Full Length Research Paper

The impact of human resource management practices in innovation culture
Case Study: Bank of Palestine in Gaza strip

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The purpose of this study is to determine the degree of correlation between HRM practices and innovation culture and the degree of the impact of each HRM practice on the innovation culture.Data of this study are obtained from Bank Of Palestine (BoP), triangulation mixed method is used in this study, by using quantitative and qualitative analysis in order to get three points upon the factors being studied through questionnaires distributed to BoPs' employees in different branches in Gaza strip, and interview with the HR   manager of BoP and a focus group with BoP's HR team. The results of this study concluded that there is a correlation between HRM practices and innovation culture. The HRM practices, which include staffing process, compensation, employee and labor relations, training and development, safety and health and communication, and participation, should be implemented in a holistic system and not in isolation in order to best stimulate innovation culture. The study recommended the pre-evaluation tests should be changed to better measure employees' creativity, flexibility and ability to take risks which all lead to a better innovation culture.

Key Words: Innovation, Innovation Culture, Staffing, Compensation, and HR Development.

INTRODUCTION

The rapid development of high technology, information and communications technologies have urged many organizations to actively seek for new ways, ideas, experimentation, and creative solutions in improving their current product, process, system and technology, which is commonly referred to as organizational innovation.Organizational innovation has been viewed as an essential weapon for organizations to compete in this competitive business environment, particularly the Palestinian market which characterized by its high competitiveness.

Based on the previous importance of the organizational innovation, many renowned scholars have attempted to define the key components required to promote the innovation culture required for a business to achieve a competitive advantage. Human resources have been called "the key ingredient to organizational success and failure'' Baron and Kerps (1999), including success and failure in company innovation performance. The concept of human resource management started to receive specific attention from researchers at the end of the 1970s with the influence of two basic changes in the literature: first, the shift from the old personnel administration approach to the more modern concept of human resources and second, the reorientation of generic strategic models to internal aspects of the organization Alcazar et al. (2005).

The human resources are one of the most key resources in any firm and organization, it is the most key tools that could help the firm to improve its services and satisfy its customers, based on such importance, and

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many researches were done to investigate the relation between human resources management and innovation inside the firms and organizations. Starting from the mentioned importance of the human resources, many studies were focusing on how to improve the organizational innovation through the human resources practices systems and individuals.Tan and Nasurdin (2011) indicated that, one of the ways to heighten the organizational innovation is through effective human resource management practices and effective knowledge. Chen and Huang (2007) indicate that strategic HR practices relate positively to knowledge management capacity, which in turn relate positively to innovation performance. The findings show support for the mediating effect of knowledge management capacity on the relationship between strategic HR practices and innovation performance.

HRM can contribute to the strategies and strategic planning process of the organization in different ways. HRM functions like performance evaluation, human resource planning, employee selection, training,compensation, communication with other departments and wage management should be designed according to the strategic plans of the organization.

To best investigate the relationship between HRM practices and Innovation, this research will focus on the Palestinian banking sector and specifically , the case of Bank Of Palestine (BOP). BOP not only the largest local bank in Palestine in terms of total assets, total deposits and total credit facilities , but it is also the second largest private sector employer in the country with a well-diversified branch network. The HR department of Bank Of Palestine oversees more than 1,300 employees in more than 50 branches in Palestine. Accordingly, the HR department with this number of employees and branches and departments' multi tasks and responsibilities offers a great a rich case study for this graduation research.

Research problem

The adoption of certain HR practices is very critical to create an efficient workplace for the employees, when adopted and managed effectively, those practices help to create and enhance the innovative culture in any organization that is required to gain a competitive advantage, thus contribute to its survival and potential expansion.

Jaber, the human resource manager at BoP stated that the decision making at BoP is centralized and employees have limited contribution to decision making .In addition, she mentioned that the communication between top management and employees is very limited as the communication at BoP concentrates on following the administrative hierarchy through communication. So it is expected that the HR department has limited contribution to innovation.

The research defined innovation as it is in need of a significant transformation on how HRM practices are designed, developed and executed in Bank of Palestine. Traditional approaches to managing this simply need ripping up and redesigning to allow innovation to become more the central core.

Research questions

Key question

- Do HRM practices contribute to and influence the level of innovation culture at BOP? If yes, to which degree does each practice affects innovation?

And from the key question, sub questions are raised as follows:

- To which extent staffing process, compensation,training and development, employee and labor relations, communication and participation, safety and health contribute to employee innovation?

Research hypothesis:

The key hypothesis:

There is a statistically significant relationship at α =0.05 between the type of HRM practicesimplemented at BOP and innovation.

The sub hypothesis:

- ➢ There is a statistically significant relationship at α = 0.05 between staffing process and innovation at BOP.
- ➢ There is a statistically significant relationship at α = 0.05 between HR development and innovation.
- ➢ There is a statistically significant relationship at α = 0.05 between Compensation plans and innovation.
- ➢ There is a statistically significant relationship at α = 0.05 between communication among employees and participation in decision making and innovation.

Research objectives

- ➢ To determine the degree of correlation that exist between HR practices and innovation culture and innovational behavior.

> To determine to which degree each HRM practice (Staffing ,compensation plans, employee relations, communication,participation in decision making) has an impact on innovation at BOP.
> To evaluate the HR practices that currently adopted by BOP and measuring their role in contributing to BOP's innovation culture.
> To identify the degree to which innovation culture exists at BOP and find ways to enhance and improve it in order to gain a competitive advantage and outperform its competitors at the Palestinian banking sector.

Research importance:

> **Importance for the researcher:** A requirement to get the Bachelor's degree and a good opportunity to link the theoretical part and the practical one especially in the subject of HR.
> **Importance for the organization:** The recommendations and suggestions will help BOP and maybe the Palestinian Banking Sector to improve HR practices in order to improve innovation and to create an innovation culture for their employees and so better gain a competitive advantage over competitors.
> **Importance for the community:** it might be useful to improve our community, by providing information to other academic researchers.

Research variables:

The dependent variable: Innovation.

The independent variables: Staffing process, compensation, training and development, employee and labor relations, communication and participation, safety and health.

Literature Review:

Bal et al. (2013), aimed to study the relationship between HRM practices and Innovation, it was conducted on 48 organizations in various sectors. They explore the impact of training and development, participation to decision making, job analysis, career management and performance evaluation in innovation, they also examine if HRM practices show differences according to employee number, capital structure and company age. This study revealed that there is a positive and strong relationship between innovation and HRM practices including communication and participation, staffing process, training and development.

Many investigations suggest that HR practices influence organizational performance through their effect on key mediating variables (Training, organizational development compensation, performance appraisal, performance evaluation, labor relation and safety and health).The diverse results of studies in this field seem to suggest that the sector of activity may determine specific aspects of this relation. By analyzing data from a single industry, this paper aims to increase understanding of the mediating role of human capital in the relation between human resource management practices and innovation. Data from a survey of 109 firms managing hotel establishments in Spain show that, in the hotel industry, some human resource management practices, including compensation, training and development, employee and labor relations, safety and health,affect innovation through their influence on human capital (Julia, 2013).

Manon (2013) explored the relationship between innovation and Human Resource Management (HRM) factors in service organizations including compensation, training and development, employee and labor relations, communication, safety and health. To provide insight in this relationship the HR practices staffing, training, appraisal, planning, compensation and job rotation have been chosen to investigate. As the aim of this research is to get a detailed understanding of the link between HR practices and innovation, it was important to determine which HR practices are implemented in service organizations and which HR practices encourage innovation and to make this possible interviews with different Danish service organizations was the main research tool. The results confirm that there is a positive relationship between HR practices of staffing process, compensation, training and development, employee and labor relations, influence the innovation in the service organizations.It is useless to site studies without explaining which practice leads to innovation.

Laursen and Foss (2013) in their study discussed the role of human resource practices for explaining innovation outcomes. They specifically put an emphasis on what is called "new" or "modern" HRM practices, that imply high levels of delegation of decisions, extensive lateral and vertical communication channels, and the use of reward system. They also discuss how individual practices influence innovation and how the clustering of specific practices matters for innovation. The study shows that there's a strong relation between HRM practices and innovation and also ranks the practices according to their influence to innovation.

Aya (2012) examined the relationship between HR practices and IWB, the relationship between leadership behavior and IWB and the influence of leadership behavior on the relationship between HR practices and IWB. The hypothesized effects were tested using quantitative and qualitative data derived from an

international paint company in the Netherlands and the United Kingdom. Results indicate that except for the construct 'payment system' all constructs score higher than three on a five point Likert scale, which indicates that on average the participants tend to agree on the items that represent the constructs. With the comparison of means, it is found that it can be concluded that the Netherlands and the UK do no significantly differ from one another, except for the construct 'opportunity exploration' which is a part of the concept IWB. Furthermore, the participants that have a permanent contract perceive a higher IWB than the participants that have a temporarily contract, The number of years a person is employed within the organization influences several constructs significantly, participants that work in the production department experience fewer opportunities for training and development than the participants that work in other departments, the participants that are 29 years and younger express less IWB than the participants that are older and that there are significant differences in the construct 'payment system' show between the employees that completed elementary school as highest completed education and the employees that completed education at University level.

Oltra and Alegre (2011) made a preliminary attempt to integrate the links between HRM and (innovation) performance, OL(C) assessment, the links between HRM and OL(C), and also the OL(C)-innovation link. They emphasized the distinction between policy-based variables (innovation triggering HR practices) and processual, mediating ones (OL processes), all of them eventually impacting innovation performance.

Cheng and Aizzat (2010) examined the direct relationship between HRM practices (performance appraisal , career management , training , reward system and recruitment) and organizational innovation (product innovation , process innovation and administrative innovation). Additionally , it also examined the mediating role of knowledge management effectiveness on the direct relationship. Data was drawn from a sample of 171 large manufacturing firms in Malaysia , the results showed that HRM practices generally have a positive effect on organizational innovation. This study also demonstrates that training and performance appraisal are positively related to knowledge management effectiveness.

Alsaghir (2010), investigated the relationship between HRM practices, including Hiring and selection, staffing, Compensation, training, job design and workplace governance in two large Lebanese banks and talked about how to use the innovative HRM practices in BPR (Business Process Reengineering) and the results confirmed that there's a correlation between HRM practices and innovation.

Laursen and Foss (2003) in their study developed an argument that there is a positive relationship between new HRM practices and innovation performance , they

examine the hypothesis by estimating an empirical model of innovation performance , using data from a Danish survey of 1900 business firm, they identify two HRM systems which are conducive to innovation . In the first one, seven of nine HRM variables (including performance appraisal, performance evaluation, job design, job rotation, training, compensation) matter almost equally for the ability to innovate. The second system is dominated by firm internal and external training.

RESEARCH DESIGN AND METHODOLOGY

The researcher used the analytical descriptive approach, which is the most used methodology in the study of human and social phenomena, where it fits the phenomenon under study, "Assessing the relationship between Human Resource practices and Innovation, Case study of Bank Of Palestine in Gaza ". The analytical descriptive method tries to compare, interpret and evaluate the phenomenon in order to reach a meaningful design, and anchor an accurate description of the phenomenon to understand its content. In general, the analytical descriptive approach is known as o method that is based on adequate and specific information with a specific topic through limited period of time in order to reach practical results that are interpreted in an objective manner in accordance with the requirements of the phenomenon.

Research methodology

Triangulation mixed method is used in this study by bringing together quantitative and qualitative analysis, by using questionnaires and interview. Which increase the validity of the study by analyzing the research questions from multiple perspectives.data triangulation is used as different sources (BoP HR manager, BoP HR team and BoP employees) are accessed to gain the needed data. In depth interview has been conducted with the HR manager,discussions with HR team and questionnaires are distributed to a sample of employees.

Research population

The population of the study is from the Palestinian banking sector taking BoP as a case study, employees in the head quarter, as well from different branches and sub branches in Gaza at different levels, which include office boys, secretaries, officers, senior officers, head of sections and managers. As the value of the survey increases by the increase of sample size, when there is variation in respondents' level in corporate hierarchy, and when they work in different units of the company. Rao&Weintraub (2013).The bank has 1,405 employees in

Table 1: Correction study Tool According to Likert Scale

Level	Totally disagree	Disagree	Neutral	Agree	Totally agree
Scale	1	2	3	4	5
Weight mean	20%-36%	36%-52%	52%-68%	68%-84%	84%-100%

Table 2: Distribution of the sample according to gender

Gender	Frequency	Percentages
Male	116	61.7
Female	72	38.3
Total	188	100

Palestine (Gaza & West bank) in 2015 and they employee 320 in 2016, that the researcher excluded them as they interested only in permanent employees and they cannot judge because of the lack of sufficient experience in BoP.

Research sample

The questionnaire is distributed to a sample of 190 employees (50% of the total employees number and after excluding the recently employed as they cannot judge because of the lack of sufficient experience in BoP) from different departments and branches in Gaza and different levels. The sample size is chosen based on a formula with confidence interval of ±5% and confidence level of 95% to test the impact of HRM practices on innovation culture.Afterwards, The researchers divided BoP employees into 5 levels according to their job titles and calculated the percentage of the available employees in each level and consequently divided the sample size into these different groups. Successively the researcher has chosen 10 different branches based on their locations in order to cover most of Gaza's areas.

The number of employees from each branch has been chosen by dividing the number of employees in each branch to the total number of the sample , then depending on the rates of each level, the number of employees from each level at each branch has been part of the sample.And employees who represent the needed sample criteria were randomly selected. The researcher with the great help of the HR manager has given an equal chance for employees at each level to be selected.

Questionnaire of the study

The questionnaire of this study consisted of two parts: the first part contains personal data including; gender, age, education, number of years working in BoP and the number of colleagues in the employee's department or office. The second part measures employees' perception about the implemented HRM practices at BoP.

Data Measurement

In order to be able to select the appropriate method of analysis, the level of measurement should be understood. For each type of measurement, there is/are an appropriate method/s that can be applied. In this research, ordinal Likert Quintet Scale was used. The Likert Scale is an ordinal psychometric measurement of attitudes, beliefs and opinions. In each question, a statement is presented in which a respondent must indicate a degree of agreement or disagreement in a multiple choice type format. Based on Likert scale, we have the following (See Table 1).

Sample personal characteristics

Gender: As shown in table 2, 61.7% of employees who responded to the questionnaire are males and the rest 38.3% are females.

Age: Results show that 15.4% from the sample's age are "20-25 years ", and 55.9% from the sample's age are "26-35 years ", and 24.5% from the sample's age are "36-46 years ", and 4.3% from the sample's age are "46 years or more " (See Table 3 for distribution of the sample according to age).

Education (Qualification): Results show that 51.1% from the sample of qualification is " Bachelor " , and 43.6% from the sample of qualification is " Master " ,and 5.3% from the sample of qualification is "PHD ((See Table 4 for distribution of the sample according to qualifications).

Table 3: Distribution of the sample according to age

Age	Frequency	Percentage
20-25 years	29	15.40%
26-35 years	105	55.90%
36-46 years	46	24.50%
46 years or more	8	4.30%
Total	**188**	**100%**

Table 4: Distribution of sample according to qualifications

Qualification	Frequency	Percentage
Bachelor degree	96	51.10%
Master degree	82	43.60%
PHD	10	5.30%
Total	**188**	**100.00%**

Table 5: Contribution of sample according to years of working at BoP

Years of working at BoP	Frequency	Percentage
3 years or less	61	32.40%
4-8 years	72	38.30%
9-14 years	42	22.30%
15 or more years	13	6.90%
Total	**188**	**100%**

Years of working at BoP: As Table 5 shows that 32.4% from the sample are "3 years or less" working at BoP, and 38.3% from the sample are "4-8 years" working at BoP, and 22.3% from the sample are "9-14 years" working at BoP, and 6.9 % from the sample are "15 years or more " working at BoP.

Validity and Reliability of the questionnaire

Statistical validity of the research: To insure the validity of the questionnaire, two statistical tests should be applied.

Internal consistency: Internal consistency of the questionnaire is measured by a scouting sample, which consisted of thirty questionnaires, through measuring the correlation coefficients between each question in one field and the whole filed. Table (6) below shows the correlation coefficient and p-value for each field items. As show in the table the p- Values are less than 0.05 or 0.01,so the correlation coefficients of this field are significant at α = 0.01 or α = 0.05, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Structure validity of the questionnaire: Structure validity is the second statistical test that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole

Table 6: The correlation coefficient between each question in the field and the whole field

no	Pearson coefficient	p-value	no	Pearson coefficient	p-value	no	Pearson coefficient	p-value	no	Pearson coefficient	p-value
A. Staffing Process			**B. Training and Development**			**C. Compensation**			**D. Safety and health**		
1	0.414	0.023	1	0.386	0.035	1	0.565	0.001	1	0.487	0.006
2	0.645	0.000	2	0.598	0.000	2	0.745	0.000	2	0.393	0.032
3	0.785	0.000	3	0.669	0.000	3	0.715	0.000	3	0.483	0.007
4	0.566	0.001	4	0.717	0.000	4	0.595	0.001	4	0.462	0.010
5	0.630	0.000	5	0.662	0.000	5	0.615	0.000	5	0.460	0.010
6	0.667	0.000	6	0.412	0.024	6	0.377	0.040	6	0.561	0.001
7	0.600	0.000	7	0.498	0.005	7	0.583	0.001	7	0.543	0.002
8	0.714	0.000	8	0.698	0.000	8	0.536	0.002			
E. Communication and participation			**F. Employee and labor relation**			**G. Innovation**					
1	0.826	0.000	1	0.737	0.000	1	0.745	0.000	8	0.729	0.000
2	0.842	0.000	2	0.857	0.000	2	0.645	0.000	9	0.745	0.000
3	0.783	0.000	3	0.524	0.003	3	0.605	0.000	10	0.715	0.000
4	0.917	0.000	4	0.585	0.001	4	0.585	0.001	11	0.485	0.007
5	0.433	0.017	5	0.699	0.000	5	0.699	0.000	12	0.419	0.021
6	0.644	0.000	6	0.661	0.000	6	0.681	0.000	13	0.478	0.008
7	0.595	0.001				7	0.485	0.007	14	0.659	0.000
8	0.615	0.000									

Table 7: Structure Validity of the Questionnaire

No.	Section	Pearson correlation coefficient	p-value
1	A. Staffing Process	0.792	0.000
2	B. Training and Development	0.863	0.000
3	C. Compensation	0.920	0.000
4	D. Safety and health	0.608	0.000
5	E. Communication and participation	0.716	0.000
6	F. Employee and labor relation	0.828	0.000
7	G .Innovation	0.597	0.000

questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of likert scale. As shown in table 7, the significance values are less than 0.01, so the correlation coefficients of all the fields are significant at α = 0.01, so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the study.

Reliability of the research

Half split method: This method depends on finding Pearson correlation coefficient between the means of odd rank questions and even rank questions of each field of the questionnaire. Then, correcting the Pearson correlation coefficients can be done by using Spearman Brown correlation coefficient of correction. The corrected

Table 8: Half-split Coefficient method test

No.	Field	person- correlation	Spearman-Brown Coefficient
1	A. Staffing Process	0.7115	0.8314
2	B. Training and Development	0.7354	0.8475
3	C. Compensation	0.7115	0.8314
4	D. Safety and health	0.8165	0.8990
5	E. Communication and participation	0.7056	0.8274
6	F. Employee and labor relation	0.7525	0.8588
7	G. Innovation	0.725	0.840
	all items	0.785	0.880

Table 9: Cronbach's Alpha for reliability

No.	Field	Cronbach's Alpha
1	A. Staffing Process	0.8475
2	B. Training and Development	0.8607
3	C. Compensation	0.8582
4	D. Safety and health	0.8721
5	E. Communication and participation	0.8924
6	F. Employee and labor relation	0.8721
7	G. Innovation	0.9174
	All items	**0.892**

correlation coefficient (consistency coefficient) is computed according to the following equation:

Consistency coefficient = 2r/(r+1)

Where r is the Pearson correlation coefficient. The normal range of corrected correlation coefficient 2r/(r+1) is between 0.0 and + 1.0 As shown in table 8, and the general reliability for all items equal 0.880, and the significant (α) is less than 0.05 so all the corrected correlation coefficients are significance at α = 0.05. It can be said that according to the Half Split method, the dispute causes group are reliable.

Cronbach's coefficient alpha: This method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency. As shown in Table 9 the Cronbach's coefficient alpha was calculated. The general reliability for all items equal 0.892. This range is considered high; the result ensures the reliability of the questionnaire.

Statistical analysis tools

➢ Frequencies and Percentile.
➢ Alpha- Cronbach Test for measuring reliability of the items of the questionnaires.
➢ Person correlation coefficients for measuring validity of the items of the questionnaires.
➢ Spearman –Brown Coefficient.
➢ One sample t test.

Questionnaire statistical analysis

This study examines the impact of staffing process, compensation, training & development, safety & health and employee & labor relation.

The first field (Staffing process): One sample t test for the opinion of the respondents about staffing process and the results areshown in table 10, where the average mean for all items equal 3.96and the weight mean equal 79.28% which is greater than " 60%" and the value of t test equal 28.435, which is greater than the critical value which is equal 1.98 and the p- value equal 0.000 which is

Table 10: Means and T-test for "staffing process"

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value
1	The staffing process mainly depends on the educational level	4.15	0.693	82.98	22.729	0.000
2	The committee who interview the applicants are professional and have the required skills and knowledge related to this task	3.85	0.794	77.02	14.701	0.000
3	No bias occurs by members of this committee for the benefit of one of the applicants	3.76	0.994	75.11	10.419	0.000
4	The applicant is subject to pre-employment screening test which reveals the level of his\her skills	3.96	0.752	79.15	17.465	0.000
5	Interview plays a key role in examining the suitability of the applicant	4.03	0.490	80.53	28.737	0.000
6	Job interview contains a variety of questions about the behavior and competencies of each applicant	3.91	0.692	78.19	18.031	0.000
7	There is an opportunity for current employees to apply for available vacancies at different departments and levels	4.26	0.621	85.21	27.812	0.000
8	I think the staffing process at BoP is effective	3.80	1.044	76.06	10.551	0.000
	All items	**3.96**	**0.465**	**79.28**	**28.435**	**0.000**

Table 11: Means and T-test for "Training and Development"

No	Items	Mean	standard deviation	Weight mean	t-value	P-value
1	BoP concentrates on developing its employees in its mission and strategic plan	3.97	0.649	79.47	20.552	0.000
2	BoP conducts training courses in a regular bases	4.04	0.541	80.74	26.286	0.000
3	There is a qualified cadre for training and development at BoP	4.16	0.654	83.30	24.437	0.000
4	BoP responds to managers' recommendations about the needed training courses to their employees	3.39	1.004	67.77	5.301	0.000
5	The employees have the freedom to choose the training they want	3.01	0.967	60.11	0.075	0.940
6	The employees give their suggestions about the training courses that they need	2.97	1.010	59.47	-0.361	0.719
7	Trainees provide feedback about the efficiency of the training course they attend	3.43	0.998	68.62	5.922	0.000
8	I get at least two training courses each year	3.60	1.052	72.02	7.832	0.000
	All items	**3.57**	**0.487**	**71.44**	**16.112**	**0.000**

less than 0.05, that means that the majority of employees consider the staffing process at BoP is effective, but we can mention that the mean of item #3 " No bias occurs by members of this committee for the benefit of one of the applicants" got the lowest weight equals 3.76, which means that there's a big portion of the employees think that there is a bias in the staffing process.

The second field (Training and development): One sample t test for the opinion of the respondent about Training and Development and the results are shown in table 11, where the average mean   for all items equal 3.57 and the weight mean equal   71.44% which is greater than " 60%" and the value of t test equal 16.112 which is greater than the critical value which is equal 1.98 and the p- value equal 0.000 which is less than 0.05. The mean of item #6 is negative and the mean of item # 5 is very low, this is consistent with the

Table 12: Means and T-test for "Compensation"

No	Items	Mean	standard deviation	Weight mean	t-value	P-value
1	BoP has satisfactory payroll, compensation and benefits	4.23	0.458	84.57	36.813	0.000
2	BoP has a good compensation plan for its employees	4.03	0.677	80.64	20.887	0.000
3	There is justice in payroll, compensation and benefits amount BoP employees	3.76	1.070	75.21	9.744	0.000
4	Incentives depend on the personal relationship between managers and employees	2.68	1.048	53.51	-4.247	0.000
5	Employees incentives take the performance level into consideration	3.92	0.759	78.40	16.618	0.000
6	Employees understand the factors that influence compensation	3.61	0.977	72.23	8.581	0.000
7	Salaries and incentives are equivalent with the employees' job description	4.21	0.784	84.15	21.120	0.000
8	Employees' salaries at BoP are best compared to other banks	3.97	0.598	79.47	22.320	0.000
	All items	**3.80**	**0.340**	**76.02**	**32.264**	**0.000**

Table 13: Means and T-test for " Safety and health "

No	Items	Mean	standard deviation	Weight mean	t-value	P-value
1	The available health insurance at BoP meets all employees' needs	4.24	0.689	84.89	24.773	0.000
2	The working conditions , desk chairs , offices and equipment's take into account employees' comfort	3.94	0.647	78.83	19.942	0.000
3	The HR department frequently develops health awareness workshops about any current and chronic diseases	3.07	1.292	61.38	0.734	0.464
4	The safety system (warning system and immediate aid facilities) in BoP is always upgraded and updated to provide safety working environment	3.25	1.032	65.00	3.321	0.001
5	There is frequent and periodic medical examination to employees	2.57	0.992	51.49	-5.883	0.000
6	There is a sufficient sick leave days for each employee per year	3.66	0.859	73.30	10.617	0.000
7	the employees are not subjected to risky tasks especially in the crises	3.96	0.836	79.26	15.788	0.000
	All items	**3.53**	**0.523**	**70.59**	**13.895**	**0.000**

interviews findings, as the HR team state that the employees cannot choose the training they want or send their suggestions about the training courses they desire to attend.

The third field (Compensation): Table 12 shows thatthe average mean for all items equal   3.53 and the weight mean equal   70.59% which is greater than " 60%" and the value of t test equal   13.895 which is greater than the critical value which is equal 1.98 and the p- value equal 0.000 which is less than 0.05, which means that the majority of employees are satisfied about the

compensation at BoP. The mean of item #4 "Incentives depend on the personal relationship between managers and employees" is negative, which shows that the compensation is fair and there's no bias.

The forth field (Safety and health): One sample t-test for   the opinion of the respondent   about Safety and health and the results are shown in Table 13 , where the average mean for all items equal   3.53 and the weight mean equal   70.59% which is greater than " 60%" and the value of t test equal   13.895 which is greater than the critical value which is equal 1.98 and the p- value equal

Table 14: Means and T-test for "Communication and participation"

No	Items	Mean	standard deviation	Weight mean	t-value	P-value
1	There is frequent and systematic communication between different departments	3.33	1.164	66.60	3.883	0.000
2	During my work at BoP I was rotated to more than one job	3.67	0.882	73.40	10.416	0.000
3	I have the opportunity to participate in the decision making at my department	3.47	1.015	69.36	6.321	0.000
4	There is a periodic staff meetings joining all the employees with the management level	3.36	1.112	67.13	4.395	0.000
5	I participate in the strategic planning process for the BoP	3.20	1.104	63.94	2.445	0.015
6	There is a clear elaborated system that receives the employees suggestions and respond to it	3.49	0.674	69.89	10.061	0.000
7	There is a periodic communication channels between the employees in the different bank branches	3.76	0.892	75.11	11.612	0.000
8	I participate in the development process in the Bop	3.40	0.995	68.09	5.569	0.000
	All items	**3.46**	**0.649**	**69.19**	**9.702**	**0.000**

0.000 which is less than 0.05, but the mean of item # 5 "There is frequent and periodic medical examination to employees" is negative and the mean of item # 3 "The HR department frequently develops health awareness workshops about any current and chronic diseases" is very low (3.07), which reveals that BoP does not care enough about health awareness workshop among its' employees or medical examinations.

The fifth field (Communication and participation): Results as shown in Table 14, where the average mean for all items equal   3.46 and the weight mean equal 69.19% which is greater than " 60%" and the value of t test equal   9.702which is greater than the critical value which is equal 1.98 and the p- value equal 0.000 which is less than 0.05. Although the interview with the HR manager conclude that Banks' different departments don't work separately and complete each other, but the mean of item #1"There is frequent and systematic communication between different departments" is very low and that reveals that a big portion of the employees think that the communication is ineffective. The mean of item #5 "I participate in the strategic planning process for the BoP" is also low, which means that employees don't feel like participation in the important decisions and cannot participate in the strategic planning process for BoP and it is only limited to the top management.

The Sixth Field (Employee and Labor relations): One sample t test for   the opinion of the respondent about

Employee and labor relation and the results are shown in Table 15 , where the average mean for all items equal 3.73and the weight mean equal   74.50% which is greater   than "60%"   and the value of t test equal 20.103which is greater than the critical value which is equal 1.98 and the p- value equal 0.000 which is less than 0.05, that means that there's a good relationship between employees and there's is a periodic re-treats opportunities for the bank employees out of the work system. In addition, majority of employees agreed on the need for employees union at the bank, but through the interview the HR team reveal that they think there's no need for a union and it is prohibited by the internal by law, they consider that the HR departmentstudies the needs of the employees and satisfies it.

Hypothesis test

The key hypothesis: "There is a statistically significant relationship at α =0.05 between the type of HRM practices implemented at BOP and innovation."

The sub hypothesis:

> "There is a statistically significant relationship at α = 0.05 between staffing process and innovation at BOP".

Table 15: Means and T-test for "Employee and Labor relations"

No	Items	Mean	standard deviation	Weight mean	t-value	P-value
1	There is a need for employees union in the bank	3.78	1.010	75.53	10.547	0.000
2	There is a periodic re treats opportunities for the bank employees out of the work system	3.99	0.709	79.79	19.136	0.000
3	There is a good social relation between the employees outside the working environment	4.12	0.900	82.34	17.020	0.000
4	The employees were equipped with team building skills through different trainings	3.74	0.839	74.89	12.165	0.000
5	The competitive environment affects the relationship between the employees	3.16	1.215	63.30	1.861	0.064
6	The job descriptions and hierarchy lines are clear for all the employees	3.56	1.216	71.17	6.299	0.000
	All items	**3.73**	**0.495**	**74.50**	**20.103**	**0.000**

Table 16: A correlation between staffing process and innovation

Section	Statistic	staffing process
innovation at BOP	Pearson Correlation	0.485
	P-value	0.000
	N	188

Table 17: A correlation between HR development and training and innovation

Section	Statistic	HR development and training
innovation at BOP	Pearson Correlation	0.289
	P-value	0.000
	N	188

We use Pearson correlation test to test the correlation between staffing process and innovation at BOP at significance level α = 0.05 and the results in table 16 which show that the correlation coefficient equal 0.485 and p-value equal 0.000 which is less than 0.05, that mean there is a correlation between staffing process and innovation at BOP at significance level α = 0.05.

Pearson correlation was used to test the correlation between HR development and training and innovation at significance level α = 0.05 and the results in table 17, which shows that the correlation coefficient equal 0.289 and p-value equal 0.000 which is less than 0.05, that mean there is a correlation between HR development and training and innovation at significance level α = 0.05.

➤ "There is a statistically significant relationship at α = 0.05 between HR development and training and innovation."

➤ "There is a statistically significant relationship at α = 0.05 between Compensation plans and innovation."

Table 17: A correlation between HR development and training and innovation

Section	Statistic	HR development and training
	Pearson Correlation	0.289
innovation at BOP	P-value	0.000
	N	188

Table 18: A correlation between Compensation and innovation

Section	Statistic	Compensation plans
	Pearson Correlation	0.294
innovation at BOP	P-value	0.000
	N	188

Table 19: A correlation between Safety and health and innovation

Section	Statistic	Safety and health
	Pearson Correlation	0.257
innovation at BOP	P-value	0.000
	N	188

Pearson correlation was used to test the correlation between Compensation plans and innovation at significance level α = 0.05 and the results in table 18, which shows that the correlation coefficient equal 0.294 and p-value equal 0.000 which is less than 0.05, that mean there is a   correlation   between Compensation plans and innovation at significance level α = 0.05.

➢ "There is a statistically significant relationship at α = 0.05 between Safety and health and innovation."

Pearson correlation is used to test the correlation between Safety and health and innovation at significance level α = 0.05 and the results in table 19, which shows that the correlation coefficient equal 0.257 and p-value equal 0.000 which is less than 0.05, that mean there is a correlation between Safety and health and innovation at significance level α = 0.05.

➢ "There is a statistically significant relationship at α = 0.05 between communication among employees and participation in decision making and innovation."

Pearson correlation is used to test the correlation between communication among employees and participation in decision making and innovation at BOP at significance level α = 0.05 and the results in table 20, which shows that the correlation coefficient equal 0.428 and p-value equal 0.000 which is less than 0.05, that mean there is a   correlation   between communication among employees and participation in decision making and innovation at BOP at significance level α = 0.05

➢ "There is a statistically significant relationship at α = 0.05 between innovational behavior of employees and their personal traits."

Pearson correlation is used to test the correlation between innovational behavior of employees and their personal traits at significance level α = 0.05 and the results in table 21 which show that the correlation coefficient equal 0.378 and p-value equal 0.000 which is less than 0.05, that mean there is a   correlation between innovational behavior of employees and their personal traits at significance level α = 0.05

CONCLUSION

Figure 1 shows the ranking of each of the current implemented HRM practices at BoP from employee's perspective, where the strongest and weakest practices could be noticed from the mean of each, the lowest mean

Table 20: A correlation between communication among employees and participation in decision making and innovation

Section	Statistic	communication among employees and participation in decision making
innovation at BOP	Pearson Correlation	0.428
	P-value	0.000
	N	188

Table 21: A correlation between innovational behavior of employees and their personal traits

Section	Statistic	personal traits
innovational behavior of employees	Pearson Correlation	0.378
	P-value	0.000
	N	188

Figure 1: Ranking the HRM practices

refers to the lowest satisfaction, while the highest mean refers to highest satisfaction (as 1 indicates strongly disagree and 5 indicates strongly agree). It is clear that the staffing, compensation and employee and labor relations received the highest rankings. While training and development, safety and health, and communication and participation received the lowest rankings, staffing practice got the highest ranking with a mean of 3.96 (79.28%). Compensation got a mean of 3.8 (76.02%). 3.73 (74%) is the mean of the Employee and labor relations, Training and development got a mean of 3.57 (71%) which conclude that employees are neutral with the implemented roles regarding these practices. Safety and health got a mean of 3.5 (70%) which also conclude that employees are neutral about Safety and health

practices implemented at BoP. Lastly, participation and communication got a mean of 3.4 (69%), which illustrate that employees are also neutral with implementation of this practice.

➢ Although the staffing process earned that highest ranking from employees' perspective, the findings that the researchers obtained through the interview with the HR team show that BoP does not take into consideration employee's creativity, ability to take risks and flexibility during staffing and that BoP follows the traditional screening technique through the online application form.
➢ As for compensation at BoP, it is highly appreciated by employees and through the

interviews the employees stated that they are satisfied with their base salaries, rewards and bonuses that they earn and they also think that the compensation is fair.

➤ Employee and labor relations at BoP received the third ranking according to employees' perspective with mean of 74% ,which shows that the employee think that good social relationship among them exist, but also we can note that there's a number of employees (the rest 26%) they have another opinion. And through the interviews some of the employees said that they believe that the competitive environment affects the relations between them.

➤ Training and development at BoP receives the fourth ranking, the findings that the researchers obtained through the interviews show that employees are satisfied to a great degree about the training they take, but there was some notes concerning this field, such as that they cannot choose the training they want and there's no feedback after the training courses.

➤ According to health and safety, although BoP provides health insurance for employees and their families, the employees do not feel that BoP cares about their health in terms of increasing awareness about certain health issues or providing frequent medical examination to employees.

➤ Communication and participation practice earned the lowest ranking, which highlights that it is not highly appreciated by employees. Although the HR manager stated that the employees can send their suggestions and there's a special e-mail for this issue, but still that BoP concentrate on following the administrative hierarchy through communication and the communication between the top management and operational employees is very limited.

Practical recommendations:

In order to achieve the optimal innovation culture, adjustments should be made to the existing HRM practices. In this section the researchers provides the suggested recommendations for each practice in order to reach the intended innovation culture.

➤ For the staffing process, although the mean of all items for this field was 80% which means that this practice is highly appreciated by employees, the findings that the researchers obtained through the interview with the HR team show that BoP does not take into consideration employee's creativity, ability to take risks and flexibility during staffing. So it is suggested by the researchers

that BoP should change the pre-evaluation tests to better measure employees' creativity, flexibility and ability to take risks which all lead to a better innovation culture. In addition, modifications in the interviewing process where the interviewers should try to anticipate the applicants' ability to innovate through the interview questions. BoP also should prioritize internal employment when vacancies are available, which increases employees' motivation and loyalty.

➤ Regarding training and development practice, BoP should give the employees the freedom to choose the subject of the training they want and to respond to managers' recommendations about the needed training courses to their employees. In addition, BoP should focus more on the external training, either regional or international, as external training provides exposure to different cultures, new experiences, broadens employees' insights and equips them with innovative minds and skills, which in turn improve their capabilities to innovate and become infinite source of ideas. Chen &Huang (2009)

➤ Regarding compensation practice,from the results of the questionnaire, a great number of employees have agreed on that incentives depend on the personal relationships between managers and employees. We suggest that BoP should increase the awareness about the factors that influence compensation and draw a clear strategy about compensation and better identify for what reasons employees get compensated to eliminate doubts about the compensation strategy at BoP.

➤ Although BoP provides excellent and comprehensive health insurance for employees that meets most of their health needs and in spite of the bank's interest in providing appropriate work environment including desks, chairs and various tools, Bop needs to undertake a number of activities that seek to care for the employees' safety and health for example organizing a periodic medical examination to employees, employees' vaccination against dangerous diseases and doing healthy courses for employees such as first aid course.

➤ BoP should increase communication among the different managerial levels and increase knowledge diffusion through job rotation, as this will affect the innovation performance at BoP. Also BoP should enable and empower employees to find right solutions for their problems, give them the needed confidence to bring up new ideas, as well ownership of their problems and the freedom to find and implement solutions and make problem solving one of their

daily work responsibilities, all this makes solving larger organizational issues much less daunting.

➢ Regarding employee and labor relation practice, BoP needs labor union which Serve employees and seek to meet all their needs and rights. Also BoP needs to increase interaction and relationships between employees because this led to the cooperation and participation among employees, which in turn increases the innovation culture in the bank.

Recommendations for future research

This studies provide an insight about the relationship between the HRM practices and innovation culture in the banking sector, taking BoP as a case study. The data gathered in this study and the findings could be expanded through additional research.

➢ This study mainly focuses on employees' perception, further research might focus on the management point of view, so better understanding of the HRM practices affecting the innovation culture may be achieved.

➢ Research could also measure innovation culture before and after making certain modifications on the implemented HRM practices, in order to validate the effectiveness of the required HRM practices bundle that affect the innovation culture.

➢ Further research can be carried to identify the role of knowledge management, learning organization and other variables on mediating the relationship between HRM practices and innovation culture.

➢ Future research should study the relationship between HRM practices and innovation culture in different sectors than the banking sector, as findings might be different from sector to sector.

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