

**The Role of HR Innovations in Competitive Strategy:
A Sri Lankan Banking Industry Perspective**

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Abstract

The literature on the role of innovation in competitive strategy that has grown in significance over the last few decades suggests that both technical and administrative innovations lead to competitive advantage. Although past innovation research has primarily focused on technical innovations, the role of HR innovations in competitive strategy has gained increased attention in recent years. The greater part of this research examines the role of strategic human resources (SHRM) in corporate performance. Research specifically examining the role of innovative HR practices in competitive strategy has been limited. This stream of research also suggests the need for more studies from non-Western contexts. Addressing these needs, this paper reports the findings of a study undertaken in the Sri Lankan banking industry that examines the interplay between a firm's competitive strategy and the types and degree of HR innovations pursued. Implications for theory and practice and directions for future research are provided.

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