

The Moderating Effect of Innovation on the Relationship Between Human Resource Management Practices and Employee Performance in Private Universities in Kenya

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Abstract

Innovation is a key driver of strategic organizational success, especially in higher education institutions. Private universities in Kenya complement public universities in providing university education to meet the demand gap. Private universities face various challenges in providing quality education, including those related to human resources management. The objective of the study was to establish the moderating effect of innovation on the relationship between human resource management practices and employee performance in private universities in Kenya. The study targeted 399 full-time faculty members from the 15 sampled private universities in Kenya. Only 221 responded through structured questionnaires. It adopted a positivist research philosophy and a cross-sectional descriptive survey design. The study utilized SPSS Version 20 to analyze the data and hierarchical regression analysis to test the hypothesis. The research findings established that innovation did not have a statistically significant moderating effect on the relationship between human resource management practices and employee performance, specifically full-time faculty. It was anchored in innovation and human capital theories. The study recommends assessing universities' innovative climate using Amabile et al.'s (1996) six-factor instrument and further investigating the study variables in both private and public universities, as well as other private universities in Kenya.

Keywords: *Human resource management practices, innovation, Employee performance, private universities in Kenya*

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1. Introduction

Innovation is at the core of modern economic growth, and educators and human resource management experts worldwide are seeking new ways to improve performance through innovation. It is important to introduce innovation into education and human resource management to inspire sustainable impact. The concept of human resource management practices (HRMP), which gained popularity since the 1980s, is about how people are employed and managed to fulfil organizational goals (Bari & Shahzadi, 2025). Human resource management is concerned with the contribution it can make to improving organizational effectiveness through people (Armstrong, 2014). It serves as a constant source of innovation through investment in human capital (Noe, Hollenbeck, Gerhart, and Wright, 1996, 2017; Barney, 1991). In the 21st Century, organizations, talent management, employee involvement

in decision-making, and human resources information systems form key practices for employee performance. Employee performance comprises punctuality at work, teamwork, timeliness, output, and productivity in the quantity and quality of goods and services (Onafadeji, Ogunyemi & Alarape, 2017). The five primary parameters used to measure individual employee performance include work quantity, work quality, independence, timeliness, and individual relationships (Sundi, 2013; Odhong, 2018).

An employee is an internal resource that influences organizational success when effectively managed through a selected bundle of HRMP (Barney, 1991). According to Barney and Wright (1998), employees deployed through a bundle of specific human resource management practices have a competitive edge. Delery and Doty (1996) recommended a bundle of at least three human resource management practices to improve firm performance. Human resource management practices bundled create multiple, synergistic, and reinforcing conditions that support employee performance more than a single practice (McDuffie, 1995; Gooderham, Parry, & Ringdal, 2008; Guest, Conway, & Dewe, 2004; Tadic & Pivac, 2014). MacDuffie (1995) and Al-Sinawi, Chua, and Idris (2016) clarified that HRM bundles are specific sets of interrelated and internally consistent HRM practices aimed at contributing to greater productivity and quality than each HRM practice alone. HRM practices, when combined in various forms rather than explored individually, lead to greater organizational performance (Ichniowski, Shaw, & Prennushi, 1997). Bundling HRMPs yields maximum output and effectiveness in organizations (Indiatsy, 2021). The foregoing motivated this study of the HRMP, consisting of employee involvement, talent management, and human resource information systems.

The study is informed by Human Capital Theory and innovation theory. These two theories underpin the theoretical relationships among the variables in this research. Human capital theory holds that improvements in employees' knowledge, competencies, and abilities are a valuable asset that enables better firm performance. The innovation theory explains how innovative initiatives impact human resource management practices to achieve superior work performance in teaching and learning, student assessment, research, and student supervision, because talented employees articulate innovation processes (Casey, 2003; Springer, 2020; Khavugwi & Kiprotich, 2022). The study targeted full-time lecturers in private universities in Kenya because the quality of university education is more reliant on academic staff (Deepa & Manisha, 2014).

The existing literature shows that private universities in Kenya face performance challenges, including inadequate finances, quality of education, and the recruitment and retention of specialized, high-quality academic staff (Karanja, 2016; Owoeye, 2020). Retention of highly qualified academic staff is the most intimidating challenge to the provision of quality education in private universities in Kenya (Too, Chepchieng & Ochola, 2015). High rates of academic staff resignations in Kenyan private universities may be addressed by redesigning human resource management practices and strategies (Pearce & Robinson, 2003). The need to enhance the effectiveness and quality of lecturers' productivity motivated the study. The current study bundled three HRM practices (talent management, employee involvement, and human resource information systems) and moderated them by innovation to investigate the performance of full-time faculty in private universities.

In the context of higher education, innovation is defined as a planned activity aimed at introducing novelty into a setting (Areri, Kamau, & Kipcumba, 2019; Sauphayana, 2021). It is associated with the improvement of methods, structures, approaches, and contributions to the

attainment of organizational goals (Sauphayana, 2021). According to Theodore (2007), innovation in higher education refers to a new way of accomplishing tasks or a change that enhances administrative or scholarly performance, grounded in a new line of thought. Innovation plays an essential role in quality teaching, learning, and research in universities, as well as in value addition. Educational institutions are optimal environments that enable learners to experience innovation and can transfer it to real-life settings (Schwartz, Varma, & Martin, 2008). Innovation in educational institutions introduces new ideas, processes, products, or procedures designed for the institution (West & Rickards, 1999).

Beghetto and Kaufman (2007) concluded that innovation plays an essential role in quality teaching, learning, and research, and that it adds value. An innovative climate in institutions of learning can accelerate innovation by encouraging its institutionalization in learning. They viewed innovation through the lens of the creative process involved in constructing personal knowledge and understanding. Innovation is essential and valuable in higher education and the workplace. Human resources are the sources of innovation for organizations (Gupta & Singhal, 1993), as innovative individuals generate ideas that improve products and services (Simonton, 2000). This aspect of innovation is vital for academic staff in teaching, research, the use of information technology, emerging technologies, and talent management by the university's human resource management department (Tarique, 2021). The employees with innovative talent are mentored into innovative leadership capacities to enhance organizational performance (Antes & Schuelke, 2011). The challenge of innovation lies in developing a new idea and testing it (Bessant & Tidd, 2021).

Diaconu, Datu, and Georgescu (2017) argue that to achieve enhanced academic performance, the university must incorporate innovation into its strategic objectives, embrace a collaborative culture, and partner with academia and industry through relevant institutions that foster academic entrepreneurship. Diaconu, Datu, and Georgescu (2017) state that a university needs to institutionalize an innovation climate by transforming its governance and management and adopting greater operational flexibility to achieve sustainable impact. Innovation is critical in the management of academic staff and their roles in the university in the provision of quality education through teaching, research, and administrative functions (Sauphayana, 2021). Empirical studies linking innovation and human resource management practices are scarce, prompting exclusion of human resource managers and HR professionals from innovation strategies conversations in private universities' initiatives for the future success (Laursen & Foss, 2014; Seeck & Diehl, 2017; Colakoglu, Erhardt, Pougnet-Rozan, & Martin-Rios, 2019; Zhang & Griffith, 2023). Given the above discussion, the study measured innovation through innovative climate, recognition for teaching and research, and patents registered, among other indicators. The current study, therefore, seeks to establish the moderating effect of innovation on the relationship between human resource management practices and employee performance in private universities in Kenya.

1.1 Hypothesis of the Study

H₀₁: Innovation has no significant moderating effect on the relationship between human resource management practices and employee performance in private universities in Kenya.

2. Literature Review

2.1 Theoretical review

The two theories, Human Capital theory and the innovation theory, provided a solid foundation for the study variables.

Human Capital Theory

Human capital theory originated in the work of Mincer (1958) and was later developed by Schultz (1961) and Becker (1962). Mincer (1958) defined human capital as formal education and the accumulation of investments in people through the development of knowledge and skills. Management of human capital affects innovation capacity, product quality, and product quantity. Ulrich (1998) states that investment in human capital is an asset to individuals and the organization. Vejchayanon (2005) urged that employees be considered an asset to be developed through exposure to multidimensional technology for higher productivity and competitive advantage. Rubin (1973) stated that the training of skilled workers increased the productivity of goods and services. Human capital theory emphasizes the contribution of individual skills, knowledge, and abilities, through formal training, to enhancing academic staff performance. It is useful in examining linkages between talent management, innovation, and employee performance. It explains how innovative investment in employee knowledge, skill, and competence contributes to academic staff's overall performance.

Upgrading the workforce's knowledge and skills through training increases productivity and improves workers' standard of living by generating higher income, salaries, and wages. McConnell, Brue, and Macpherson (2009) emphasize the importance of education and better employee training to achieve higher productivity.

Critics of human capital theory, like Fix (2018), argue that there is no clear link between an employee's human capital acquired for individual income generation and productivity. According to him, the relationship between productivity and income generation is ambiguous. Human capital theory is important to the study because it explains how innovative investment in employee knowledge, skill, and competence contributes to academic staff overall performance.

Innovation Theory

Innovation theories and models exist in all disciplines. In social science, the theory of innovation originates from assumptions of Teresa Amabile (1993), who explained creative behavior in her study on social psychology of creativity, concluding that creativity is the beginning of innovation, and it occurs in four stages: generation of an idea, screening of that idea, feasibility of the idea, and the implementation. Amabile (1996) explained that creative thinking is actualized in innovative products or services. Innovation consists of three components: expertise skills, creative thinking skills, and individual internal task motivation. Academic staff impart innovative thinking skills to students through teaching, evaluation, and supervision of research projects, among others. According to Gibson (2022), the best way to encourage innovation is through the adoption of a design thinking mentality.

Richard (2007) asserts that innovation is foundational to academic disciplines and learning activities and drives everything from technology to education. Springer (2020) emphasizes that academic staff innovation is demonstrated in teaching and learning, assessment of students, research, and supervision of students. This study brings new dimensions of the moderating impact of innovation on people management practices for the superior performance of faculty staff. It will measure the innovative climate of private universities, teaching, research, and the ability to attract research grants.

2.2 Empirical Review

The practices of managing personnel combined effectively impact innovative behaviour and improve performance. In a study of Danish manufacturing firms, Laursen and Foss (2003) found that adopting a package of complementary HRM practices and innovation could strongly influence performance more than a single practice. However, strong causal inferences could not be made due to the cross-sectional nature of the data. The current study focused on the HRM practice bundle (employee involvement, talent management, HRIS) moderated by innovation. Kossek (1987) Looise and van Riemsdijk (2004) provided HRM practices vital for innovation in an organization, namely, work design, people, performance management and rewards, as well as communication and participation. Employee involvement practices are perceived to have a strong link with employee performance in organizations. Odero and Makori's (2018) study on part-time lecturers' involvement in Business Departments in four public universities in western Kenya found a substantial association. The current study targeted full-time academic staff in private universities. De Leede and Looise (2005) found that a deliberate HR strategy is required to create an innovative organization. The HRIS in use highly facilitates innovation initiatives (Looise & van Riemsdijk, 2004; Johnson & Gueutal, 2011). In a study by Savalam and Dadhabai (2018) on HRIS effectiveness using four dimensions (system quality, information quality, system usage, and HRIS implementation) at the Midtree Solutions firm in India, found that HRIS is highly effective. However, the context and operationalization of the study are different from those of the current study. Human resource management practices influence innovation through talent management in institutions of higher education. Alzoud (2024) investigated the impact of talent management on innovation in Jordanian pharmaceutical companies, where 295 managers participated and found that talent management significantly affects innovation. Talent management allows firms to recruit and maintain workers who support innovation (Marin-Garcia, Aznar-Mas, & González-Ladrón-de-Guevara, 2011). Innovation requires an organizational climate and people with a creative mindset. According to Beghetto and Kaufman (2007) innovative climate in institutions of learning accelerates innovative instincts. Consequently, there is a need to broaden the theory and practice of talent acquisition and the development of innovative lecturers in universities to enhance faculty performance and inspire and develop students' innovation potential in learning and research.

Amabile et al. (1996) developed a six-factor instrument, the KEYS survey tool, useful to evaluate organizational climate for innovation. The KEYS is a theoretical model of creativity and innovation in organizations consisting of five environmental (contextual) components that contribute to creativity: encouragement of creativity, autonomy, resources, pressures, and organizational impediments to creativity. Amabile (1996) explained that individuals vary in their expertise and that creative thinking is realized in innovation. It occurs at the point of individual skills coinciding with strong internal motivation and creative thinking personality traits. Innovation influences employee performance, including that of faculty members. A study has not been conducted to establish how innovation could moderate the relationship between human resource management practices that influence faculty performance. This study sought to establish the existence of that relationship.

2.3 Conceptual Framework

Figure 1 shows the study's conceptual framework.

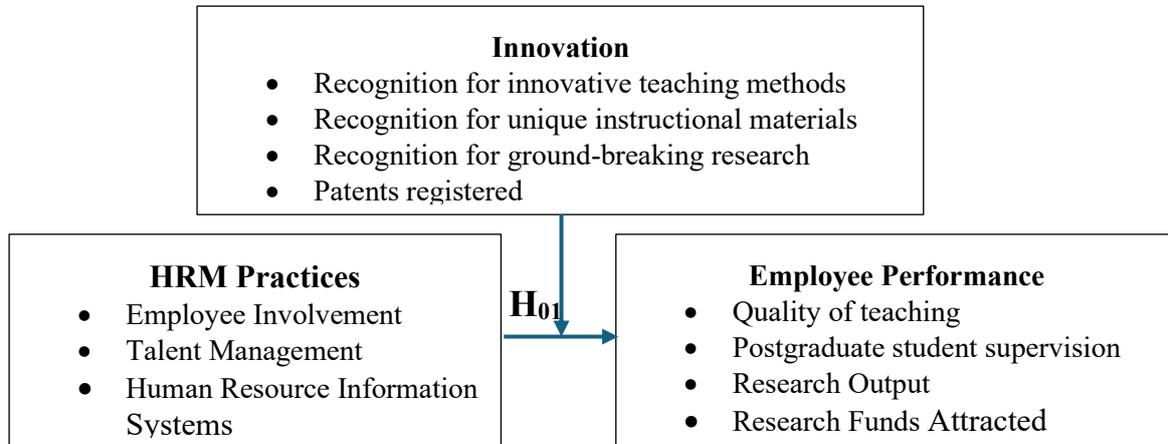


Figure 1: Conceptual Model

Human resource management practice is an independent variable (IV) that comprises employee involvement, talent management, and the Human Resources Information System (HRIS), as shown in Figure 1. Innovation is a moderating variable (MV) measured by recognition for innovative teaching methods, recognition for unique instructional materials, recognition for groundbreaking research, and registered patents. Employee performance is the dependent variable (DV) operationalized by quality of teaching, postgraduate student supervision, research output, and research funds attracted. The model suggests linkages between the predictor and dependent variables, moderated by innovation. The resultant hypothesis is H₀₁: Innovation has no significant moderating effect on the relationship between human resource management practices and employee performance in private universities in Kenya.

3. Methodology

The study applied a positivist philosophy paradigm because it emphasizes theory testing, conceptual models, and hypothesis testing quantitatively, and it accommodates facts based on empirical study (Blaikie, 1993; Cooper & Schindler, 2014). The descriptive cross-sectional survey design was used to collect and describe characteristics of variables and obtain regression models to test hypotheses due to the nature of the research and the type of hypotheses. The study had a population of 2826 full-time academic staff of 36 private universities in Kenya (CUE, 2019). The unit of analysis is full-time academic staff. The research adopted a stratified random sampling technique because all 36 private universities in Kenya are divided into three groups: 22 chartered, 4 constituent colleges, and 10 universities with a Letter of Interim Authority.

Stratified random sampling ensured the target population is proportionally represented (Kothari, 2004). Using the Kothari (2004) 30% plus sampling rule, the researcher randomly sampled 15 (42%) private universities and computed a desired sample of 399 faculty. In each stratum, academic staff comprised of professors, associate professors, senior lecturers, and lecturers. For sample size, Yamane's (1967) formula with 95% confidence level and significance level 5% was appropriate, i.e., $n = N / (1 + N(e)^2)$. Where n is the sample size required, N is the population. The desired sample size from each stratum of private universities sampled was obtained using Kothari's (2004) stratified sampling formula, $i = n(N/P)$. Where: i is the

desired sample in each stratum, n is the population sample size, N is the population of the specific stratum, and P is the target population.

Primary data was collected using structured questionnaires filled out by full-time lecturers, and secondary data was derived from the Commission for University Education statistical reports and websites. The questionnaire was pre-tested for relevance, accuracy, and clarity before actual data collection to ascertain the validity or truthfulness of the research results. The study used Cronbach's Alpha to test and determine the reliability, accuracy, internal consistency, and dependability of the questionnaire: Alpha scores were employee involvement practices ($\alpha = 0.891$), talent management practices ($\alpha = 0.911$), and human resource information systems (HRIS) practices ($\alpha = 0.952$). The instruments for data collection were highly reliable and met the threshold for internal consistency. The Cronbach Alpha coefficients were above 0.70, the minimum level for acceptable reliability (Nunnally & Bernstein, 1994).

4. Results and Discussion

The collected data were analyzed using descriptive and inferential statistics in the Statistical Package for the Social Sciences (SPSS) to derive meaningful findings from the coded data. The study used hierarchical regression analysis to establish the strength and direction of the moderating effect on the relationship between human resource management practices and employee performance. The R^2 value represents the proportion of variation in employee performance that can be attributed to the HRMP bundle. The value of Beta (β) shows the change in the dependent variable caused by the amount of change in the predictor variable. The F-statistic measures the model's goodness-of-fit. Significant F-value, P-value. The Z-value, R^2 , and β coefficient indicate that the observed change in employee performance is explained by changes in HRMP and innovation. Insignificant, F-value, P-value. Z-value, R^2 , and β coefficient indicate a lack of relationship between the predictor and criterion variables.

The Hierarchical Regression Analysis model is as follows.

$$Y_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_2 + \varepsilon$$

Where:

Y_1 = Dependent variable

β_0 = Intercept

$\beta_0, \beta_1, \beta_2, \beta_3$ = Regression coefficients

X_1 = HRM practices

X_2 = Innovation

$X_1 * X_2$ = interaction between HRM practices and innovation

ε = Error term

4.1 Response Rate

The study yielded a 55.4% response rate; 221 questionnaires were completed and returned out of 399 distributed, as presented in Table 1. This response rate is considered sufficient for analysis and reporting, compared to response rates from similar studies in the social sciences, such as Youndt et al. (1996) and Kimberly (1976), who reported low response rates of 26% and 39%, respectively. According to Mugenda and Mugenda (2009), a response rate of 50% or more is deemed adequate for analysis and reporting.

Table 1: Summary of the response rate

Items	Frequency	Percentage (%)
Questionnaires filled and returned	221	55.4
Questionnaires not returned	178	44.6
Total	399	100

4.2 Profile of Private Universities

The 15 private universities that participated in the cross-sectional survey represented 42% of the 36 private universities in Kenya, following stratified sampling. As shown in Table 2, the responses reflect the faculty members' perceptions of the legal status of their respective universities. While these perceptions may not accurately reflect each institution's official legal status, they provide insight into faculty members' awareness of their employer as a business entity, an understanding that influences employee involvement, organizational commitment, and citizenship behaviour. Boselie (2014) highlights the importance of strong employee-organization fits in fostering a high-performance culture, enhancing employee satisfaction and retention, and promoting both individual and organizational success. Gaižauskienė and Tunčikienė (2016) emphasize the value of aligning knowledge workers with the organization in learning environments, stressing the roles of employer transparency, investment in intellectual capital, and continuous employee education about the business. Table 2 thus offers critical insight into how well faculty members understand their institutional context, which can directly affect their engagement and alignment with organizational goals.

Table 2: Distribution of Private Universities by Ownership

Ownership	Frequency	Percentage
Kenyan	157	71
Foreign	7	3.2
Jointly owned (Kenyan and Foreigners)	54	24.4
Others	3	1.4
Total	221	100

4.3 Analysis of Data and Presentation

The study analyzed data using descriptive statistics (means, standard deviations, and correlation Coefficients) and inferential statistics, employing hypothesis tests. Innovation was measured using key indicators: institutional recognition of innovative teaching methods, unique instructional materials, groundbreaking research, and patents registered by academic staff. These indicators were used to capture respondents' perceptions and identify convergent and divergent views on institutional innovation practices. The descriptive statistics for each statement and the overall composite innovation score are presented in Table 3.

Table 3: Means and Standard Deviations for Measures of Innovations

Descriptive Statistics				
Innovation Statements	N	Mean	Std. Deviation	Coefficient of Variation (CV)
I received an international recognition/award in research	221	2.014	1.316	0.654
I received a local award for research	221	2.100	1.394	0.664
I have been recognized for innovative teaching methods	221	2.507	1.479	0.590
I have been recognized for the use of unique instructional materials in class	221	2.534	1.441	0.569
I have been recognized for ground-breaking research	221	2.068	1.328	0.642
I had my patents registered for the innovation achieved	221	1.787	1.270	0.711
Composite Mean and Std. Dev		2.168	1.371	0.638

The overall mean score, standard deviation, and correlation coefficient (M=2.168, SD=1.371, CV=0.638 or 63.8%) indicated that perceptions of innovation support and recognition among academic staff in private universities are low, and experiences are highly inconsistent. The implications are substantial: there is an urgent need for policy and structural reforms to integrate innovation into universities' core missions.

4.4 Test of the Hypothesis

The study sought to establish the moderating effect of innovation on the relationship between human resource management practices and employee performance in private universities in Kenya. It was hypothesized that Innovation has no significant moderating effect on the relationship between human resource management practices and employee performance in private universities in Kenya. Hierarchical regression analysis was used to test the null hypothesis (H_{01}). If the difference between R-squared and F-statistics in model 1 and that in model 2 is significant, a moderator effect on the relationship between HRMP and employee performance exists. The analysis findings are presented in Table 4.

Table 4: Hierarchical Regression Results for the Effect of Innovation on Employee Performance of Private Universities in Kenya

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.512	.262	.259	.63579	.262	77.770	1	219	.000	
2	.513	.263	.256	.63697	.001	.192	1	218	.662	1.690
ANOVA										
Model		Sum of Squares	df	Mean Square	F	Sig.				
1	Regression	31.437	1	31.437	77.770	.000				
	Residual	88.526	219	.404						
	Total	119.963	220							
2	Regression	31.514	2	15.757	38.837	.000				
	Residual	88.448	218	.406						
	Total	119.963	220							
Coefficients										
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.				
		B	Std. Error	Beta						
1	(Constant)	1.642	.182		9.011	.000				
	Human resource management practices	.500	.057	.512	8.819	.000				
2	(Constant)	1.624	.187		8.687	.000				
	Human resource management practices	.521	.074	.533	7.084	.000				
	Innovation	-.021	.049	-.033	-.438	.662				
	Interaction HRMP*Innovation	.003	.041	.041	.065	.948				
a. Predictors: (Constant), Human resource management practices b. Predictors: (Constant), Human resource management practices _ Innovation) c. Dependent Variable: Employee Performance										

Table 4 presents the results of a hierarchical multiple regression analysis testing Hypothesis (H01), which sought to determine whether innovation moderates the relationship between human resource management practices (HRMP) and employee performance in private universities in Kenya. In Model 1, HRMP, the sole predictor was entered, and $R^2 = 0.262$ explained 26.2% of the variance in employee performance. $F(1, 219) = 77.770$, $p < 0.05$, was highly significant, indicating that HRMP is a positive and significant predictor of employee performance. The ANOVA results confirmed statistical significance ($F = 77.770$, $P < 0.05$). The regression coefficient for HRMP ($B = 0.500$, $\beta = 0.512$, $t = 8.819$, $p\text{-value} = 0.001$) confirms a moderate, statistically significant positive effect.

In Model 2, innovation and the interaction term ($HRMP \times Innovation$) were introduced to test the moderation effect. The interaction term is computed by multiplying the centered scores of the independent variable (HRMP) and the moderator (innovation), and it indicates whether the interaction between HRMP and employee performance varies with innovation. The R^2 increased marginally from 0.262 to 0.263 ($\Delta R^2 = 0.001$), indicating only a 0.1% increase in the explained variance. This change was not statistically significant ($F\text{-change} = 0.192$, $p = 0.662$), suggesting that the addition of innovation and its interaction with HRMP did not significantly improve the model. The adjusted R^2 declined from 0.259 to 0.256, indicating a modest improvement in model fit. The ANOVA result indicates a significantly reduced effect ($F=38.837$, $P\text{ value}=0.001$), suggesting that the model is a good fit, but the change in explanatory power attributable to innovation was trivial.

The coefficient estimates in Model 2 further support this conclusion. While HRMP remained a significant predictor ($B = 0.521$, $\beta = 0.533$, $t = 7.084$, $p < 0.001$), innovation had a non-significant negative effect on employee performance ($B = -0.021$, $\beta = -0.033$, $t = -0.438$, $p = 0.662$). Similarly, the interaction term was not statistically significant ($B = 0.003$, $\beta = 0.041$, $t = 0.065$, $p = 0.948$), providing clear evidence that innovation does not moderate the relationship between HRMP and employee performance. The innovation has neither a direct significant effect nor a moderating effect on this relationship. The study fails to reject the null hypothesis H_{01} .

From the data in Table 4, the established regression equation is as follows:

$$Y=1.642+0.500x_1+-0.021x_2+0.003x_3$$

Hierarchical Regression Analysis

$$Y1=\beta_0+\beta_1x_1+\beta_2x_2+\beta_3x_1x_2+\varepsilon$$

Where:

$Y1$ = Dependent variable

β_0 = Intercept

$\beta_0, \beta_1, \beta_2, \beta_3$ = Regression coefficients

X_1 = HRM practices

X_2 = Innovation

$X_1 * x_2$ = interaction between HRM practices and innovation

ε = Error term

5. Discussion

The study was to assess the moderating effect of innovation on the relationship between human resource management practices and employee performance in private universities in Kenya. The resulting hypothesis (H_{01}): innovation has no significant moderating effect on this relationship, was tested with hierarchical regression analysis. It emerged that innovation did not significantly moderate the relationship between human resource management practices and employee performance ($R^2 = 0.263$, $F = 38.837$, $\beta = -0.021$, $t = 0.065$, $p > 0.05$). The statistically insignificant p-value suggests that, as implemented in the sampled private universities, innovation cannot significantly enhance or alter the relationship between HRM practices and employee performance. This may be attributed to the relatively low levels of institutionalized innovation culture and inadequate investment in innovative practices, which undermine innovation's potential to positively impact faculty performance.

These findings align with those of Uz Kurt, Rachna, Hail, and Gozde (2013), who examined innovation as a mediator of the relationship between organizational culture and firm performance. They concluded that, while an innovative culture is conceptually important, its practical effect on firm performance was not significant. This observation suggests that innovation alone, without strong support systems and resources, may not exert a measurable impact on performance outcomes. Similarly, Khayati (2019) highlighted low levels of innovation in Saudi universities, attributing this to constrained budget allocations—an issue also reported in Kenyan private universities. CUE reports (2019) similarly confirmed that many private universities in Kenya allocate limited resources to innovation activities, impeding their ability to foster a sustainable innovation culture. These resource limitations not only weaken the potential of innovation to influence faculty performance but also hinder the broader integration of innovation into HRM strategies. The study findings support the CUE report (2022), which confirms the scenario that numerous publications are being produced in universities, but extremely few innovations and patents; only one patent was captured in the available data. The report continues that universities should invest more time and resources in innovation and in securing innovations by patenting them and protecting their intellectual property rights.

However, several studies present findings that contradict the current study's results. Ashraf, Kadir, Pihie, & Rashid (2014); Mofokeng (2022) found that both technical and administrative innovations significantly enhanced organizational effectiveness in private universities in Iran, as it plays a critical role in improving employee and organizational performance and competitive advantage. Similarly, Shah (2017) and Omisore and Abiodun (2017) in their research on Nigerian institutions reported that innovation-driven HR practices significantly affect staff engagement and productivity. These findings suggest that in environments where innovation is actively supported and embedded within strategic HRM frameworks, its moderating role becomes more apparent and impactful. Damanpour and Evan (1984) found that innovation adoption positively influenced performance when aligned with organizational goals and employee capabilities. This assertion of employee capabilities implies investment in human and organizational capital to support the firm's innovation and competitive advantage (Nielsen et al., 2012). This is the business model higher education institutions (HEIs) need to take for their future survival.

From a theoretical perspective, this study supports the Innovation Theory, which posits that innovation indirectly influences performance by enhancing HR practices that build employee capabilities, motivation, and opportunities (Boxall & Purcell, 2008). This echoes Amabile's

(1996) assertion that innovation arises at the intersection of domain-relevant skills, task motivation, and creativity. Within academic institutions, innovation manifests through faculty teaching approaches, research activities, and supervision strategies that, in turn, shape student outcomes and institutional reputation. Simonton (2000) similarly emphasized that innovation is foundational to academia, as it drives curriculum design, research breakthroughs, and pedagogical evolution.

Despite the theoretical relevance of innovation, this study's empirical results suggest that its practical application in Kenyan private universities remains limited. This gap between theoretical potential and practical application explains the observed insignificant moderating effect. The study thus highlights the urgent need for strategic investment in innovation infrastructure and culture within private universities to unlock their full potential to enhance HRM practices and improve employee performance.

6. Conclusion

The study did not find sufficient evidence that innovation has a statistically significant moderating effect on the relationship between human resource management practices and faculty performance. Innovation did not significantly affect full-time faculty outcomes, such as the adoption of innovative teaching methods, the development of unique instructional materials, groundbreaking research, or the registration of patents. This implies that most Private universities in Kenya have an inadequate innovative climate. There is a need to assess universities' innovative climate using Amabile et al.'s (1996) six-factor instrument (the six-KEYS survey tool, useful for evaluating organizational climate for innovation). The survey tool's outcomes will help formulate policies that institutionalize an innovative climate in private universities for teaching and research, and to attract grants for research and related activities.

7. Limitations of the Study & Suggestions for Further Research

This study faced a few limitations. First, it was a cross-sectional study, and it would be useful to replicate it in public universities to gauge the influence of the HRM practices bundle on regular faculty performance. Secondly, the confidential nature of some of the information needed from the sampled private universities that the study may expose them to their competitors. These limitations were overcome by the approvals to collect data obtained before data collection began. Also, contacting some full-time faculty proved challenging due to their commitments. This was overcome by Administrative Assistants in various Schools and Librarians who coordinated data collection in liaison with research Assistants and the researcher. There is a need to undertake further studies that include more HRM practices and innovation indicators to test the moderating effect on employee performance. A similar study should be conducted in other public universities and sectors of the Kenyan economy.

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