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Innovative Human Resource Management Practices at Selected Private Higher Education Institutions in Ethiopia

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ABSTRACT

This study investigates the innovative human resource management (HRM) strategies implemented by private higher education institutions (PHEIs) in Ethiopia. As the nation's higher education landscape expands and diversifies, these institutions are increasingly challenged to attract and retain competent academic and administrative staff. This study underscores the importance of adopting creative HRM approaches to strengthen institutional competitiveness, enhance employee engagement, and improve educational quality. A quantitative research methodology was employed, combining a literature review and structured survey responses from the staff of the selected institutions. The literature provided a conceptual foundation, while primary data were collected using structured questionnaires distributed among faculty and administrative staff. Key findings highlight the use of several innovative HRM initiatives, such as flexible work policies, targeted career development programs, performance-based rewards, and initiatives aimed at improving the organizational culture. A statistically significant relationship was found between HRM practices and institutional performance outcomes. Specifically, innovative HRM strategies accounted for 57.5% of the variance in performance among the PHEIs studied. This study contributes to the ongoing discourse on HRM innovation within the Ethiopian higher-education sector and offers practical recommendations for academic leaders and policymakers striving to enhance institutional performance and workforce satisfaction.

Keywords: Human resource management, innovative HRM practices, private higher education, organizational performance, Ethiopia

INTRODUCTION

A strategic and practical approach to managing people in a business is human resource management, or HRM. Employee recruitment, growth, motivation, and retention are its main concerns. There are two types of HRM practices: conventional and creative. Conventional HRM procedures are predicated on the idea that workers are an expense that needs to be controlled. They concentrate on managing and guiding staff members and making sure they are productive. Conversely, innovative HRM methods are predicated on the idea that workers are a precious resource that should be nurtured. They emphasize giving workers more authority and fostering an atmosphere at work that encourages creativity and innovation (Armstrong, 2014).

Innovative human resource management (HRM) practices are notably different from traditional approaches, emphasizing empowerment, collaboration, and adaptability. These methods create environments that promote creativity, ongoing improvement, and responsiveness to external challenges. As higher education institutions (HEIs) face a complicated environment marked by rising competition, changing student expectations, and funding constraints, it has become crucial to reevaluate HRM strategies (Keegan & Francis, 2010).

According to the Ethiopian Higher Education proclamation, Higher Education Institutions (HEIs) mean, “education in the arts and science offered to undergraduate and graduate students who attend degree programs through any of the delivery modes (regular, extension, distance, or online)”(Proclamation no.650/2009 Article no.2.8). On this proclamation, public and private higher education institutions were defined in the following manner:

- Public higher education institutions are defined as those whose budget is allocated by the Federal or State Government". These are established by regulations of the Council of Ministers or by state law. (Proclamation no.650/2009 Article no.2.13)
- Private higher education institutions are defined as those "the owner of which is a physical person, a partnership, co-operative or a company or any other juridical person other than the state". They are established by the laws governing associations, business

> organizations, cooperatives, or other relevant laws."(Proclamation no.650/2009 Article no.2.12)

In Ethiopia, higher education institutions (HEIs) are divided into public and private categories, as defined by the Higher Education Proclamation No. 650/2009. Public HEIs are funded by federal or regional governments, whereas private institutions are established and managed by individuals or organizations outside the public sector. Despite their differences, both types are governed by the same national regulations and standards. Private HEIs, in particular, face significant challenges such as limited resources, shortages of qualified faculty, and the need to prove their quality. As a result, embracing innovative human resource management (HRM) practices is especially important for these institutions, as it can help them attract and retain skilled staff and boost institutional performance by increasing employee satisfaction and productivity.

In an increasingly globalized and knowledge-driven economy, the role of human resource management (HRM) has evolved dramatically, particularly in higher education institutions (HEIs). Ethiopia's HEIs face unique challenges in aligning human resource practices with academic excellence, technological advancement, and institutional sustainability (Teshome, 2020). Innovative HRM practices are crucial in attracting, developing, and retaining top academic talent while ensuring institutional effectiveness.

Academic studies have demonstrated that innovative HRM positively influences employee motivation, creativity, and the overall effectiveness of institutions. Nevertheless, there are obstacles to implementing these practices, including resistance to change, cultural challenges, and the necessity for investment in staff training and performance management systems.

This research seeks to investigate how extensively innovative HRM practices are adopted by selected private HEIs in Ethiopia and to evaluate their effects on organizational performance. By considering the unique circumstances of local institutions and incorporating international best practices, the study aims to provide practical recommendations for academic leaders and policymakers who are dedicated to enhancing educational outcomes through effective human resource management.

Problem Statement

Over the past ten years, private higher education institutions in Ethiopia have made remarkable strides across several critical dimensions:

❖ *Enrollment Expansion:* These institutions have seen a surge in enrollment, comprising more than 40% of all undergraduate students (across both public and private sectors) by the 2005/06 academic year. This growth has greatly improved access to higher education (Yirdaw, 2016).

❖ *Program Variety:* Private colleges and universities now offer a broad selection of academic programs—especially in fields with strong job market demand like business, IT, and health sciences—thus equipping graduates with in-demand skills.

❖ *Stakeholder Satisfaction:* Despite persistent quality concerns, surveys indicate relatively high satisfaction levels: around 78% of students, employers, and parents report being satisfied with private HEIs (Yirdaw, 2016).

❖ *Research Output:* A number of leading private institutions have been working to elevate their profiles through research and publications. Some even incorporate research productivity into faculty promotion decisions.

Nevertheless, these private institutions still grapple with notable challenges, such as limited resources, a shortage of qualified faculty, and operating within a strictly regulated environment. Ongoing efforts will be essential to surmount these obstacles and further enhance the performance of Ethiopia's private higher education sector (Yirdaw, 2016).

Private universities in Ethiopia have recently shown increased interest in adopting creative HRM strategies, largely driven by heightened competition for students and the pressure to enhance educational quality. These progressive approaches not only help institutions attract and retain high-caliber staff but also boost employee morale and lower operational costs.

One strategy gaining traction is performance-based compensation—evaluating pay based on achievements rather than tenure or title. This performance-driven model encourages staff excellence and makes the institution more appealing to top candidates.Flexible working arrangements are another innovative practice being adopted. Whether it's remote work, part- time schedules, or extended leave options, these accommodations support employees balancing educational roles with personal responsibilities like childcare or caring for elders.

To strengthen engagement, some private HEIs are investing in talent development, involving staff in decision-making, and fostering an inclusive and supportive workplace. High engagement levels tend to translate into greater productivity, innovation, and service quality.Cost reduction is also a key benefit of innovative HR practices. For instance, outsourcing non-core functions like HR administration, IT, or facility services allows institutions to operate leaner and enables staff to focus on academic priorities.

Altogether, by embracing forward-thinking HRM techniques, Ethiopian private higher education institutions can strengthen their workforce, elevate staff involvement, and achieve cost efficiencies—ultimately enhancing their competitive position and delivering superior educational experiences.

The motivation to investigate innovative human resource management (HRM) practices in selected higher education institutions (HEIs) in Ethiopia arises from a combination of personal, institutional, national, and academic factors. This study is driven by the urgent need to modernize HRM systems in Ethiopian HEIs to meet growing demands for quality education, institutional autonomy, and global competitiveness. Fisrt, Ethiopia's higher education sector has undergone rapid expansion over the past two decades, with more than 50 public and numerous private universities established across the country. However, this expansion has not been matched by strategic development in HRM systems (Woldeamanuel, 2017). Most HEIs continue to rely on traditional, bureaucratic, and manual HRM approaches that are reactive rather than proactive, leading to staff dissatisfaction, high turnover, and underperformance (Bekele & Endale, 2020).

Therefore, this study is motivated by the recognition that without modern, innovative HRM systems, Ethiopian universities will struggle to recruit, develop, and retain the talent necessary for institutional excellence. Globally, HRM has evolved from being a support function to a strategic pillar of organizational success. In HEIs, where knowledge is both the input and output, human capital is the most critical asset (Barney, 1991). The study is motivated by the desire to explore how Ethiopian HEIs can transform their HRM systems into strategic tools that drive institutional outcomes—such as improved teaching, research productivity, and international collaboration.

Second, there is limited empirical research on innovative HRM practices in Ethiopia's higher education sector. Existing studies often focus on general HR challenges or employee satisfaction but do not critically analyze how institutions are innovating—or failing to innovate—their HRM strategies (Tessema, 2017; Ayalew, 2020). This gap in the literature presents an opportunity to contribute new, context-specific knowledge to both academic and policy debates.

Third, the post-COVID era has accelerated the digital transformation of educational institutions worldwide. From online learning platforms to e-HRM systems, technology is now a central component of institutional performance. Ethiopian HEIs, however, remain largely dependent on manual processes and rigid HR structures (Haile & Tesfaye, 2021). This study is motivated by the need to examine how digital tools and innovative policies can improve efficiency, transparency, and employee satisfaction in the Ethiopian higher education context.

Fourth, Ethiopia's national development strategies, including the Education Sector Development Programs (ESDPs), emphasize the importance of quality education and institutional capacity building. Achieving these goals requires modern HRM systems aligned with national and global standards. This study seeks to contribute to these goals by identifying HRM practices that promote institutional excellence and workforce innovation in higher education.

Finally, University leaders, HR managers, and policymakers urgently need actionable insights to improve the management of academic staff. This study aims to provide such insights by highlighting best practices, identifying gaps, and recommending practical, scalable innovations in HRM. The findings will be useful for both public and private HEIs striving to attract and retain high-quality faculty and staff in an increasingly competitive educational landscape.

Objective of the study

The purpose of this study is two-fold: first to understand the level of implementation of innovative HRM practices by PHEIs in Ethiopia; and the second one is to examine the effect of innovative HRM practices on organizational performance at PHEIs in Ethiopia.

METHODOLOGY

The study followed quantitative research approaches and explanatory research design. The quantitative method would provide a comprehensive understanding of the innovative HRM practices at private higher education institutions in Ethiopia, while the explanatory research design helped to see the effect of independent variable on dependent variable.

A simple random sampling technique was utilized to select a representative sample from the selected private higher education institutions in Ethiopia. The selection criteria considered factors such as year of establishment, reputation, size, and diverse program offerings. Approximately 5 institutions were selected to participate in the study, namely Admas University College (AUC), Unity University (UU), Hope Enterprise University College (HEUC), St.Mary University (SMU) and Rift Valley University (RVU).

A structured questionnaire was developed to collect quantitative data from faculty members and administrative staffs. The questionnaire included items related to innovative HRM practices, employee satisfaction, and organizational performance. The survey data was collected using an online survey platform, ensuring anonymity and confidentiality. A likert scale which was adopted from Sri. B. Ramachandra Rao(2020) where he used to study innovative HRM practices in Indian bank industry was used for this study and a total of 180 questionnaires were sent to randomly selected staffs of the above five PHIEs.

LITERATURE REVIEW

Definition of Innovation

Introduction

The term "innovation" is derived from the Latin word "innovare," which means "to renew" or "to make new." At its core, innovation can be simply defined as doing

something different. In the business world, innovation is often associated with something risky, costly, and time- consuming. However, innovation can also be described as a new idea, product, device, or novelty. It is a mindset, a way of thinking beyond the present and into the future.

The term "innovation" is derived from the Latin word "innovare," meaning "to renew" or "to make new" (Godin, 2015). At its core, innovation can be described as doing something in a new or different way (Schumpeter, 1934). In the business context, innovation is often associated with risk, cost, and time investment (Tidd & Bessant, 2018). However, innovation may also refer to the introduction of a new idea, product, device, or novelty (Dodgson & Gann, 2010). Ultimately, innovation is viewed as a mindset or a way of thinking that looks beyond the present and into the future (Dyer, Gregersen, & Christensen, 2011).

Definition of Innovation

There is no universally accepted definition of innovation (Baregheh, Rowley, & Sambrook, 2009). Scholars have pointed out that the lack of a clear definition makes it challenging to develop effective strategies for fostering innovation (Baregheh, Rowley, & Sambrook, 2009). Baregheh, Rowley, and Sambrook (2009) offer a comprehensive definition: innovation is a multi-stage process through which organizations transform ideas into new or improved products, services, or processes to advance, compete, and differentiate themselves in the marketplace (Baregheh, Rowley, & Sambrook, 2009). Other definitions describe innovation as introducing a new tool or technology into a social context, or as broader changes that extend beyond simply creating useful tools (Reiman & Dotger, 2008). Recent research suggests that innovation can also involve initiating new processes or events, as well as changing behaviors, people, and approaches (Reiman & Dotger, 2008). Additionally, innovation can be seen as a strategy and technology for developing new markets, product approaches, and customer demographics, and as a process where businesses combine knowledge to solve problems (Fri, Pehrsson, & Søilen, 2013). The meaning of innovation may also differ by industry; for instance, technological innovation is often defined as the creation of new market or service opportunities based on technology (Garcia & Calantone, 2002). Studies have also found that a creative work environment is linked to innovation, as a creative climate can influence the relationship between leadership, problem-solving, group dynamics, and the generation of new ideas (Gisbert-López, Verdú-Jover, & Gómez-Gras, 2014). In summary, while there is no single, definitive definition of innovation, it generally involves introducing new or improved products, services, processes, or approaches to help organizations advance and stand out, with the specific meaning varying by context and industry (Baregheh, Rowley, & Sambrook, 2009; Garcia & Calantone, 2002).

Innovation is a crucial concept for companies and, when applied effectively, can function as a process, strategy, and management technique (Tidd & Bessant, 2018). At its core, innovation often involves generating and combining ideas to connect present achievements and past experiences in order to solve future problems (Dyer, Gregersen, & Christensen, 2011). This is frequently linked to technological progress and plays a vital role in the global economy (Tidd & Bessant, 2018). For businesses, innovation is essential for creating value and maintaining competitiveness (Schumpeter, 1934). There is also a recognized connection between innovation, job creation, profitability, and standards of living (Tidd & Bessant, 2018). While innovation is commonly associated with new products, materials, processes, services, and organizations, the range of definitions remains broad and somewhat ambiguous (Baregheh, Rowley, & Sambrook, 2009). As researchers have noted, the absence of a clear definition can hinder the development of effective innovation strategies (Baregheh, Rowley, & Sambrook, 2009). One widely cited definition describes innovation as a multi-stage process that transforms ideas into new or improved products, services, or processes to help organizations advance, compete, and differentiate themselves (Baregheh, Rowley, & Sambrook, 2009). Innovation can also be understood as a method and technology for entering new markets, developing new product methods, and identifying new customer groups (Fri, Pehrsson, & Søilen, 2013). Ultimately, innovation is an activity in which companies solve problems by combining knowledge (Fri, Pehrsson, & Søilen, 2013).

Types of Innovation

The definition of innovation often varies depending on the specific area of focus (Colectidea, 2024). For example, technological innovation is typically defined as the creation of a new market or service opportunity based on a technology-driven invention that can lead to successful development or production (Garcia & Calantone, 2002). Research has also demonstrated a positive link between a creative work environment and innovation, as a creative climate can influence the relationship between leadership, individual problem-solving, group dynamics, and the emergence of new ideas (Gisbert-López, Verdú-Jover, & Gómez-Gras, 2014).

Innovation can be categorized into several types, each with distinct characteristics and impacts. Incremental innovation involves small improvements or upgrades to existing products, services, or processes, helping organizations maintain competitiveness without drastic changes (Tidd & Bessant, 2018). In contrast, radical innovation introduces fundamentally new concepts that disrupt markets and can create entirely new industries (Drucker, 1985). Disruptive innovation refers to innovations that initially target niche markets but eventually displace established products or services (Christensen, 1997). Additionally, open innovation emphasizes collaboration with external partners, such as customers, suppliers, or research institutions, to

accelerate innovation processes (Chesbrough, 2003). Overall, innovation remains a widely discussed concept in the business world and is recognized as a sustainable means for organizations to add value and maintain competitiveness (Tidd & Bessant, 2018). The terms "innovation" and "new goods, materials, processes, services, and organizations" are frequently used interchangeably, yet there is still no universally accepted definition of innovation (Baregheh, Rowley, & Sambrook, 2009). Understanding the different definitions and types of innovation can help organizations develop effective strategies to foster innovation and achieve success (Agorize, 2024).

Theoretical Foundation

To examine innovative human resource management (HRM) practices in selected higher education institutions (HEIs) in Ethiopia, this study adopts a multi-theoretical framework that integrates the Resource-Based View (RBV), Human Capital Theory, and Institutional Theory. This combination provides a comprehensive understanding of how internal capacities, individual competencies, and external pressures influence HRM innovation and effectiveness in higher education.

Resource-Based View (RBV)

The RBV, proposed by Barney (1991), posits that an organization's sustained competitive advantage derives from its internal resources—particularly those that are valuable, rare, inimitable, and non-substitutable (VRIN). In HEIs, human capital represents a central resource, and the ability to manage academic and administrative staff strategically is a key driver of institutional excellence.

Applied to this study, the RBV suggests that Ethiopian HEIs can achieve competitive advantages by adopting innovative HRM practices—such as digital recruitment, staff retention strategies, and knowledge-sharing systems—that enhance the quality and performance of their workforce. These innovations transform HR from a support function into a strategic asset that supports institutional differentiation and growth (Wernerfelt, 1984).

Human Capital Theory

Human Capital Theory, developed by Becker (1964) and Schultz (1961), emphasizes the role of investment in education, skills, and training in improving individual productivity and organizational performance. In the context of HEIs, faculty and staff development through continuous learning, mentorship, and professional training is essential to foster academic excellence and institutional innovation.

Ethiopian HEIs often struggle with limited staff development opportunities, leading to low motivation, poor performance, and high turnover (Wolde-Tsadik, 2022). By adopting innovative HRM practices that prioritize faculty capacity-building—such as research grants, training programs, and academic exchange initiatives—institutions can increase both individual and collective performance, consistent with Human Capital Theory principles.

Institutional Theory

While internal capabilities and individual development are important, external environmental factors also significantly influence HRM practices. Institutional Theory, as advanced by DiMaggio and Powell (1983), argues that organizations conform to norms, regulations, and cultural expectations in their environment to gain legitimacy and maintain stability. These influences lead to institutional isomorphism—where organizations tend to adopt similar structures or practices, not necessarily because they are efficient, but to comply with expectations.

In Ethiopia, HEIs operate under a highly centralized higher education system influenced by government policy, donor funding conditions, and traditional bureaucratic norms (Tekeste, 2016). These institutional pressures often constrain the ability of universities to implement innovative HRM practices. However, Institutional Theory also suggests that organizations can engage in "institutional entrepreneurship" by navigating these constraints and selectively innovating within their contextual limits (Meyer & Rowan, 1977).

Integrated Application of Theories

Together, these three theories provide a comprehensive lens through which to understand the opportunities and challenges of implementing innovative HRM in Ethiopian HEIs:

- ❖ **RBV** highlights the strategic importance of human capital and innovative practices as internal sources of competitive advantage.
- ❖ **Human Capital Theory** explains the productivity benefits of investing in people through education, training, and development.
- ❖ **Institutional Theory** frames the contextual constraints and external pressures that influence whether and how innovation in HRM is adopted.

This integrated theoretical foundation allows the study to assess not only what innovative HRM practices exist in Ethiopian HEIs, but also why they emerge or are resisted, how they are implemented, and with what effects on institutional performance and staff outcomes.

Concept of Human Resource Management (HRM)

Human Resource Management (HRM) is best described as a thoughtful and systematic way of managing people at work (Armstrong, 2014). At its heart, HRM is both a philosophy and a set of practices, rooted in our understanding of human behavior and how organizations function. While HRM aims to boost an organization's performance by making the most of its people, it should also prioritize treating employees fairly and ethically, guided by strong moral values (Armstrong, 2014).

In recent years, HR's role has increasingly been

framed as a business necessity, with a strong focus on aligning people strategies with organizational goals (Keegan & Francis, 2010). However, this business-driven approach sometimes means that the needs and motivations of employees receive less attention when new HR policies are developed. When HR is viewed purely as a business function, there is a risk of overlooking how these strategies affect individuals at work (Keegan & Francis, 2010). Ideally, HRM should not only support business objectives but also foster trust, openness, and personal growth among employees.

HRM is often defined as a strategic and integrated approach to employing, developing, and caring for people within organizations (Boxall & Purcell, 2003). Boxall and Purcell (2003) describe HRM as "all those activities associated with the management of employment relationships in the firm." Watson (2010) adds that HRM is about how managers use the skills, knowledge, and commitment of their people to achieve organizational goals, within a coordinated and mutually beneficial relationship.

In summary, HRM is a multifaceted field that balances the drive for organizational success with the ethical treatment and personal fulfillment of employees. While its definitions have evolved, the central aim remains: to manage people in a way that is both strategic and humane (Armstrong, 2014; Boxall & Purcell, 2003; Watson, 2010).

HRM Practices

Human resource management covers every aspect of how people are hired, developed, and managed in organizations (Armstrong, 2014). This includes strategic HRM, managing human capital, knowledge management, corporate social responsibility, organizational development, workforce planning, recruitment and selection, talent management, learning and development, performance and reward management, employee relations, employee well-being, and providing various employee services (Armstrong, 2014).

Innovative HRM Practices

Today, HRM is a standard part of organizational life, even though it may be interpreted in different ways or sometimes just used as a modern label for traditional personnel management (Boxall, Purcell, & Wright, 2007). There is now a greater emphasis on HR being strategic and adding real value to the business—meaning the time, money, and effort spent on HR activities should bring measurable benefits to the organization (Boxall, Purcell, & Wright, 2007).

Recent years have seen the emergence of new ideas and trends in HR, such as innovative HRM, human capital management, employee engagement, talent management, competency- based HRM, electronic HRM (e-HRM), high-performance work systems, and new approaches to performance and reward management. However, these developments have often been introduced separately, rather than as part of the original HRM concept (Armstrong, 2014).

HRM has largely become a practical set of activities that organizations carry out, rather than just an ideal or philosophy. As summarized by Boxall, Purcell, and Wright (2007), HRM today is best understood by looking at what organizations actually do to manage their people, rather than focusing solely on theoretical definitions.

Innovative Recruitment & Selection Practices (IRS)

In the current era of intense competition for talent, organizations are increasingly turning to creative and technology-driven methods to attract and select the best candidates. Innovative recruitment and selection practices—such as leveraging artificial intelligence for screening applications, conducting video interviews, sourcing candidates through social media, introducing gamified assessments, and applying data analytics to evaluate recruitment outcomes—are transforming the traditional hiring landscape (Rashma et al., 2024).

The adoption of digital platforms and AI-driven tools has streamlined candidate sourcing and assessment, enabling organizations to make faster and more informed hiring decisions. These technologies not only improve efficiency but also provide a more personalized and engaging experience for candidates, helping to enhance employer branding and candidate satisfaction (Rodrigues & Guest, 2020, as cited in Rashma et al., 2024). However, it is important to recognize that such innovations also raise concerns about fairness, privacy, and potential biases in automated decision-making (Rashma et al., 2024).

Empirical research has shown that innovative recruitment strategies can lead to a broader and more qualified applicant pool, while structured and multi-method selection processes— combining interviews, assessments, and work samples—improve the accuracy and fairness of hiring decisions (Sackett & Lievens, 2008; Kuncel et al., 2013). Nevertheless, these approaches may require significant investment in technology and training, and organizations must carefully weigh the benefits against the costs and ethical considerations (Rashma et al., 2024).

Ultimately, organizations that embrace innovative recruitment and selection practices are better positioned to attract diverse talent, foster inclusion, and build a workforce with unique competencies that support long-term competitiveness and innovation (Becker & Huselid, 2006; Lepak & Scott, 2017).

Innovative Training and Development Practices (ITD)

Modern organizations are also rethinking how they train and develop their employees to keep pace with rapid changes in technology and work environments. Innovative training and development practices now often include blended learning—combining online and face-to- face instruction—microlearning modules for

quick skill acquisition, gamification to make learning more engaging, social learning platforms for peer-to-peer knowledge sharing, and immersive technologies such as virtual and augmented reality for experiential learning (Armstrong, 2014).

These approaches are designed to make learning more flexible, interactive, and relevant to the needs of today's workforce. Research indicates that such innovative practices can significantly enhance employee engagement, knowledge retention, and overall organizational performance (Armstrong, 2014; Noe et al., 2017). By investing in modern training methods and supporting continuous learning, organizations can foster a culture of innovation and adaptability that is crucial for long-term success.

Innovative Performance Appraisal Practices (IPA)

Performance appraisals play a critical role in evaluating employees, offering feedback, identifying development areas, and guiding decisions about promotions, pay, and employment continuity. However, traditional appraisal methods have often been criticized for being subjective, time-consuming, and sometimes ineffective at driving real organizational improvement (Aguinis, 2019; Tziner & Rabenu, 2018).

In response, organizations are increasingly adopting more innovative performance appraisal practices that aim for greater objectivity, efficiency, and positive impact. Examples include 360-degree feedback, where input is gathered from supervisors, peers, and subordinates; self- assessment, which encourages employees to reflect on their own performance; and goal- setting, in which employees and managers collaboratively establish clear, measurable objectives (Aguinis, 2019; Smither & London, 2009). Peer review allows colleagues to provide feedback on each other's work, while continuous performance management replaces the traditional annual review with ongoing feedback and coaching throughout the year (Tziner & Rabenu, 2018; Grote, 2011).

Research suggests that these innovative approaches can result in more frequent and meaningful feedback, greater employee development, and stronger alignment between individual and organizational goals (Aguinis, 2019; Smither & London, 2009). By fostering a "climate of performance" and encouraging open communication, organizations can help employees grow and contribute more effectively.

Innovative Employee Compensation Practices (IEC)

To attract and retain top talent in today's competitive environment, many organizations are moving beyond traditional pay structures and embracing innovative compensation practices. These may include flexible work arrangements (such as remote work or flexible hours), stock options that give employees a stake in the company's success, and profit-sharing programs that distribute a portion of organizational earnings to the workforce (Armstrong, 2014; Milkovich, Newman, & Gerhart, 2017).

Such practices serve several purposes: they make organizations more attractive to job seekers, help retain key employees, and can boost morale and productivity by making employees feel valued and invested in the company's future (Armstrong, 2014). Additionally, flexible work options can help organizations reduce overhead costs, such as office space (Milkovich et al., 2017).

While implementing these innovative compensation strategies can be complex and may require significant planning, they are increasingly viewed as important tools for building a motivated and high-performing workforce (Armstrong, 2014; Milkovich et al., 2017).

Innovative Employee Relations Practices (IER)

Organizations are also rethinking how they manage employee relations to improve performance, profitability, and competitiveness. Innovative practices include open communication, which encourages transparency and regular dialogue between management and staff; flexible work arrangements to promote work-life balance; and cross-functional collaboration to break down silos and enhance teamwork (Armstrong, 2014; Boxall & Purcell, 2016).

Other important practices are formal grievance procedures, which provide employees with safe channels to voice concerns, and continuous feedback and recognition, which ensure that employees feel heard and appreciated for their contributions (Armstrong, 2014; Boxall & Purcell, 2016).

By fostering a supportive and communicative workplace, these innovative employee relations strategies can lead to higher engagement, satisfaction, and productivity—ultimately benefiting the organization as a whole (Boxall & Purcell, 2016).

Relationship between Innovative HR Practices and Firm Performance

Measuring the organizational performance of higher education institutions (HEIs) is complex, as there is no universally agreed-upon set of indicators. Common metrics include student enrollment, retention, and graduation rates; student satisfaction; graduate employment rates; faculty-to-student ratios; research funding and output; equity and diversity among students and staff; faculty retention; facilities utilization; knowledge transfer and entrepreneurship; and the broader economic and social impact of the institution. Additionally, aligning employee actions with strategic organizational priorities is increasingly recognized as vital for performance (Kutpudeen et al., 2022).

While HEIs have unique missions, they are often evaluated using both financial and non- financial measures, such as profitability, quality, reputation, and stakeholder satisfaction (Kutpudeen et al., 2022). In

this context, innovative human resource (HR) practices play a critical role in driving organizational success.

A growing body of research demonstrates a strong positive link between the adoption of innovative HR practices and improved firm performance. For example, studies have found that practices such as performance-based pay, targeted training and development, comprehensive performance appraisals, employee participation, and strategic recruitment are associated with better HR outcomes and overall organizational effectiveness (Kutpudeen et al., 2022; Chen & Huang, 2009; Jiménez-Jiménez & Sanz-Valle, 2008). These practices not only enhance employee skills and motivation but also foster a culture of innovation that supports long-term competitiveness (Chen & Huang, 2009; Ngo & Loi, 2017).

Furthermore, research shows that high-performance work systems—characterized by rigorous recruitment, incentive-based compensation, continuous performance management, and extensive employee involvement—can significantly improve knowledge, skills, and retention, ultimately benefiting the organization (Jiménez-Jiménez & Sanz-Valle, 2008; Kutpudeen et al., 2022). During times of economic uncertainty, innovative HR practices become even more crucial, as they help organizations adapt, reduce costs, and sustain performance (Kutpudeen et al., 2022; Barman & Singh, 2010).

Recent empirical studies confirm that innovative HR practices not only contribute to financial outcomes, such as profitability and revenue growth, but also to non-financial aspects like employee satisfaction, product and process innovation, and organizational reputation (Chen & Huang, 2009; Ngo & Loi, 2017; Kutpudeen et al., 2022). By investing in innovative HR initiatives—spanning recruitment, training, performance management, compensation, and employee relations—organizations can build a sustainable competitive advantage and drive superior performance.

Conceptual Framework and Hypothesis

Building on the literature reviewed, the following conceptual framework was developed to illustrate how innovative human resource (HR) practices influence organizational performance, particularly in the context of higher education institutions and business organizations.

Research consistently highlights that innovative HR practices—such as advanced recruitment and selection, performance-based compensation, career development, employee involvement, and comprehensive training—are closely linked to improved firm performance and competitive advantage (Agarwal et al., 2017; Kutpudeen et al., 2022; Xiu et al., 2017). These practices not only enhance employee skills and motivation but also foster a culture of innovation and adaptability within organizations (Amarakoon et al., 2018).

The framework is grounded in the resource-based view (RBV) of the firm, which posits that unique and well-managed human resources are a key source of sustained competitive advantage (Gaya & Struwig, 2016; Ngo & Loi, 2017). Innovative HR strategies, when aligned with organizational goals, can drive both workforce efficiency and overall business success (Kutpudeen et al., 2022; Ngo & Loi, 2017).

Key components of the conceptual framework include:

Innovative HR Practices: Recruitment and selection, training and development, performance management, compensation, employee involvement, and communication (Agarwal et al., 2017; Amarakoon et al., 2018).

Outcomes: Enhanced organizational performance (Xiu et al., 2017; Ngo & Loi, 2017).

This framework recognizes that the relationship between innovative HR practices and firm performance is dynamic playing a critical role in translating HR innovation into measurable outcomes (Kutpudeen et al., 2022; Xiu et al., 2017).

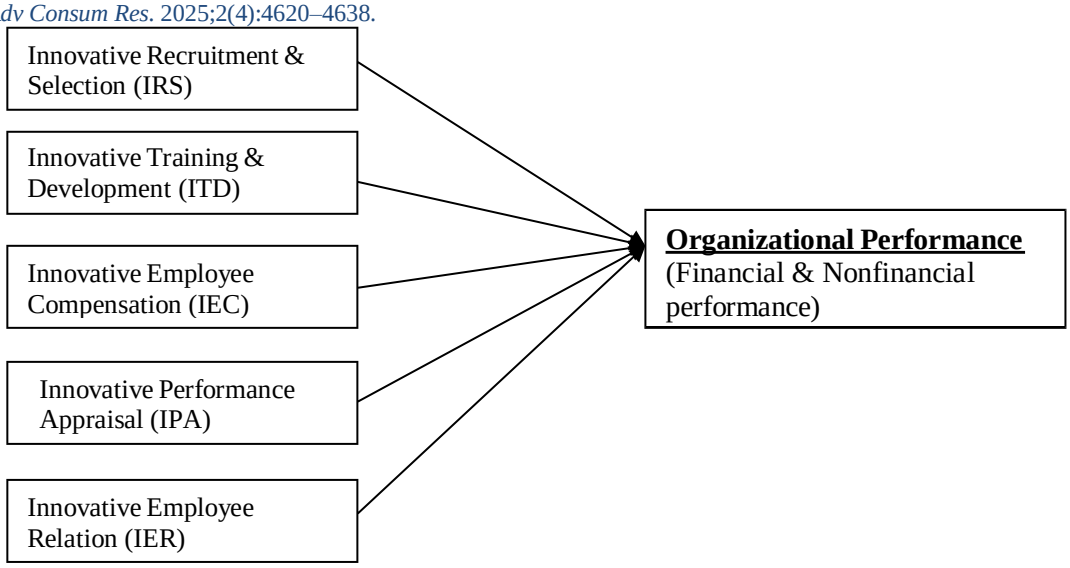

Figure1. Conceptual Framework (Agarwal et al., 2017; Amarakoon et al., 2018, Kutpudeen et al., 2022; Xiu et al., 2017)

Hypotheses

To examine how innovative human resource management (HRM) practices influence the performance of private higher education institutions (PHEIs) in Ethiopia, the following hypotheses have been formulated:

- *H1: Innovative recruitment and selection practices (IRS) do not have a significant impact on the organizational performance of PHEIs.*
- *H2: Innovative training and development practices (ITD) do not have a significant impact on the organizational performance of PHEIs.*
- *H3: Innovative performance appraisal practices (IPA) do not have a significant impact on the organizational performance of PHEIs.*
- *H4: Innovative employee compensation practices (IEC) do not have a significant impact on the organizational performance of PHEIs.*
- *H5: Innovative employee relations practices (IER) do not have a significant impact on the organizational performance of PHEIs.*

These hypotheses are designed to assess whether each aspect of innovative HRM contributes meaningfully to the effectiveness and success of private higher education institutions.

RESULT AND DISCUSSION

Introduction

This part presents the results of the analysis of the data obtained from the respondents through questionnaires and have three main section .In the first part discuss about demography related data of respondents, on the second section the researcher discuss about descriptive statistic and finally inferential analysis [correlation and regression] analysis result will be discussed .The target population for this study were academic staffs of selected private higher education. A total of 180 respondents whose educational background is diploma and above were purposively selected from the employees of the respondents. And from the distributed 180 questionnaires 149 respondents returned.

Response Rate = Number of respondents that cooperated =(149/180)*100% = 82.7 %

Data Processing

The completed questionnaires were coded in excel and inserted into SPSS. This software program was used to analyse the data. Descriptive statistical analysis used to reduce large amount of data to summarize frequencies, means and standard deviations. Based on the descriptive statistics the collected data for each question and respondents were summarized and addition to this to analysis the data the researcher used regression and correlation analysis with the support of this software package

Demography Respondent

Table 1: Demographic data Respondents

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		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	AUC	27	18%	18%	18%
	HEUC	33	22%	22%	40%
	RVU	15	10%	10%	50%
	SMU	36	24%	24%	74%
	UU	38	26%	26%	100%
	Total	149	100%	100	

Male and Female					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	97	65%	65%	65%
	Female	52	35%	35%	100%
	Total	149	100%	100	
Age [in years]					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	9	6%	6%	6%
	26-35 Years	48	32%	32%	37%
	36-45	52	35%	35%	73%
	Above 45	40	27%	27%	100%
	Total	149	100%	100%	
Educational Level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	11	7%	7%	7%
	BA/BSC	49	33%	33%	40%
	MA/MSC	76	51%	51%	91%
	PHD	13	9%	9%	100%
	Total	149	100%	100%	
Work Experience at PHIs					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 Years	11	7%	7%	7%
	3-5 years	52	35%	35%	42%
	6-8 years	37	25%	25%	67%
	9-10 Years	26	17%	17%	85%
	Above 10 Years	23	15%	15%	100%
	Total	149	100%	100%	

Table 1, above, clearly indicate that the participants who filled and replied the questionnaire were comprising the highest from Unity university with 38(26%) followed by respondents 36(24%) from St.Mary University, then followed by Hope Enterprise University College with 33(22%) respondents. The remaining 27(18%) and 15(10%) respondents were from Alpha University College and Rift Valley University respectively.

From the total 149 respondents 72 (45%) of them are Female respondent and 88 (55%) of them respondent is male, this implies that male respondent greater than Female, as shown in the Table 2 above.

As indicated in Table 1 most of the respondents were categorized under MA/MSc holders are 76 (51%), while PhD holders are 13 (9%), BA/BSC holders' are 49 (33%) and Diploma holders are 11 (7%) of the total valid respondents. From this we can assume that because of this level of academic position the respondents have better understanding of dimensions of innovative human resource management practices traits. Hence, the response could be reliable.

As indicated in Table 1 Wok experience data in the Higher education institutions reveals that of the 149 valid respondents 11(7%) have the service year of 1to 2 years, while majority 52(35%) of the respondents had worked in the stated organizations between 3 to 5 years, those who have work experience of 6 to 8 and 9 to 10 years were 37(25%) and 26(17%) respectively. the remaining 23(15%) of the respondents had worked in the organization for more than 10 years. From this it is possible to say that the respondents were well aware about their organization cultures dimensions because most of respondent have worked in the organization within a range of three to ten years.

Descriptive Analysis

Descriptive analysis is a type of statistical analysis that aims to summarize and describe the main features of a data set, typically, visually and quantitatively. It is the first step in data analysis, and it provides a foundation for further analysis, such as inferential statistics. For this study, quantitative data obtained from the questionnaires were analyzed descriptively in terms of mean, overall mean, and standard deviation.

All analyses were performed using the statistical package for the social sciences (SPSS) software version 25. Interpretations were made for all dimensions on a 5-point likert scale based on: scale: 5 =strongly agree; 4=agree; 3=medium; 2=disagree; 1 =

strongly disagree. Thus, the scales were averaged and neutral posture "3" was taken as the reference point. That is, the average you get the same score as above 3 (neutral) if the opinion favors the given view, and below 3 (neutral) when opinions tend to be unfavorable to a particular point of view.

The mean score interpretation was based on Norasmah (2002), where 1.00–1.80 is very low, 1.81–2.60 is low, 2.61–3.40 is moderate, 3.41–4.20 is high, and 4.21–5.00 is very high.

Respondents were asked to show their perception towards the extent of implementation of the innovative human resource management practices and their effect on organizational performance of their organization. Consequently, as shown in Table 3 below, they revealed their opinion and the mean and standard deviation were calculated. The mean opinion of the respondents, fall between 1.93 on IER and 2.75 on ITD. Based on the Norasmah (2002) scale description, respondents in general strongly disagree(very low) or disagree(low) on the implementation of innovative HRM practices at the selected PHIs in Ethiopia. It means that there are few to none implementation of such innovative HRM practices at selected firms. The standard deviation of the result falls between 0.57711 and 0.69071 indicating the difference among the respondents response is very minimal.

Table 2: Mean and standard deviation descriptive statistics result

Descriptive Statistics			
Variables	N	Mean	Std. Deviation
IRS	149	2.26	.57711
ITD	149	2.02	.66063
IPA	149	2.75	.69071
IEC	149	2.27	.65519
IER	149	1.93	.62779
OP	149	2.23	.57955
Valid N (listwise)	149		

It clearly indicated that the level of implementation and know how the innovative HRM practices is very low at private Higher education in Ethiopia, indicating still PHEIs in Ethiopia are using the traditional HRM practices in order to attract and retain talented staffs. This is against the literatures written by many authors that they suggest implementing innovative HRM activities will be the key for being competitive in the industry.

Correlation Analysis

Correlation test is showing the strength of the association or the relationship between the variables involved. Inter-correlations coefficients (r) were calculated by means of Pearson's product moment and Pearson's correlation was used to investigate the interrelations among the variables.

According to Cohen (1988), value ranging from 0.10 to 0.29 may indicated as low degree of correlation, value ranging from 0.30 to 0.49 may be indicating a moderate degree and value ranging from result from 0.50 to 1.00 assigned as a high degree of correlation.

Table 3: Correlations among variables

	Correlations						
		IRS	ITD	IEC	IPA	IER	OP
Innovative Recruitment & Selection (IRS)	Pearson Correlation	1	.782**	.688**	.582**	.722**	.526**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	149	149	149	149	149	149
Innovative Training & Development (ITD)	Pearson Correlation	.782**	1	.798**	.706**	.566**	.621**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	149	149	149	149	149	149
Innovative employee compensation (IEC) (IEC)	Pearson Correlation	.688**	.798**	1	.805**	.915**	.687**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	149	149	149	149	149	149
Innovative Performance Appraisal (IPA)	Pearson Correlation	.582**	.706**	.805**	1	.672**	.750**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	149	149	149	149	149	149
Innovative Employee Relations (IER)	Pearson Correlation	.722**	.566**	.915**	.672**	1	.699**
	Sig. (2-tailed)	.000	.000	.000	.000		.000

	N	149	149	149	149		149
Organizational Performance (OP)	Pearson Correlation	.526**	.621**	.687**	.750**	.699**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	149	149	149	149	149	149
	**. Correlation is significant at the 0.01 level (2-tailed).						

As per the above Table 3, correlations among variables indicate that, all correlation results are positive. This implies that among variables and between dependent and independent variables, there is a positive relationship. As per the above table correlation result the relation between and among variables itself and dependent and independent is above 0.5 this implies that strong relationship between or among variables.

Regression Analysis

One or more independent variables are used in regression analysis to determine the effect on a dependent variable (Albaum, 1997). A statistical tool used to examine relationships between variables is regression analysis. Most of the time, the goal of research is to determine the causal relationship between factors. Gathering information on the underlying variables of interest and using regression to calculate the quantitative impact of the causative variables on the variable under investigation, the researcher investigates such problems. Additionally, the investigator normally evaluates the "statistical significance" of the estimated relationships or the degree to which the true relationship is believed to be closely related to the estimated relationship (Malhotra, 2007). Before performing the regression analysis, the researcher in this study attempted to test the assumptions.

Assumption Testing

To preserve the validity and robustness of the research's regressed result under multiple regression models, the fundamental assumptions must be met. Thus, assumption tests like multi-co linearity, linearity, normality, and heteroscedasticity test have been carried out in this study.

Linearity

As stated by Hayes(2012), to perform a linear regression analysis, the relationship between the independent and dependent variables must be a linear function. Consequently, as shown below in figure 2, scatter plots illustrate the relationship between the two variables (dependent and independent variables). The residuals scatter plot shows that the points were arranged from bottom left to top right in a fairly straight line. As such, it exhibits linearity. Regression analysis relies on the fundamental premise that there is a linear relationship between the variables, meaning that the patterns formed by the points in the straight-line plot can be roughly represented by a straight line.

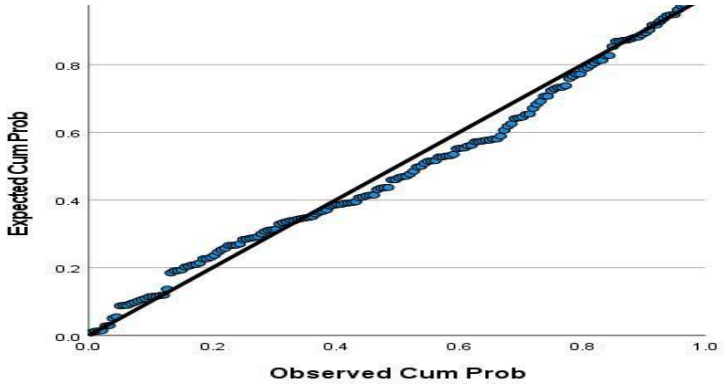

Figure 2. Linearity test

Normality Test

The assumption of normality assumes whether the error terms are normally distributed or not. In a regression analysis, the normality of errors is indicated when the standardized residual becomes bell-shaped (Gujarati, 2004). Figure 3 below shows the errors are normally distributed since the histogram result indicated bell-shaped. So we can say that the errors are approximately normally distributed.

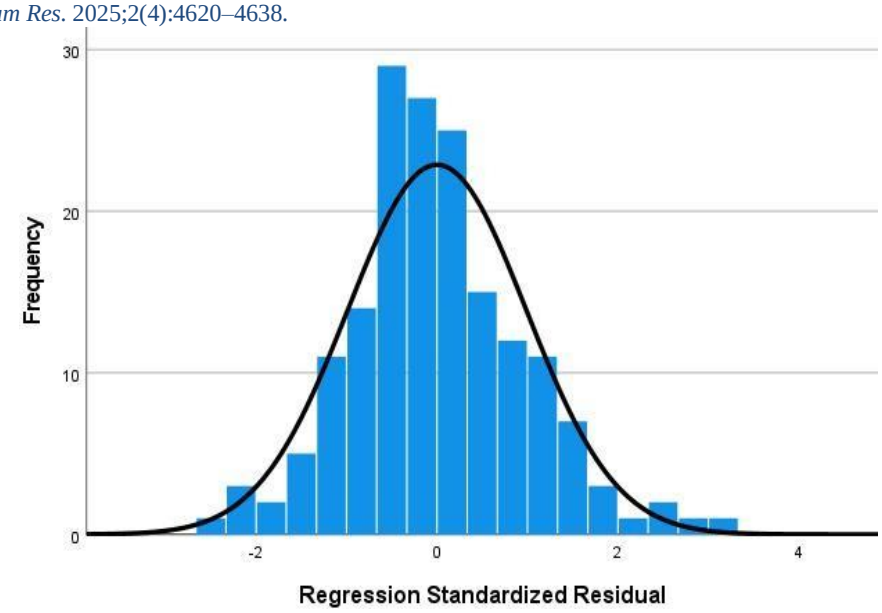

Figure 3, Normality test

Multi-collinearity Test

Multi-collinearity test is a statistical test used to assess the degree of correlation between two or more independent variables in a regression analysis. Multi-collinearity can cause problems in regression analysis, such as inflated standard errors and unstable coefficients. As stated by (McClelland 2017), the majority of regression software can calculate the variance inflation factor (VIF) for every variable. Generally speaking, a VIF greater than 10 points indicates issues with the multi-collinearity test. (Erik, 2014) and the values for tolerance values below 0.1 indicate serious issues.

- *Variance inflation factor (VIF):* VIF measures how much the variance of an estimated regression coefficient is increased due to collinearity. A VIF greater than 10 is often considered indicative of multi-collinearity.
- *Tolerance:* tolerance is the reciprocal of VIF and measures the proportion of variance in an independent variable that is not explained by other independent variables. A tolerance value less than 0.1 is considered indicative of multi-collinearity.

Table 4: Multi-collinearity test

Description		Collinearity statistics	
		Tolerance	VIF
1	Innovative Recruitment & Selection	.327	3.060
	Innovative Training & Development	.305	3.282
	Innovative Employee Compensation	.261	3.831
	Innovative Performance Appraisal	.493	2.027
	Innovative Employee Relations	.301	3.122
A. Dependent variable: organizational performance			

As shown in table 4 the multi-collinearity test for all independent variables the tolerance is greater than 0.1 and the VIF is less than 10, therefore there is no multi-collinearity.

Heteroscedasticity Test

The heteroscedasticity test is a statistical test used to check for the presence of heteroscedasticity, which is a violation of the assumption of homoscedasticity in regression analysis. Homoscedasticity means that the variance of the errors is constant across all levels of the independent variables. Heteroscedasticity, on the other hand, occurs when the variance of the errors is not constant.Error terms don't have a continuing variance, according to this assumption. Hypothesis testing is no longer valid or reliable if heteroscedasticity occurs because the standard least square method's estimators become inefficient and underestimate variances and standard errors. The variance of the error term that is constant across all model measures is used to test heteroscedasticity graphically or visually. This implies that, in the absence of heteroscedasticity, the data is not heteroscedastic.

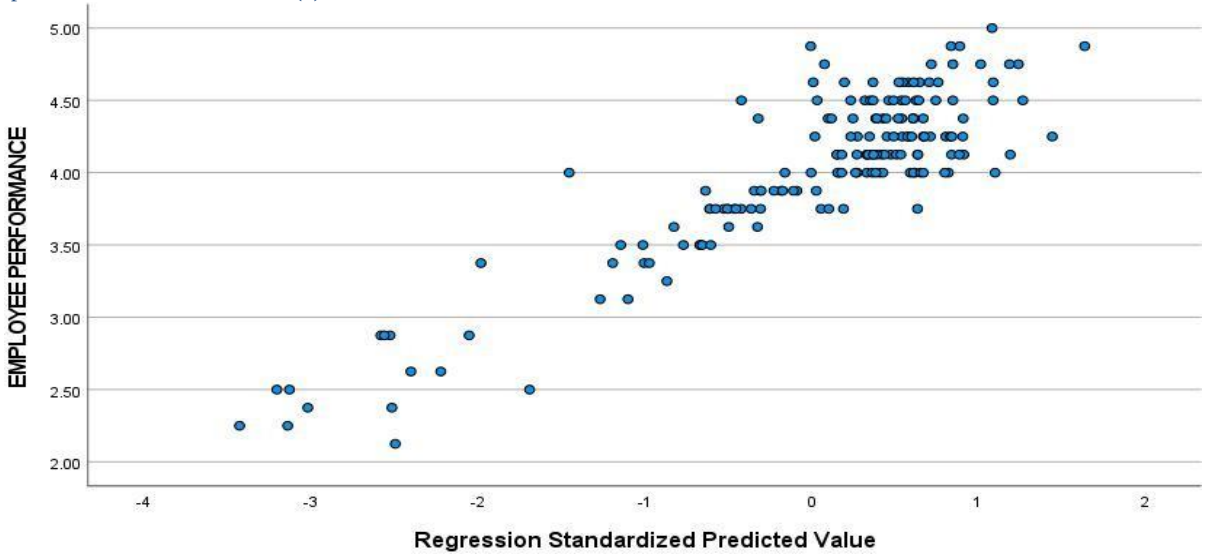

Figure 4, Heteroscedasticity test

As shown in the above graph the residuals do not make regular patterns, therefore there is no heteroscedasticity.

Multiple Linear Regression Analysis

Multiple linear regression analysis is a statistical method used to examine the relationship between two or more independent variables and a single dependent variable. For this research, the researcher examined the relationship between organizational culture (independent variables) and employee performance (dependent variable).

The regression analysis helps us understand how these innovative HRM practices impact organizational performance and to what extent. By analysing the data and calculating regression coefficients, the researcher can determine the strength and direction of these relationships. The results of the regression analysis can provide valuable insights for organizations looking to improve organizational performance. By understanding which innovative HRM practice factors have the greatest impact on organization performance, oorganizations can make informed decisions about how to create a more supportive and conducive work environment for their employees and organization as a whole.

Table 5: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766[a]	.586	.575	.37798
a. Predictors: (Constant), IRS, ITD, IEC, IPA,IER				
b. Dependent Variable: OP(Organizational performance)				

Table 5 presents the model summary which states that organizational performance as a function of innovative Recruitment & Selection, innovative Training & Development, innovative employee compensation, innovative Performance Appraisal and innovative Employee Relations and Organizational performance. Based on the above model summary Adjusted R Square value indicated that the independent variables explained the dependent variable by 57.5%. This result implies innovative HR element dimensions accounted 57.5% of the variance in organizational performance.

Table 6: Coefficient Regression

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.767	0.174		4.419	.554
	Innovative\ Recruitment and Selection (IRS)	0.036	0.088	0.036	0.409	.010
	Innovative Training and Development (ITD)	0.025	0.094	0.084	0.265	.000
	Innovative employee compensation (IEC)	0.034	0.092	0.149	0.369	.044
	Innovative Performance Appraisal (IPA)	0.028	0.094	0.084	0.298	.000
	Innovative Employee Relations (IER)	0.479	0.82	0.541	0.584	.002
a. Dependent Variable: Organizational performance						

Regression equation is stated as:

$Y=Bo+\beta 1x1+\beta 2x2+\beta 3x3+\ldots. +\beta kX + ei$

Where;

- β0= point of intercept
- Y= the Organizational performance of Private higher Institutions
- Xk= Innovative human resource management practices of element in Private higher Institutions
- Bk=slope of the line
- ei= error term

As per the above table 6 the explained regression equation is stated as:

- Organizational performance (OP) = 0.767+ 0.036*IRS+ 0.025*ITD+ 0.034*IEC+ 0.028*IPA + 0.479*IER:

Where;

- ✓ IRS=Innovative Recruitment & Selection;
- ✓ ITD=Innovative Training & Development;
- ✓ IEC=Innovative Employee Compensation;
- ✓ IPA=Innovative Performance Appraisal;
- ✓ IER=Innovative Employee Relations; and
- ✓ OP= Organizational Performance

Based on linear regression analysis, the table above reveals the Effect of each innovative human resource management practices element, i.e. the Effect of IRS, ITD, IEC IPA, and IER on Organizational performance Private higher education Institutions of are 0.036, 0.024, 0.034 and 0.028, and 0.479 respectively. By examining this β weight of data analysis result and level of significant, the finding shows that IRS, ITD, IEC and IPA have no greater effect on OP of Private higher education Institutions on the other hand IER has greater effect on OP. And this implies that the predicted change in the dependent variable for every unit increase in that particular predictor.

This signifies with one percent increase in the value of IRS; the OP of Private higher education Institutions will increase by 0.036 percent provided that other variables remain constant the same is true for other variables for ITD, IEC and IPA. Therefore, we can conclude that IRS, ITD, IEC, and IPA have not statistically significant effect on Organizational performance of Private higher Institutions. On the other hand, the β value of IER is 0.479 where the significance level is greater than 0.05. Therefore, we can conclude that four independent variables have a no significant effect on OP but on the other hand IER have a significant effect on Organizational Performance of Private higher education Institutions because of Beta value is 0.479 as per the table 6.

Generally, the main purpose of this study is to analyze the effect of Innovative human resource management practices dimensions on Organizational performance of Private higher Institutions. From the above data analysis, Innovative human resource management practices elements which are, IRS, ITD, IEC, and IPA has no effect on organizational performance at 5 % level of significance while the dimension of IER has a significant effect on the performance of organizations.

Hypothesis Testing

The purpose of the hypothesis was to analyse whether the independent variables [IRS, ITD, IEC, IPA and IER] have a significant effect on dependent variables [Organizational performance]. And one of the most commonly used methods in statically decision-making is hypothesis testing. The hypothesis test includes two hypotheses: the null hypothesis [denoted by Ho] and the alternative hypothesis [denoted by Ha]. The null hypothesis is the initial claim and is often specified using previous research or common knowledge. The alternative hypothesis is sometimes referred to as the research Hypothesis.

The decision-making process for Hypothesis test can be based on the probability value (- value) for the given test that is:

- If the p-value is less than or equal to a predetermined 0.05 level of significance, then we reject the null hypothesis and claim support for the alternative hypothesis
- If the P- value is greater than 0.05 level of significance value, we fail to reject the null hypothesis and cannot claim support for the alternative hypothesis

At the 5% significance level, determine if the model is useful for predicting the response bases on this Hypothesis analysis implemented:

Table 7: Summary of Hypotheses Testing

Hypothesis	P-value	β -Value	Result	Decision
H1: IRS do not have a significant effect on Organizational performance of PHEIs.	.010	.160	Positive	Rejected
H2: ITD do not have a significant effect on Organizational performance of PHEIs.	.000	.418	Positive	Rejected
H3: IPA do not have a significant effect on Organizational performance of PHEIs.	.044	.140	Positive	Rejected
H4: IEC do not have a significant effect on Organizational performance of PHEIs.	.000	.291	Positive	Rejected
H5: IER do not have a significant effect on Organizational performance of PHEIs.	0.002	.584	Positive	Rejected

DISCUSSION

The research was carried out in order to find the effect of innovative human resource management practices on organizational performance in Private higher education Institutions in Ethiopia. Explanatory research design was employed, and data were collected from 149 Private higher education Institutions employees. In line with the objectives the following are the major finding of the study:

Employees of Private higher education Institutions about 149 were participated on the study. Among those 55% of the respondents were male and the rest were female. Majority of the respondents were Degree holders those have 3 years and above work experience. Finding of quantitative or Correlation result showed that, between dependent and independent variables have positive relationship.

From the finding the detail results on correlation results are here under:

- The correlation between IRS and OP is positive and significantly correlated at (r=0.526), (P<0.01), this shows that the relationship between the two variables is strong.
- The correlation between ITD and OP is positive and significantly correlated at (0.621), (P<0.01), this shows that the relationship between the two variables is strong.
- The correlation between IEC and OP is positive and significantly correlated at (0.687), (P<0.01), this shows that the relationship between the two variables is strong.
- The correlation between IPA and OP is positive and significantly correlated at(r=0.750), (P<0.01), this shows that the relationship between the two variables is strong.
- The correlation between IER and OP is positive and significantly correlated at (r=0.699) (P<0.01), this shows that the relationship between the two variables is strong.

Finding from regression analysis result:

- The independent variables selected for the model (innovative Recruitment & Selection, Innovative Training & Development, innovative employee compensation, Innovative Performance Appraisal, and Innovative Employee Relations practices of HRM), and 57.5 % of independent variable effect on organizational performance. But the rest variations 42.5 % are from extraneous variables. This result implies Innovative human resource management practices or element factors accounted 57.5% of the variance in OP. So, Innovative human resource management practices elements variables explained the OP by 57.5 %.

The correlation and regression tests were conducted to see if there is positive and significant relationship between independent variables (innovative HRM practices) and dependent variable(Organizational performance). Accordingly, the correlation result found out that all variables have positive association among themselves as well as between dependent and independent variables. On the other hand, the regression result revealed that all independent variables have a positive and significant effect on dependent variables, where all hypotheses were rejected and indicating all innovative HRM practices have an impact was from the IER variable where 1% increase on innovative Employee relation activities will increase organizational performance by 54.8%, assuming other variable constant. it was followed by innovative Training & development practices with 41.8% increment on organizational performance. The least impact was found at innovative employee compensation indicating only 14% increase on organizational performance improvement.

CONCLUSION OF THE STUDY

The research was carried out in order to find the effect of innovative human resource management practices on organizational performance in Private higher education Institutions in Ethiopia. Explanatory research design was employed, and data were collected from 149 Private higher education Institutions HQ employees. The main purpose of this study is to assess the effect of innovative human resource management practices on organizational performance and based on the research objectives, analysis of the data and finding of the study the following conclusion are drawn:

- From the demographic data of the respondents one can concluded that as statistics indicates that the majority of the respondent are diploma and above level this help the Private higher education Institutions easily understands innovative human resource management practices traits to improve Organizational performance of the case of organization and so as to make it competitive preferable on local and national.
- The correlation analysis showed that, there is a positive relationship among and between independent

variables and organizational performance. Therefore, improvement and interrelation in all independent variables can increase the organizational performance of Private higher education Institutions

❖ The regression and hypothesis result showed as all independent variables have a positive and significant effect on the improvement of organizational performances of private Higher education institutions in Ethiopia

❖ According to the study, innovative human resource management practices dimensions have a positive effect on employ performance this revealed that doing more on independent variables will help Private higher education Institutions to have competitive advantage. Overall, based on the analysis we can conclude that innovative human resource management practices dimensions have statistically significant effect on organizational performance of Private higher Institutions. Based on this the researcher conclude that executive administration of Private higher education Institutions need to consider taking and implementing dimensions of innovative human resource management practices elements as more effective and powerful tool in the success of competitive position.

Recommendation and Future Research Directions

The researcher believes that the study could contribute a lot for Private higher education Institutions efficiency on competitive positioning. So, the main recommendations derived from this study could be describe below.

Ethiopia has great potential to work with relatively its cheap labour force. Through using this resource Private higher education Institutions can be increased competitiveness if attention is given to employee of the sector as a whole. So, Private higher education Institutions must broaden their area of strategy analysis and decision making to encompass not only the internal working units but also the whole. In modern highly competitive markets there has been reorientation of service efficiency towards collaboration between customer, strategic fast and accurate information sharing and strong relationship with customers are and important way of sustaining service positioning of the giving service this can be achieved through implementing innovative HRM practices like recruitment, selection training, compensation and other HR practices.

Employees are the building block of any organizations, so Private higher education Institutions in Ethiopia should shift from the traditional HR practices to new and innovative ways to bring and retain qualified staffs that will lead them for higher competitiveness.

Among the innovative HRM practices, private higher education intuitions in Ethiopia shall give high due regard to innovative employee relation and innovative training & development practices, as they have higher impact on improving performance of organization, as the study result shows.

Further research need to be conducted to establish the relations between Innovative HRM on organization performance in manufacturing sector to see if there is a difference in techniques that should be applied innovative HR in manufacturing and service firms.

Acknowledgement

I would like to sincerely thank the research participants, who take their time to complete my research questionnaire and promptly returning it. Their willingness to share their views and experiences had been invaluable to the success of this study. The information they provided had contributed to greatly achieving the objective of my research. I am truly grateful for your support and participation.

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