56467
<b>Engagement</b>	208	2.58	7.00	5.5137	.82973
<b>Creativity</b>	208	2.15	7.00	5.3617	.89172
<b>Organizational Innovation</b>	208	1.00	7.00	5.0000	1.06398
<b>Organizational Performance</b>	208	1.75	7.00	5.3606	1.02524
<b>Valid N (List wise)</b>	206				

#### **4.4 RELIABILITY ANALYSIS**

While initiating the statistical treatment of the raw data, reliabilities of the variable are calculated. This is done by taking Cronbach's Alpha values for all variables under consideration. Results are inferred on the basis of existing knowledge about Cronbach's Alpha values. According to these existing guidelines all the variables show good reliability (i.e.,  $\alpha > 0.7$ ) for the internal consistency of the scale items used to construct a variable.

Thus, the data of all of variables measured through the constructs are reliable. In HRM practices recognition showed the reliability of 0.738, empowerment 0.707, competence development practices 0.706, information sharing practices 0.726 and fair rewards practices 0.764. In creativity, vigor showed the reliability of 0.718, dedication 0.797 and absorption 0.731. Employees' creativity showed reliability of 0.896, organization innovation capability of 0.804 and organizational performance 0.741.

**Table 4.4**  
**Reliability of HRM Constructs, Work Engagement Constructs,**  
**Employee Creativity, Organizational Innovation Capability**  
**and Organizational Performance in the Survey**

Scales	Items	Cronbachs' Alpha
<b>HRM Practices</b>		
Recognition	6	0.738
Empowerment	3	0.707
Competence Development Practices	6	0.706
Information Sharing Practices	9	0.726
Fair Organizational Rewards	5	0.764
<b>Work Engagement</b>		
Vigor	6	0.718
Dedication	5	0.797
Absorption	6	0.731
<b>Employee Creativity</b>	13	0.896
<b>Organizational Innovation Capability</b>	6	0.804
<b>Organizational Performance</b>	4	0.741

#### 4.5 CORRELATIONS MATRIX

Bi-variate correlations of the study variables are presented in Table 4.5. HRM practices are positively correlated to employee engagement (0.143,  $P < 0.05$ ), employee engagement is positively correlated with employee creativity (0.657,  $p < 0.001$ ), creativity is positively correlated with organizational innovation capability (0.543,  $p < 0.001$ ) and organizational innovation capability is positively correlated with organizational performance (0.580,  $p < 0.001$ ). All these correlations are in the hypothesized directions.

**Table 4.5**  
**Correlation Analysis between the Variables**

	<b>HRM Practices</b>	<b>Engagement</b>	<b>Creativity</b>	<b>Organizational Innovation</b>	<b>Organizational performance</b>
<b>HRM Practices</b>	1				
	206				
<b>Engagement</b>	.143*	1			
	.041				
	206	208			
<b>Creativity</b>	.141**	.657***	1		
	.043	.000			
	206	208	208		
<b>Organizational Innovation</b>	.286***	.375***	.543***	1	
	.000	.000	.000		
	206	208	208	208	
<b>Organizational Performance</b>	.170**	.500***	.520***	.580***	1
	.015	.000	.000	.000	
	206	208	208	208	208

\*\*\* Results are Significant with  $p < 0.001$

\*\*Results are Significant with  $p < 0.01$

\*Results are Significant with  $p < 0.05$

#### **4.6 HYPOTHESES TESTING**

Linear regression analysis is used to test the hypothesized statements. It is an approach for modeling the relationship between a dependent variable and one or more independent variables. This study demonstrates HRM practices as independent variable and employee engagement, employee creativity, organizational innovation capability and organizational performance as dependent variables.

#### 4.6.1 HRM Practices and Employee Engagement

**Hypothesis 1** states that HRM practices are positively related to work engagement.

For testing this hypothesis Table 4.6 shows that HRM practices have been entered as an independent variable. Results show that HRM practices positively and significantly affects employee engagement.

As in Table 4.6 all correlation values are positive. HRM practices variables are mostly positively correlated with work engagement. Hence there is a positive relationship between HRM practices and work engagement. Table 4.6 presents the analysis on the influence of HRM practices on work engagement which is one of the research problems for this study. Thus Beta value is 0.143 which is significant at P value of less than 5% ( $P < 0.05$ ). In addition average of R square statistic is 0.28 which means that 28% variance in work engagement can be attributed to the variance in HRM practices. Hence it can be derived that HRM practices influences work engagement in private primary schools of Lahore.

**Table 4.6**  
**Linear Regression for HRM Practices and Employee Engagement**

	<b>Vigor Model 1a</b>	<b>Dedication Model 1b</b>	<b>Absorption Model 1c</b>
HRM Practices	0.143*	0.129*	0.32*
DEV	.031*	0.040*	0.159***
FRP	.082*	0.050*	0.115*
ISP	.129**	0.086*	0.199***
REC	.171***	0.049*	0.140**
EMP	.128*		
Model fit			
<i>R Square</i>	<i>0.070</i>	<i>0.031</i>	<i>0.112</i>

\*\*\* Results are Significant with  $p < 0.001$

\*\*Results are Significant with  $p < 0.01$

\*Results are Significant with  $p < 0.05$

#### 4.6.2 Employee Engagement and Employee Creativity

**Hypothesis 2** states that Work engagement is positively related to teacher creativity.

Table 4.7 presents the analysis on the influence of work engagement on employee creativity which is one of the research problems for this study. Thus Beta value is 0.657 which is highly significant at P value of less than 1% ( $P < 0.001$ ). In addition R square statistic is 0.432 which means that 43% variance in employees creativity can be attributed to the variance in employee engagement. Hence it can be derived that employee engagement significantly influences employee creativity in private middle schools of Lahore.

**Table 4.7**  
**Linear Regression for Employee Engagement**  
**and Employee Creativity**

<b>Independent Variable</b>	<b>Employee Creativity Model 2</b>
Employee Engagement	0.657***
Vigor	0.249***
Dedication	0.218***
Absorption	0.309***
Model Fit	
<i>R Square</i>	0.432

\*\*\* Results are Significant with  $p < 0.001$

#### 4.6.3 Employee Creativity and Organizational Innovation

**Hypothesis 3** states that teacher creativity is positively related with school innovation capabilities.

Table 4.8 presents the analysis on the influence of employee creativity on organizational innovation capability which is one of the research problems for this study. Thus Beta value is 0.543 which is highly significant at P value of less than 1% ( $P < 0.001$ ). In addition R square statistic is 0.295 which means that 30% variance in organizational innovation capability can be attributed to the variance in employee creativity. Hence it can be derived that employee creativity significantly influences organizational innovation capability in private middle schools of Lahore.

**Table 4.8**  
**Linear Regression for Employee Creativity and**  
**Organizational Innovation Capability**

Independent Variable	Organizational Innovation Capability Model 3
Employee Creativity	0.543***
Model fit	
<i>R-Square</i>	<i>0.295</i>

\*\*\* Results are Significant with  $p < 0.001$

#### 4.6.4 Organizational Innovation and Organizational Performance

**Hypothesis 4** States that positive relationship exists between school's innovation capability and school's performance.

Table 4.9 presents the analysis on the influence of organizational innovation capability on organizational performance which is one of the research problems for this study. Thus Beta value is 0.580 which is highly significant at P value of less than 1% ( $P < 0.001$ ). In addition R square statistic is 0.336 which means that 34% variance in organizational innovation capability can be attributed to the variance in employee creativity. Hence it can be derived that organizational innovation capability significantly influences organizational performance in private middle schools of Lahore.

**Table 4.9**  
**Linear Regression for Organizational Innovation**  
**and Organizational Performance**

Independent Variable	Organizational Performance Model 4
School innovation capability	0.580***
Model fit	
<i>R-Square</i>	<i>0.336</i>

\*\*\* Results are Significant with  $p < 0.001$

## 4.7 SUMMARY OF THE RESULTS

Results of linear regressions show that HRM practices are positively related to employee engagement and employee engagement is positively and significantly related to employee creativity and employee creativity is positively and significantly related to organizational innovation capability and organizational innovation capability is also positively and significantly related to organizational performance. The summary of hypotheses testing is provided in Table 4.10.

**Table 4.10**  
**Summary Hypotheses Testing**

	<b>Hypotheses Result</b>	<b>Overall Result</b>
<b>H1</b>	High involvement HRM practices are positively linked with employee engagement.	Supported
<b>H2</b>	Employee engagement (vigor, dedication and absorption) positively relates the employee creativity.	Supported
<b>H3</b>	Employee creativity positively relates the organizational innovation capability.	Supported
<b>H4</b>	Organizational innovation capability positively relates the organizational performance.	Supported

# CHAPTER 5

## DISCUSSION AND CONCLUSION

### 5.1 INTRODUCTION

The previous chapters cover the basic reasons due to which the current study is conducted. A review of literature was performed to obtain the related information. Based on the literature reviewed and theoretical proof a conceptual frame work was developed resulting in hypothesis formulation. The results from the data analysis are discussed in the previous chapter. This chapter covers results interpretation, their implications to the practical and empirical fields. This chapter is structured in such a way as to answer the research questions mentioned in first chapter.

The research framework developed to answer the four research questions resulted in 4 hypotheses. This chapter discusses the results of these hypotheses: i.e. **H1:** HRM practices are positively related to work engagement. **H2:** Work engagement is positively related to teacher creativity at private primary schools in Pakistan. **H3:** Employee creativity is positively related with organizational innovation capabilities in Pakistani private primary schools. **H4:** A positive relationship exists between organizational innovation capability and organizational performance in Pakistan. To deduce the results from data analysis so that answers to the research questions can be provided.

The rest of the chapter is formulated as follows. First key findings of the data analysis are discussed and hypotheses are tested. Next section discusses the implication of the research in practical and theoretical fields. The next section discusses the limitations of the research conducted. At the end of the chapter possibilities for future research are discussed.

### 5.2 KEY FINDINGS OF THE RESEARCH

The present study has investigated the linkage between five high involvement HR practices (such as “recognition, empowerment, fair organizational rewards, competence development and information-sharing practices”) and organizational performance through work engagement, employee creativity and organizational innovation capability. It has been observed by the results that positive association exists among all these

variables. The findings also demonstrate the strength of social exchange theory in the private schools of Pakistan.

The social exchange theory describes that reasonable consideration given to employees by an organization positive outcomes will be showed by the individuals. This study also shows that when high commitment HR practices are implemented in the educational sector, employees they are more concerned with their organization and this sense of consideration will lead to enhanced employee engagement, ultimately this will result into employee creativity as well. Similarly when employees are creative they will try to implement their new and innovative ideas, in result increased in organizational innovative capability and organizational performance in this dynamic and flexible environment.

The findings of this study also reveal that employees operate as a basis of creativity in an organization when they are engaged at their work place. Creative employees also lead to innovations and it is a vital factor for the growth and success of an organization. So it is concluded that to take competitive advantage in this modern dynamic and innovative environment employees of an organization must be engaged and creative to maintain organizational innovation capability and organizational performance. In this order HR practices are of great important.

### **5.2.1 High Involvement HRM Practices and Employee Engagement**

The first hypothesis is tested with the help of result obtained from regression analysis performed on high involvement HRM practices and employee engagement. The results of the regression analysis shows that high involvement HRM practices are positively related to employee engagement, which supports make the employees to be more committed to their organization. Employee engagement and commitments build ups due to the development of obligatory feeling that employees develops due the services they get from the organization (Allen & Meyer, 1990).

The results of the analysis can also be linked to social exchange theory (Blau, 1964) that states the relation between employees and organization is bi-directional, when employees perceive more support they work more. It is found that increased levels of perceived organizational support in form of HRM practices results in increased levels of employee engagement and commitment with the organization.

The second factor of employee organizational commitment is found positively related to perceived employee acknowledgement. This means that affective engagement that exists due to the internal motivation and personal liking of the employee can be increase by increasing the perceived employee acknowledgements (Allen & Meyer, 1990). The results can also be linked with motivational theory that form bases on the concept that some time employee motivation can be increased by creating environment that supports extrinsic motivation. The results of the regression analysis speak in favor of the hypothesis that states that there is a positive relation between HRM practices and employee engagement at work place.

### **5.2.2 Employee Engagement and Employee Creativity**

The relation between employee engagement and employee creativity is tested using second hypothesis. The results of the regression analysis between employee engagement and employee creativity show that there is significant positive relation between employee engagement and employee creativity. The results of regression analysis prove that stated hypothesis H2 is accepted. The findings of the analysis are consistent with researches already done (Bakker & Xanthopoulou, (2013) and Bakker's (2011)).

### **5.2.3 Employee Creativity and Organizational Innovation Capabilities**

The third hypothesis studied the relation between employee creativity and organizational innovation capabilities (Shalley et al., 2004, Baer, 2012). The results of the regression analysis on employee creativity and organizational innovation capabilities propose a new scenario. The results show that employee creativity is positively related organizational innovation capabilities. The results suggest that it is important for organization to maintain the level of employee creativity to gain organizational innovation capability to gain the competitive advantage in this competitive and flexible environment.

### **5.2.4 Organizational Innovation Capability and Organizational Performance**

The fifth hypothesis is tested for finding the relation between organizational innovation capability and organizational performance. The results of the regression analysis show that there is a positive relationship exists between organizational innovation capability and organizational

performance. The result of the analysis supports our hypothesis and is consistent with finding of the previous researches by Damanpour, & Aravind (2012), Zhang, (2011) and Mazzanti et al., (2006).

### **5.3 CONCLUSION**

Based on the above discussion the importance of human resource has been emphasized by many researchers and scholars from the last many decades. The results of the present thesis have also asserted this credible. According to hypothesis 1 it has been proved that high involvement HRM practices like recognition, empowerment, fair organizational rewards, information sharing and competence development practices are positively related to employee engagement. Employee engagement includes employee vigor, dedication and absorption at work place.

According to hypothesis 2 it has also been proved that employee engagement is positively and significantly related to employee creativity. In the same way employee creativity is also positively and significantly linked to organizational innovation capability discussed in hypothesis 3. Hypothesis 4 has also been proved that organizational innovation capability is highly and positively related to perceptual measures of organizational performance.

The present study practically contributes in the literature by determining the mediating impact of employee engagement, employee creativity and organizational innovation capability between high involvement HR practices and organizational performance. Results show that all high involvement HR practices are positively and significantly related to work engagement. It is also examined that engaged employees are more creative which help them to promote organizational innovation capability. It is also concluded that OIC has a positive and significant impact on to increase the organizational performance. So, it is concluded that managers of an organization must focus to provide HR practices to employees so that organizational targets and goal could be achieved in this dynamic and competitive environment.

Objectives discussed in chapter 1 are also achieved after data analysis which helps us to reach the following objectives.

1. To measure the effect of five key HRM practices (“empowerment, fair organizational rewards, recognition, competence development and information-sharing practices”) have positive impact on employee’s work engagement in Pakistani private primary schools.

2. To determine the positive and significant role of teachers work engagement on their creativity at work place.
3. To examine how individual level creativity positively and significantly contributes towards school innovation capability in Pakistan.
4. To determine the extent to which school innovativeness has positive and significant impact on school performance in Pakistan.

The result of the research show that organizations can manage and engage their employees by HRM practices in an effective and efficient way help employee engaging them in such way so that they picture their organization as an entity that supports them to the maximum possible extent. This type of behavior will help the employers turn their employees into such force that is committed to the organization and help them to be creative to improve organizational innovation capability which result in increased organizational performance at hand.

#### **5.4 IMPLICATIONS OF CURRENT STUDY**

First the results suggest that organizations should pay attention to designing HRM practices so that they help to improve the organizational performance.

Second, in order to improve organizational performance many previous studies have examined the impact of HRM practices on organizational performance through employee satisfaction and organizational citizenship behavior but a little work is done on the employee engagement, employee creativity and organizational innovation capability specifically in the educational sector of Pakistan which is important to increase competitive advantage in the environment.

Third managers should provide employees with recognition, training, empowerment; information sharing and rewards that would make them feel obliged to respond to the organization using elevated levels of work engagement and performance outcomes. As stated by Bakker et al. (2008), it is important to retain engaged employees in the workplace, because they often have positive emotions and better psychological and physical health than disengaged employees.

Fourth, therefore this study contributes in the literature by finding the link between high involvement HR practices and organizational performance through work engagement, employee creativity and organizational innovation capability. Specifically teachers' creativity gap is found in literature. By developing high involvement HR practices in schools will help principles to maintain and develop creative teachers at hand and it helps to generate new innovations in schools.

Moreover this study presents first empirical evidence from private schools in Pakistan that reveals positive and strong linkages between HR practices and organizational performance through work engagement, employee creativity and organizational innovation capability.

## **5.5 LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH**

The current study also contains some limitations. The limitations that are attached to the results of the study and future research recommendations are discussed below:

First, the data was analyzed in the cross sectional design which reduce the confidence for determining the causal relationships among variables in the theoretical framework. Future research should be made in order to determine the links of HR practices on organizational performance through employee work engagement, employee creativity and organizational innovation capability in the longitudinal design after observing firm's HRM practices for a year or a longer period.

Second, this study is focused on the performance of school educational sector in Lahore Pakistan; next study could be investigated in other sector and geographical areas.

Third, the present study is used to measure the perceptual measure of the organizational performance rather than subjective measure. Next study could also be examined the subjective as well as objective measure of an organizational performance for further valid results.

Fourth, some other different variables can also be used to determine the predictors of employee engagement like leader support and superior employee relationship as compare to high involvement HRM practices.

Fifth, high involvement HR practices can be replaced with some other HR practices like recruitment, job security, socialization practices and teamwork.

Sixth, many other researchers have observed that teams have more expertise, skills and knowledge to convert the good and useful ideas into innovation, while this study has observed the conversion of individual creative ideas into organizational innovation. Hence next study can also be conducted from teams of organizations rather than individuals.

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# APPENDIX

## RESPONDENT CONSENT FORM

I \_\_\_\_\_ state that I voluntarily agree to participate in the research project to study employee job Attitudes and behaviors in educational sector by Miss Iram Lateef, Reg. No. 2133469, MPhil Project Management under the supervision of Dr. Aman Ullah, Assistant Professor, Faculty of Life Sciences and Business Management, University of Veterinary & Animal Sciences, Lahore. I acknowledge that the researcher has explained the task to me in detail. Researcher has assured me that this study will not cause any physical or Psychological harm and also that complete confidentiality will be maintained regarding identity of the participant as well as the data collected.

I agree above given information and Sign.

If any further information will be required, researcher can contact me at the email id \_\_\_\_\_

Researcher's Signature

\_\_\_\_\_

Dated: \_\_\_\_\_

Participant's Signature

\_\_\_\_\_

Dated: \_\_\_\_\_

# RESEARCH QUESTIONNAIRE

Dear participants!

This questionnaire is designed to study aspects of life at work. The information you provide will help us better understand the quality of our work life. Because you are the one who can give us a correct picture of how you experience your life, I request you to respond to the questions frankly and honestly.

Your response will be kept strictly confidential. Only members of my research team will have access to the information you give. Thank you very much for your time and cooperation. I greatly appreciate the help of your organization and yourself in further this research endeavor.

## Section 1: People Management Strategy and Practices at your School

Over the past decades the importance of people or human resource management (HRM) in the Pakistani schools systems has increasingly been recognized. Despite its growing importance, managing a workforce effectively still seems to be a challenging issue in the educational sector. The questions in this section seek to gain an understanding of specific people management practices as applied to your schools.

Please read each of the following statements and indicate by circling the degree to which you agree or disagree using the following statements:		Strongly Disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
<b>A: Recognition Practices</b>								
REC-1	Teacher' suggestions are seriously taken into consideration.	1	2	3	4	5	6	7
REC-2	In my school, teachers' suggestions are followed up regularly.	1	2	3	4	5	6	7
REC-3	When a teacher does good quality work his colleagues regularly show him their appreciation	1	2	3	4	5	6	7
REC-4	In my school, supervisors tangibly recognize employees' efforts in different ways (e.g., tickets for cultural or sports events; dinners at restaurants)	1	2	3	4	5	6	7
REC-5	In my school, teachers receive written recognition from their supervisors (e.g., memos)	1	2	3	4	5	6	7
REC-6	In my school, supervisors regularly congratulate employees in recognition of their efforts	1	2	3	4	5	6	7
<b>B: Empowerment Practices</b>								
EMP-1	Teachers are given great latitude for the organization of their work (e.g., work schedules)	1	2	3	4	5	6	7
EMP-2	Teachers in my school have much autonomy in project management	1	2	3	4	5	6	7
EMP-3	In my school, teachers have considerable freedom regarding the way they carry out their work	1	2	3	4	5	6	7

		Strongly Disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
<b>C: Competence Development Practices</b>								
DEV-1	Teachers can develop their skills in order to increase their chances of being promoted	1	2	3	4	5	6	7
DEV-2	Teachers can rotate jobs to develop their skills	1	2	3	4	5	6	7
DEV-3	Several professional development activities (e.g., coaching, training) are offered to employees to improve their skills and knowledge	1	2	3	4	5	6	7
DEV-4	Proficiency courses such as specialized technical courses and professional certification are encouraged by management	1	2	3	4	5	6	7
DEV-5	I am able to apply my new skills in my work.	1	2	3	4	5	6	7
DEV-6	Supervisors encourage teachers to apply their new abilities and skills in the context of their daily work	1	2	3	4	5	6	7
<b>D: Information-Sharing Practices</b>								
ISP-1	Teachers are regularly informed of future corporate projects (e.g., major investments, acquisitions, new technologies)	1	2	3	4	5	6	7
ISP-2	Teachers are regularly informed of financial results.	1	2	3	4	5	6	7
ISP-3	Teachers are regularly informed of their school's performance.	1	2	3	4	5	6	7
ISP-4	Teachers are regularly informed of technological orientations.	1	2	3	4	5	6	7
ISP-5	Managers regularly inform teachers of the level of customer satisfaction for products or services offered	1	2	3	4	5	6	7
<b>E: Fair Rewards</b>								
FRP-1	I estimate my salary as being fair internally	1	2	3	4	5	6	7
FRP-2	My salary is fair in comparison with what is offered for a similar job elsewhere	1	2	3	4	5	6	7
FRP-3	In my school, our supervisors assign mandates in a fair manner (removed)	1	2	3	4	5	6	7
FRP-4	In my school, teachers consider that their compensation level adequately reflects their level of responsibility in the organization	1	2	3	4	5	6	7
FRP-5	The pay increases and/or bonuses I received in the last 2 years adequately reflect my recent performance evaluations	1	2	3	4	5	6	7

## Section 2: Teacher's Engagement

Listed below a series of statements that represent feelings that individuals might have about the company or organization for which they work. With respect to your own feelings about the particular organization for which you are now working, please indicate the degree of your agreement or disagreement with each statement by circling a number from 1 to 7 using the scale below:		Strongly Disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
<b>Employee Version</b>								
<b>A: Vigor (VIG)</b>								
VIG-1	When I get up in the morning, I feel like going to work	1	2	3	4	5	6	7
VIG-2	At my work, I feel bursting with energy	1	2	3	4	5	6	7
VIG-3	At my work I always persevere, even when things do not go well	1	2	3	4	5	6	7
VIG-4	I can continue working for very long periods at a time	1	2	3	4	5	6	7
VIG-5	At my job, I am very resilient, mentally	1	2	3	4	5	6	7
VIG-6	At my job I feel strong and vigorous	1	2	3	4	5	6	7
<b>B: Dedication (DE)</b>								
DED-1	To me, my job is challenging	1	2	3	4	5	6	7
DED-2	My job inspires me	1	2	3	4	5	6	7
DED-3	I am enthusiastic about my job	1	2	3	4	5	6	7
DED-4	I am proud on the work that I do	1	2	3	4	5	6	7
DED-5	I find the work that I do full of meaning and purpose	1	2	3	4	5	6	7
<b>C: Absorption (AB)</b>								
ABS-1	When I am working, I forget everything else around me	1	2	3	4	5	6	7
ABS-2	Time flies when I am working	1	2	3	4	5	6	7
ABS-3	I get carried away when I am working	1	2	3	4	5	6	7
ABS-4	It is difficult to detach myself from my job	1	2	3	4	5	6	7
ABS-5	I am immersed in my work	1	2	3	4	5	6	7
ABS-6	I feel happy when I am working intensely	1	2	3	4	5	6	7

### Section 3: Teacher's Creativity

Creativity is the creation of novel and suitable ideas that may take place in any area of everyday life. Creativity leads to innovation which causes many important and long lasting benefits to organizations. Please rate each of your subordinates on the extent to which he or her:		Strongly Disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
CRE-1	Suggests new ways to achieve goals or objectives	1	2	3	4	5	6	7
CRE-2	Comes up with new and practical ideas to improve performance	1	2	3	4	5	6	7
CRE-3	Searches out new technologies, processes, techniques, and/or product ideas	1	2	3	4	5	6	7
CRE-4	Suggests new ways to increase quality	1	2	3	4	5	6	7
CRE-5	Is a good source of creative ideas	1	2	3	4	5	6	7
CRE-6	Is not afraid to take risks	1	2	3	4	5	6	7
CRE-7	Promotes and champions ideas to others.	1	2	3	4	5	6	7
CRE-8	Exhibits creativity on the job when given the opportunity to	1	2	3	4	5	6	7
CRE-9	Develops adequate plans and schedules for the implementation of new ideas	1	2	3	4	5	6	7
CRE-10	Often has new and innovative ideas	1	2	3	4	5	6	7
CRE-11	Comes up with creative solutions to problems	1	2	3	4	5	6	7
CRE-12	Often has a fresh approach to problems	1	2	3	4	5	6	7
CRE-13	Suggests new ways of performing work tasks	1	2	3	4	5	6	7

### Section 4: School Innovation Capability

Look at each of the following statements and rank yourself on each one according to the following		Strongly Disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
OI-1	Our school frequently tries out new ideas.	1	2	3	4	5	6	7
OI-2	Our school seeks out new ways to do things	1	2	3	4	5	6	7
OI-3	Our school is creative in its methods of operation.	1	2	3	4	5	6	7
OI-4	Our school is often the first to market with new products and services.	1	2	3	4	5	6	7
OI-5	Innovation in our school is perceived as too risky and is resisted	1	2	3	4	5	6	7
OI-6	Our new product introduction has increased over the last 5 years	1	2	3	4	5	6	7

## Section 5: Perceived School Performances

Please read each of the following statements and indicate by circling the degree to which you agree or disagree using the following statements:		Strongly Disagree	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Strongly agree
OP-1	This school's performance is much better than the performance of our main competitors.	1	2	3	4	5	6	7
OP-2	This school is achieving its full potential.	1	2	3	4	5	6	7
OP-3	People are satisfied with the level of performance of this school.	1	2	3	4	5	6	7
OP-4	This school does a good job of satisfying its customers.	1	2	3	4	5	6	7

## Demographic Information Form

Please indicate the appropriate choice by selection in parentheses:

1. **Gender**
  - a)  Male
  - b)  Female
  
2. **Age**
  - i)  20 or less
  - ii)  20-24
  - iii)  25-29
  - iv)  30-39
  - v)  40-49
  - vi)  50-59
  - vii)  60 & above
  
3. **Job time**
  - i)  Full time
  - ii)  Part time
  
4. **Job type**
  - i)  Permanent
  - ii)  fixed contract
  
5. **Job status**
  - i)  Managerial
  - ii)  Administrative
  - iii)  Other