

HUMAN RESOURCE MANAGEMENT INNOVATIONS IN INDIAN BANKS: A STUDY FROM HR MANAGERS' PERSPECTIVE

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Abstract: *The liberalization policy has affected the competitiveness of banks due to the global pressures resulting into combination of Human Resource Management with business policies. The banks have been facing tough competition from the various financial institutions such as insurance firms, mutual fund organisations, non-bank financial companies etc. for a long time since the onset of LPG reforms. Although after the introduction of 'Jan Dhan Yojana' by the Honourable Prime Minister of India, their contribution in the financial inclusion has boosted up, yet the bank employees' expectations from the industry have also got an upward lift.. This calls for a need to innovate the earlier HR practices of the banks so that the employee productivity can be enhanced. This paper aims to provide an insight to such innovations related to Human Resource Management with the help of a primary study based on the viewpoints of HR managers of eight different Indian banks. These innovative HRM practices have been listed under seven different heads of HRM named recruitment & selection, training and development, performance management, compensation management, career development, employee motivation and employee security. A few of the earlier studies have also been referred for the final conclusions.*

Keywords: *Innovations, Human Resource Management, Banking, Practices, Indian Banks*

JEL Classification: *M12, M5, M19*

INTRODUCTION

HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfilment of organizational goals (Tiwari and Saxena, 2012). Basically, HRM deals with planning, acquiring the right people, retaining/developing the people, and managing people separation/exit (Chakrabarty, 2012). Therefore, the major challenge for any organisation is to manage its human resources in such a manner that it can justify their need for the right jobs. The new horizon of time calls for a new set of improved human resource management practices which may help the organizations to have competitive advantages. In earlier studies, 'innovative HR practices' have been referred to by several other terms too, like: *high commitment*

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practices (Pfeffer, 1994); *progressive HR practices* (Kravetz, 1988; Huselid, 1995); *quality HR* (Huselid, 1994); two related concepts- new *process* and new *object* of the innovation process (Agarwala, 2003). Innovation is something that leads to reduction in cost of operations. It definitely results in increasing profitability and a better life for society. Schumpeter (1934) talked about innovations in production. These innovations either bring rise in demand or rise in supply. Innovations can be made in any field. In HRM innovative practices are developed to retain the employees, to motivate them and to increase their loyalty as well as commitment to the organisation. Therefore, the Innovative Human Resource Practices, here, refer to all such new and improved practices and activities which have been adopted by the organisations keeping in mind the competitive era.

Many expert researchers have named different human resource management practices under separate heads on the basis of its functions (Pfeffer, 1998; Ahmad and Schroeder, 2003; Budhwar and Boyne, 2004; Tessema and Soeters, 2006; Vlachos, 2008; Tiwari and Saxena, 2012; and many more). The counting of such studies and their names given to several heads of HRM practices can't be done on fingers. Therefore, the researcher has used seven heads in the present study to cover the wide framework of HRM activities and practices to the maximum: *Recruitment & Selection, Training and Development, Performance Management, Compensation Management, Career Development, Employee Motivation, and Employee Security*.

Recent trends in the banking industry of India show that the banking sector is growing in size and sophistication to meet the needs of a modern economy and global environment. Now, it is the high time to transform the HR processes and implement some new age concepts termed as "Innovations". Some fresh ideas are needed so as to make the banks more productive and competitive. The time is ripe for leaving the old baggage and taking bold measures (Chakrabarty, 2012). Even the employees' demands are touching new heights due to labour union influences and some other factors. Therefore, HRM innovations are the need of the hour for banks. The present paper has been mainly focused on providing insight to such innovations related to Human Resource Management in the detail.

REVIEW OF LITERATURE

The concept of innovative HRM evolved in the early 1900s with an increased emphasis on a proactive, integrative and value-driven approach to human resource management (Butler *et al.* 1991; Schuler 1992). The term innovation with regard to HRM has been used in many studies in the last few years. Many experts have suggested in their studies that the innovative HRM is a synonym to the strategic HRM which views human resources as assets for investment and the management of human resources as strategic rather than reactive, prescriptive and administrative (Buyens and De Vos, 2001). Brewster and Larsen (1992) have also defined SHRM

as the extent to which HRM is considered during the formulation and implementation of corporate strategies. It has also been defined as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals (Wright and McMahan, 1999). Later on some studies referred to the high involvement HRM practices (Katou and Budhwar, 2006; Wall and Wood, 2005; Wright and Boswell, 2002; Delaney and Huselid, 1996).

Different names have been given to the HR practices in past studies. Pfeffer (1998) proposed seven HRM practices that were: employment security; selective hiring; self-managed teams and decentralization of decision making; comparatively high compensation contingent on organizational performance; extensive training; reduced status distinctions and barriers and extensive sharing of financial and performance information throughout the organization. A few researchers have found out that the human resource practices, such as resourcing, employee development, reward system, and employee relationship, should be developed in such a way that they get complemented with one another. These practices were named as “bundles” of human resource practices (Kochan and Dyer, 1993; Walker, 1993; and Cusworth and Franks, 1993). Budhwar and Boyne (2004), in one of their studies in India, categorised HRM practices under four heads named recruitment and selection, employee compensation, training and development, and employee relations. Compton (2009) mentioned that human resource strategies must include recruitment and selection, education and development, performance management, succession planning, remuneration and finally retention of key players.

Concept of innovative HRM has not been directly proposed or studied in the past researches. However, a study related to HRM issues in banking sector (Jyothi and Jyothi, 2008) concluded that Banks in near future will have to address compensation issues, flexible work schedules, outsourcing and retaining talent for which they require enhanced skills, new knowledge and behavioural adjustments of human resources. This clearly indicates the *need of innovations* in HRM. Some other studies on HRM in banking sector have also established a strong relationship between HRM and employee performance (Som, 2008; Khan, 2010; Ayanda, 2012; Racelis, 2009; Baloch *et al.*, 2010; Qureshi *et al.*, 2010). But no such study has been conducted so far in the Indian Banking Industry with reference to HRM innovations. To address this gap, this paper was aimed to identify such HR related innovations so that the same can be used to conduct further studies in the same context.

MATERIALS AND METHODS

Objectives

The study has been aimed at exploring the Innovations related to HRM adopted by Indian banks. Moreover, this study has also been targeted to design a

questionnaire based on these innovative HRM practices that can be used for further studies.

Research Methodology

This study is basically *exploratory and descriptive* in nature because the researcher has explored the new HRM practices on the basis the perceptions of the bank employees. For conducting this study, north zone of India was taken. Eight banks comprising four from each category were chosen for conducting the present study. The banks under public sector are State bank of India, Punjab National Bank, Central Bank of India, Oriental Bank of Commerce while private sector banks taken are ICICI Bank, HDFC Bank, YES Bank and Axis Bank. The North India is divided into two zones: Delhi zone and Chandigarh zone (recommended by the industry experts). These zones were further sub-divided into 6-7 regions or centers (the number may vary among these banks). All the HRM employees of these eight banks in the north zone have been covered under the surveyed population. The views of the employees of HR department have been taken. Two different techniques have been used for the selection of the sample: *Quota Sampling* for the selection of the Banks and their corresponding Branches; *Purposive Sampling*: for selecting the respondents.

Google Scholar, articles, reports of RBI, newsletters of the banks, journals, and various websites have been the source of secondary data. Further, *Delphi technique* was used to identify and shortlist the innovative HRM practices. For this purpose, two panels of HR experts of the banking industry were made. One was from the zonal office and the other one was from the regional office. Firstly, the concept of Innovative HRM practices was discussed with the first panel of experts and they were asked to list the innovative HRM practices prevailing in their respective banks through the process of *personal interviews*. Two HR employees (Scale II onwards) from each zone of these banks in the North India were contacted for this. The total number of members of these panels came out to be $2 \text{ HR employees} \times 2 \text{ zones} \times 8 \text{ banks} = 32$ experts, i.e., 16 for each panel. They were, then, asked to rank these practices in another meeting. The same process was repeated for the other panel of experts and then the final list of forty nine innovative HRM practices was made thereon, covering all the above said seven HR heads. On the basis of the results of this process, a *questionnaire* was designed which can list down all these forty nine innovative HR practices and can be used for further studies.

Limitations of the Study

The main limitations of the study have been related to time, sampling, hesitation and biasness among the employees in their views. Moreover, J&K has not been taken in this study due to difficulty in approaching this state by the researcher. Foreign banks have also been excluded in this study.

RESULTS AND DISCUSSION

The major objective of the study was to identify the innovative HRM practices adopted in public and private sector banks of India. After an extensive survey of the literature and from the responses of the interviews, a list of *forty nine* innovative HRM practices was shortlisted under seven heads which have been found in the Indian Banking sector. All the banks under the study are employing these innovative HRM practices related to recruitment & selection, training and development, performance management, compensation management, career development, employee motivation and employee security.

Innovative Recruitment & Selection Practices

This factor includes all those innovative HR practices which aim at attracting maximum number of highly talented applicants and selecting the best to achieve competitiveness (Khan, 2010). The **nine** innovative HRM practices identified under this head have been explained below:

Well Defined R&S

Respondents of the present study told that one of the major innovative HRM practices under this head is that there is a well-defined recruitment and selection policy in the banks. Earlier, only a few banks had a pattern of recruiting people through employee referrals. But now a day, a pre-defined policy of hiring people is available in most of the banks.

Selection of Professionals

Banks have also started selecting professionally qualified personnel, e.g. MBAs, CAs, Agricultural officers etc. for different posts. Earlier, only private sector banks were employing such professionals for their various departments, but now, public sector banks have also started using this practice. Moreover, need for giving special training for such employees has also been reduced to a certain level.

Selection According To Service Attitude

Banks are giving due weightage to the service attitude and competence in the selection procedure these days. This policy is being adopted by the HR department of the banks keeping in mind the fact that employees with positive service attitude will work more efficiently and increase the business ultimately.

Holding On Policy

One of the major problems that the bank employees were facing in earlier times was that if they left the organisation due to any work pressure or other reason,

then they were not stopped or hold on by any employer. But now, even the regional or circle managers of the banks use a “Retention” policy for the employees so that they may not leave the bank quickly.

Availability of Bank Communities on Social Networking Sites

Availability of bank communities on social networking sites is found to be another innovation in the recruitment process. Popularity of the social networking sites has forced all the sectors to have this facility enabling the members of the community to seek the necessary information and to be in touch with each other.

Checking the Profile of Candidates on These Sites

These days, most of the banks, especially private sector, have started using social networking sites for the purpose of recruitments. With the help of these communities, the HR department checks the candidate’s profile on social networking sites to decide the candidature for the job.

Written Examination for R&S

There is a policy of written examination in all types of banks for selection of each level of employees. Earlier the employees were required to appear in the written examinations only at the entrance level. But now, the provisions have been changed and they have to take written tests for the higher levels and internal recruitment also. Moreover, now a day, Private sector banks have also started conducting written examination for checking the exact competence and psychology of the candidates.

Result Oriented Policy of R&S

In the present scenario, the HR department of banks has also started formulating a result oriented recruitment and selection policy for their banks. This policy helps them to keep only those employees who are increasing the bank’s profit and fire out or demote the other ones. Even the public sector banks also don’t give promotions to those whose past records in terms or branch business are very poor.

Formal Induction of New Candidates

There is a formal induction orientation and familiarization process so as to help new recruits understand the organisation. This also makes the starters to be comfortable with the work environment of the organisation. Garvey (2001), Gomez-Mejia *et al.* (2003) and Cisco (2006) also argued that without excellent induction, the execution of organizational strategy may vacillate.

Innovative Training & Development Practices

This factor incorporates all such practices that generate tangible outcome and intangible results in terms of enhanced self-esteem, high morale, and satisfaction of employees due to acquisition of additional knowledge, skills, and abilities (Khan, 2010). Executive development practices have also been considered under this variable. Researchers have concluded that investment in training yields strategic advantage to the organizations (Bitner & Zeithmal, 2004; Pitkanen 2007 and Blair and Sisakhti, 2007). Following are the **seven** innovative Training and Development practices found in the present study:

Test of Trainees

Use of written examination for selecting employees for training is one of the major innovations mentioned by most of the respondents of the present study. This helps the employees to be free from any kind of biasness. ICICI Bank and SBI are organising such tests for higher level employees' training too.

Job Rotation

There is also a provision of job rotation for giving the employees proper exposure of different departments. With job rotation, an employee is given an opportunity to perform different jobs, which enriches his skills, experience and ability to perform different jobs. In HDFC Bank, all employees are involved in the Job Rotation Schedule. In HDFC Bank, the staffs get rotated in every 6 months and the officers get rotated every 3 years.

Customised Training

Special and separate/customised training programs have also been designed for different levels of employees in the banks. State bank of India is practising this practice for more than one and a half decades. Other banks are also following this innovative HR practice. However, the implementation level might be low in their cases.

Continuous Training Need Assessment

In some of the banks, continuous training need assessment of employees by the HR department is also practised. With the help of continuous training need assessment, only those employees, who are actually in the need of the training, are sent for the training. Aggarwala (2003) has also explored this innovative practice in one of her studies.

Regular Training

One of the major problems, which were earlier found in the banking sector, was that the training intervals were very high. Even the employees were trained only

once in a decade or even in the entire job life. But now, innovations in HRM have called for the need for regular training for the bank employees too.

Encouragement to Apply Training Learning

Employees are also being encouraged to apply the techniques learnt in their training program. They are given a chance to apply the information acquired by them during the training practically so that they may not forget it ever.

Arrangement of Special Projects

To make the learning effective, some banks have the practice of selecting the staff for special project teams meant for bank's effectiveness. Private sector banks like HDFC and YES bank are sending their employees for special projects training so that they can acquire some specialised skills and knowledge.

Innovative Performance Management practices

Performance is defined as the record of outcomes produced on a specified job function or activity during a specified time period (Bernardin and Russell 1993). Appraising is a general process of facilitating interpersonal relationship between employees and managers through performance related discussions (Wilson & Western, 2000). This category of HR practices includes the new practices related to goal achievement in an efficient manner, their appraisals and job assessments. In the present study, **six** innovative HRM practices related to Performance Management were found which are:

Formation of Performance Matrix

The very common innovative HR practice of performance management has been that the performance matrix or some other competency mapping models being used for employee's performance reviews. All private sector banks under the study are following this innovation in the performance management practices for a long time. This has enhanced the performance as well as the morale of their employees.

Goal Review Based Appraisal

The respondents under the study also disclosed that goal reviews and competency review systems, the two common methods, are being used for appraising the performance of employees. This helps to match the performance of the employees with the earlier set goals of the individuals and organisations.

Appraisal on Fair Objective Data

In this study, it was found that the employees are being assessed for their fair objective data. These data may relate to their deposits, advances, NPAs, or profit

per employee. These objectives and fair data helps the employers to appraise the employees without any biasness and good performers are benefitted from this.

360 Degree Performance Appraisal

Another innovation is that they are reviewing the performance from multiple sources e.g. superiors, juniors, peers etc., i.e., 360 degree performance review system, which was not prevalent earlier, is being implemented in most of the banks. The same practice has also been discussed by Aggarwala (2003) in her study on innovative HRM practices.

Option to Challenge the Appraisal

These days, the employees of a few banks have the power to challenge their appraisal done by the HR department or by their superiors, if they disagree on some issue. But for this, they need to represent to the higher levels with solid proofs and logics.

Full Awareness of the Performance Appraisal Policy

Moreover, there is a complete awareness of the Performance Appraisal policy of HR department among all the staff members so that they are well aware of what they have done and what they should not have done. Bernardin and Russel (1993); Landy & Far (1980) and Webb (2004) have also favoured this innovation in their studies.

Innovative Compensation Management Practices

Compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovich and Newman 1999). An effective set of choices about compensation systems plays a major role in determining firm performance (Dreher and Dougherty 2005). Explanation given below is related to the **four** innovations under this head found during the present study.

Announcing Special Incentive to the Talented Employees

Special incentives are given to talented employees to encourage better performance. Using incentive compensation to stimulate better performance and to provide promotion opportunities through an internal labour market increases satisfaction and self-actualization (Harel & Tzafrir, 2001). Same has also been confirmed by Gerhart & Milkovich (1992) in one of their studies.

Special Increments on Regular Basis

One major innovative practice of compensation has been identified that is there has been a provision of special increments for better performance of the employees.

This gives the employees an enough salary growth. Park *et al.* (1994) and Trevor *et al.* (1997) also found that salary growth had a pronounced effect on turnover.

Special Festival Advance

These days, the HR department has also started one new scheme of providing special festival advances to the bank employees on either discounted rates or without any interest so that they can fulfil their family requirements on the festivals without bearing any special burden. The HR personnel of these banks are of the view that, due to provision of this scheme, the employees are demanding fewer leaves in the festive season.

Customised Perks

In last couple of years, the perks have also been customised to the individual needs. This practice is gaining popularity in other Indian organisations too (Aggarwala, 2003). Banks under the study are also using this innovative HR practice.

Innovative Career Development Practices

Those innovative HRM practices which include both organizational actions and individual efforts aimed at setting career goals, formulating and implementing strategies and monitoring the results are categorised under this head (Greenhaus 1987). These help the employees to groom themselves and manage their careers. Verburg *et al.* (2007) identified career development itself as an ideal innovative HRM practice. Following are the five Career Development related innovations:

Availability of Educational Opportunities at Workplace

Education related opportunities are being provided at the work place for the career enhancement of the bank employees. This has increased their dedication towards work in their present organisations. A few private banks just like YES bank are also providing opportunities to their employees to get enrolled to professional courses so as to enhance their skills as well as degrees. This boosts up their morale for work.

Easy Approval to the Job Applications

This study identified that one latest innovation in the career development of employees is that the applications sent for the career opportunities outside the bank are being approved by the HR department and regional managers quickly, which were either verbally denied by the top management or delayed for approval. But now a days, these applications are easily approved so that employees can think of their career development.

Preference to Seniority in Promotions

Seniority is given proper weightage in the promotion decisions in banking sector. Even transfers on promotions are also affected by the seniority. E.g. Central bank of India has a promotion provision to give favourable and closest transfer to the employees who are senior among others in the promotion process.

Promoting on the Basis of Merit

Banks are also organising written tests and interviews for the promotion process so that merit can be one of the criteria for promotions. A well-planned career development system along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance (Milkovich and Boudreau, 1998).

Providing Faster Promotions

Fast track promotion process is also one common innovative practice identified in the study. Earlier the employees had to wait for years to get promotions. But these days, they get faster promotions, even in two to three years. Public sector banks like Punjab National Bank and Central Bank of India are using this technique to refill the higher posts quickly. This helps the employees to develop their career in their own bank and they don't even think of leaving the bank for getting better opportunity outside in other banks or organisations.

Innovative Employee Motivation Practices

The effectiveness of skilled employees will be limited if they are not motivated to perform their jobs (Delaney and Huselid, 1996). This factor of HR practices includes all those innovations relating to motivation of the employees through new ways. In the present investigation, **eleven** innovative motivation practices have been identified. Accordingly, the employees can be motivated in the new ways:

Using Music at Work Place

Use of music at workplace, to improve the performance, is one major innovation found in the study. SBI has introduced the *concept of playing light music* in its branches so that a calm and soothing environment can be provided to the employees as well as to the customers. Other banks too have started following this practice.

Providing Day Care Centers

There is an arrangement of day care centres in most of the surveyed banks for the children of employees, so that they have no difficulty in maintaining work life

balance. In these day care centres, they can drop their children while they are at work. This won't even divert their minds towards their family while working. Young mothers remain satisfied when their little ones are not far away from them.

Work Autonomy

In the last few years, greater work autonomy is also being provided to the bank employees. This helps them to work according to their best possible capability without any interference and they try to give their best. This is a kind of brain storming exercise through which the employers can get best out of the minds of their employees.

Making Available ESOPs

Availability of Employee Stock Option Plans is a practice which has been innovated in the banking sector for a last few years so that the employees feel that they are also the owners of the banks. This feeling makes the employees more loyal to their organisation.

Providing Loans at Discounted Rates

Availability of loans and advances at discounted rates to all the employees is also another common innovative HRM practice leading to motivation of the employees. They can get loans on simple interest for getting vehicles, constructing house or even educating their wards. This helps the employees financially and motivates them to increase their efficiency.

Giving an Option of Flexible Working Hours

Some of the banks are also providing flexible working hours to enhance the productivity of employees. Banking hours are generally common everywhere, but a few banks have started giving an option of flexible working hours in two different shifts so that the employees can work according to their comfort. HDFC bank is an example. This practice was also identified by Kundu & Malhan (2009) in one of their studies.

Approving Leave Applications Easily

These days, there is an easy availability of leave on demand in case of urgency which was the common HR issue among the bank employees. However, this practice prevails in a few banks only. Keeping in mind the benefits of this innovative practice, other banks have also started this practice for motivating and retaining their employees in their organisations.

Organizing Stress Management Programs

Arrangement of stress management programmes, art of living classes, yoga sessions etc. are distinct innovations which have not been there in the banking system earlier. These practices are the best boosters and relaxers for the bank employees who are mostly under work pressure.

Encouraging Team Building Attitude

By encouraging team building attitude in the employees, the HR department of banks has started a new practice of motivating them. They work in teams and learn new skills. This increases their confidence and hence they feel more motivated.

Giving Best Employee Awards

Announcement of best employee awards was a common practice in the private sector banks, but these days, the public sector banks have also started the same practice to motivate their employees. A few banks have recently introduced the practice of writing the best employee's name on the display board in the regional centres or even in the branches of their banks. Better-motivated employees lead to higher individual achievement and improved organizational performance (Huselid, 1995; Pfeffer, 1994; Delaney *et al.*, 1989).

Arranging Family Get-togethers

Family get-togethers have become so common in the banking sector that the employees working there feel closer to each other. These informal family get-togethers help them to be relaxed for some time. Even, a few of the respondents were of the view point that with the help of this innovation, they can live their social lives easily among their own colleagues.

Innovative Employee Security Practices

The practices which make the employee feel highly secured in his present job are the best suited for this category. These practices when implemented through new ways may help an employee to feel most satisfied in his job. A total of **seven** Innovative Employee Security practices found in the present study were:

Provision of Sabbatical Leaves

One innovative practice adopted by the HR department of the banks is that there is a provision of "sabbatical leaves" (part time leave from organisation with 50% or less salary in case of crisis) for employees. This helps in reducing the employee turnover rate in the banks. Infosys started giving *sabbatical leaves* to its employees in India so that they may get job security. This was followed by HDFC bank and then the others also started using this HRM practice.

Sufficient Retirement Benefits

Providing proper retirement benefits is another HR innovation revealed by the employees under the study. Unlike earlier days, now the employees get enough gratuities, pension and other retirement benefits which can secure their rest of the life after leaving the job.

Option of Voluntary Retirement

Another innovation explored under this study was that for last few years, VRS has also become common in banking sector. Now, the employees of the banks can also enjoy the benefits of this scheme if they need earlier retirements from their work. This doesn't interrupt their other retirement benefits.

Insurance of Dependents

Banks also give the facility of dependent's insurance which gives a sense of security in the minds of employees for their family too. This motivates them by satisfying their social as well as security needs.

Job Security

Earlier the bank employees were even asked to leave the bank in case of any default being made by the employees. But now, their genuine grounds are taken into notice and they are ensured for the job security, even in the private sector too. This gives surety to an employee that he would be the last one to be asked to leave the organisation if any financial problem arises.

Full Support from the Regional or Central Office

The HR department as well as the controlling office is supporting the employees on the genuine grounds. This full support from the top level enhances the feeling of security and motivation among the employees and they work harder. Firth *et al.* (2004) found that emotional support from supervisors and self-esteem mitigated the impact of stressors on stress reactions, job satisfaction, commitment to the organization and intention to quit.

Proper Grievances Procedures

There is a provision of written as well as operational grievances procedures. The existence of the formal mechanism of dispute resolution reduces employees' fear of being unfairly treated and increases their perception of equitable treatment resulting in a more dedicated workforce and better performance (Arthur, 1992).

CONCLUSION

In the present competitive world, the banking sector, especially of the developing economies like India, is facing lot of tough competition, talent crunch, and skill shortage. All these have made the banks feel that the internal customer is also more important equally with external customers, so every bank is trying to devise innovative HR practices to attract best talent and give them comfortable environment to work with, that enables the banks to retain talents. Chakrabarty (2012) has highlighted in one of his speeches on HRM in banks that it is the people, people and people that make an organization achieve competitive advantage in this tough and competitive world. In the present study, forty nine innovative HRM practices have been identified which are being used by the Indian public sector and private sector banks. A few of these practices had been in use for past many years in many of these banks. However, the results of this study have provided with many new innovative concepts and terms related to HRM. Concepts like *hiring professionals, sabbatical leaves policy, professional courses in banks, training tests, ESOPs, social networking profiles*, and a many more are quite new to the industry. Now a days, the profile of the employees is being checked using the social networking sites. Flexible working hours, child care centres, provision of special perks in the salary packages etc. are just a few other examples of the innovative practices of HRM revealed in this study. The list has been too long making a total of forty nine practices in seven comprehensive heads of HR variables.

The banking sector is the financial pillar of the Indian economy. No doubt the level of implementation of these innovations may not be satisfactory, yet the implementation has been started and the favourable results in the productivity will make these banks feel how important these are for their growth. It has been found that convergence of practices of new and innovative HR areas will benefit the banks to become more competitive in the global market. Thus, all these innovative practices are a must in this sector to move on in the dynamic business environment.

All these practices might have been implemented differently in different banks. The respondents were only from the HR department, thus some of the responses might had influence of the departmental biasness. Thus, a further study on exploring different perceptions of other employees of the banks can give more conclusive remarks. Future research can also be done covering a wider area and more respondents with cross cultural extensions even across the country. Researchers might also want to look at the differences, if any, in the adoption of innovative HRM practices from developed and emerging market perspectives. Industry wise comparisons can also be done using some secondary financial data.

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