

Effect of Diversity and Inclusion practices on innovative work behavior in the county government of Nandi, Kenya

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Abstract

This study examines how diversity and inclusion (D&I) practices shape innovative work behavior (IWB) in the County Government of Nandi, Kenya. Guided by Social Exchange Theory and the Componential Theory of Creativity, the study focuses on remuneration, affective commitment, and inclusive leadership, and tests the mediating role of psychological safety. A cross-sectional explanatory design was applied using a mixed-methods approach. Quantitative data were collected from 308 employees selected through stratified random sampling, and analyzed in SPSS v28 using descriptive statistics, multiple regression, and PROCESS-based mediation. Qualitative data from key informant interviews with HR managers and departmental heads were thematically analyzed to enrich interpretation. Findings show that D&I practices are strong predictors of IWB. The direct effects model recorded $R = 0.794$ and $R^2 = 0.630$, indicating that remuneration, affective commitment, and inclusive leadership jointly explain 63% of the variance in IWB. All three predictors were positive and significant, with inclusive leadership exhibiting the largest standardized effect ($\beta = 0.361$, $p < 0.001$), followed by remuneration ($\beta = 0.298$, $p < 0.001$) and affective commitment ($\beta = 0.247$, $p < 0.001$). Introducing psychological safety increased explanatory power to $R^2 = 0.678$; psychological safety itself predicted IWB ($\beta = 0.319$, $p < 0.001$) and partially mediated the effects of all three predictors, as their coefficients reduced but remained significant. Interview evidence reinforced the centrality of equitable remuneration, participatory leadership, employee loyalty, and safe climates in enabling idea generation, promotion, and implementation. The study concludes that well-embedded D&I practices—particularly inclusive leadership supported by fair systems directly and indirectly elevate employee innovation through psychological safety. It recommends institutionalizing transparent remuneration and promotion processes, leadership development on inclusive behaviors, and non-punitive idea platforms to sustain innovation and enhance citizen-focused service delivery in devolved governments.

Keywords: *Diversity, Inclusion, Innovative Work Behavior, County Government, Nandi, Kenya*

1.0 Background to the Study

Diversity refers to the presence of differences within a given setting, encompassing attributes such as gender, age, ethnicity, disability status, religion, education, and professional experience (Shore et al., 2018). In organizational contexts, workforce diversity is often considered a strategic resource that can enhance creativity, problem-solving, and service delivery when effectively managed (Roberson, 2019). Scholars argue that diverse teams bring multiple perspectives to organizational

challenges, allowing for broader solution spaces and more innovative outcomes (Ferdman & Deane, 2020). Conversely, unmanaged diversity can generate conflict, stereotyping, and communication barriers, underscoring the need for deliberate diversity management practices (Nishii, 2013). In the public sector, diversity reflects not only demographic attributes but also professional and departmental heterogeneity, which must be harnessed for effective governance and citizen-centered service provision (Williams et al., 2020).

Inclusion builds on diversity by ensuring that all individuals, regardless of background, feel valued, respected, and able to contribute fully to organizational life (Shore et al., 2018). While diversity addresses “who is present,” inclusion speaks to “who is heard and empowered” (Roberson, 2019). Inclusive practices foster climates of fairness, equity, and trust, thereby strengthening employee belonging and engagement (Edmondson & Lei, 2014). Such practices often manifest in equitable remuneration, recognition of contributions, inclusive leadership, and participatory decision-making (Podsakoff et al., 2016). These elements create a foundation where employees can thrive, while also building affective commitment, which denotes the emotional attachment of employees to their organizations (Meyer & Allen, 1997). In the African context, inclusion is particularly critical as organizations contend with ethnic divisions, gender disparities, and socio-economic inequalities that threaten cohesion and organizational performance (Kamweru et al., 2023).

The integration of diversity and inclusion (D&I) creates synergistic outcomes that extend beyond compliance-based policies. Diversity without inclusion risks tokenism, while inclusion without diversity risks superficiality (Shore et al., 2018). When embedded together, they cultivate cultures of belonging, collaboration, and fairness, encouraging employees to reciprocate with positive behaviors such as creativity and innovation (Cao & Yu, 2024). Research shows that D&I practices — particularly those anchored in inclusive leadership and fair treatment — have a direct positive influence on innovative work behavior (Ahmed et al., 2024). At the same time, employees’ perception of psychological safety mediates these effects by providing the confidence to propose and test new ideas without fear of ridicule or sanction (Edmondson & Lei, 2014; Chen et al., 2024). Thus, remuneration, affective commitment, inclusive leadership, and psychological safety become central levers in linking D&I to innovation-driven performance (Syed et al., 2024).

Work behavior refers to the actions and attitudes employees exhibit within organizational settings, ranging from routine compliance to proactive contributions such as knowledge sharing and innovation (Janssen, 2000). Innovative work behavior (IWB) specifically denotes employees’ engagement in generating, promoting, and implementing new ideas that improve processes, services, or products (Meyer et al., 2024). The componential theory of creativity highlights that innovation thrives when individuals are motivated and when organizational climates provide support, autonomy, and recognition (Kallio et al., 2024). In public administration, innovation is increasingly essential for addressing fiscal constraints, citizen demands, and governance complexity (Almansour et al., 2025). Consequently, IWB is now considered a critical dimension of employee performance, especially in the public sector where creativity directly translates into more responsive and citizen-focused service delivery (Tummers et al., 2025).

Globally, organizations have embraced D&I as central to competitiveness, with many institutions institutionalizing diversity policies and linking them to innovation metrics (Shore et al., 2018). In Europe and North America, inclusive HR practices are often mandated through legal frameworks and are tied to organizational performance assessments (Roberson, 2019). At the same time,

digitalization and cross-cultural collaboration have heightened the importance of inclusion in fostering engagement and innovation across distributed teams (Nature HSS, 2025).

Regionally, African organizations face unique D&I challenges linked to ethnic pluralism, gender disparities, and historical inequities (Nyabuti et al., 2017). Research in Uganda and South Africa demonstrates that inclusive leadership and psychological safety significantly shape innovative behavior in public institutions (Okello et al., 2024). In Kenya, diversity management is institutionalized in the Public Service Commission's Diversity Policy (2016), yet implementation has been uneven. The National Cohesion and Integration Commission (NCIC, 2023) revealed that only 15 of 47 counties met the constitutional threshold of no more than 70% dominance by a single ethnic group, pointing to ongoing representation gaps. National agencies such as the Kenya Revenue Authority (2024) have pioneered diversity and inclusion initiatives, signaling an increasing recognition of D&I's role in performance, yet county governments continue to lag behind.

The County Government of Nandi, with an estimated workforce of 5,048 employees, operates within Kenya's devolved governance framework, where counties are tasked with frontline service delivery in sectors such as health, infrastructure, agriculture, and citizen engagement. While Nandi has recorded progress in service delivery, it faces challenges related to resource limitations, ethnic diversity, gender imbalances, and departmental silos that restrict collaboration (Kamweru et al., 2023; Ohemeng et al., 2024). Audit reports and internal assessments highlight persistent gaps in remuneration fairness, inclusive promotion practices, and platforms for employee voice, which may undermine the affective commitment and psychological safety necessary for employees to engage in innovative behaviors (PSC, 2016; NCIC, 2023). Given these dynamics, investigating how remuneration, affective commitment, and inclusive leadership influence IWB — and the extent to which psychological safety mediates this relationship — is both timely and policy-relevant. The findings will contribute evidence for HR reforms in Nandi and provide insights into how Kenya's devolved governments can transform compliance-driven diversity policies into strategic levers for innovation and sustainable development.

1.1 Statement of the Problem

Kenya's devolved system of government has placed county administrations at the forefront of delivering health, infrastructure, agriculture, and citizen-centered services. To meet these demands, counties require innovative work behavior (IWB) among employees, defined as the generation, promotion, and implementation of new ideas (Janssen, 2000). Yet evidence suggests that public sector innovation in Kenya remains weak. The Public Service Commission (PSC, 2016) noted that diversity management in counties often remains compliance-driven, with recruitment and promotion largely reflecting demographic balancing rather than genuine inclusivity that nurtures creativity. More recently, the National Cohesion and Integration Commission (NCIC, 2023) reported that only 15 out of 47 counties complied with the constitutional threshold of no more than 70% dominance by a single ethnic group, pointing to persistent diversity gaps. Without equitable representation and inclusive work climates, employees may feel unsafe to voice new ideas, thereby limiting innovation capacity in county governments.

In Nandi County, with a workforce of approximately 3,500 employees distributed across administrative, technical, and frontline departments, these challenges are particularly pronounced. County audit reports and HR records point to persistent gaps in inclusive recruitment, career progression, and employee voice platforms, which undermine psychological safety and

organizational commitment (Kamweru et al., 2023). For example, service delivery departments such as health and public works consume more than 40% of the county's recurrent budget (CRA, 2023), yet staff in these high-demand units often report limited participation in decision-making and inadequate recognition of their contributions. Such structural and cultural barriers restrict the willingness of employees to take interpersonal risks, propose new approaches, or pursue innovative practices, leaving the county vulnerable to inefficiency and poor responsiveness to citizen needs.

Despite national calls for counties to embed diversity and inclusion (D&I) into human resource strategies, little empirical evidence exists on how these practices influence innovative work behavior in Kenya's devolved governments. Most Kenyan studies on workforce diversity have focused on state corporations and private firms (Kariainto & Mboya, 2022; Kerubo, 2023), leaving a gap in understanding the role of D&I in county administrations. In Nandi, anecdotal evidence suggests that employees' innovative potential remains underutilized due to weak D&I structures, limited psychological safety, and low affective commitment. Without addressing these gaps, the county risks perpetuating compliance-based diversity frameworks that fail to transform employee diversity into a driver of innovation, improved service delivery, and sustainable local development. This study therefore seeks to fill this gap by examining how D&I practices shape innovative work behavior among employees of the County Government of Nandi.

1.2 Purpose of the Study

To investigate the effect of diversity and inclusion practices on innovative work behavior among employees of the County Government of Nandi, Kenya.

1.2.1 Specific Objectives

- i. To determine the effect of remuneration on innovative work behavior among employees in the County Government of Nandi.
- ii. To examine the effect of affective commitment on innovative work behavior in the County Government of Nandi.
- iii. To assess the effect of inclusive leadership on innovative work behavior in the County Government of Nandi.
- iv. To evaluate the mediating role of psychological safety in the relationship between diversity and inclusion practices and innovative work behavior.

1.3 Scope of the Study

This study is confined to employees of the County Government of Nandi, encompassing administrative, technical, and frontline service departments. It focuses on four core D&I practices: fair recruitment and promotion, equitable access to training, employee voice mechanisms, and inclusive leadership and their influence on innovative work behavior dimensions: idea generation, idea promotion, and idea implementation. The study also examines the mediating effects of psychological safety and affective commitment, and the moderating influence of departmental context. Data will be collected from a representative sample of 346 employees using stratified random sampling, supplemented by interviews with HR managers and departmental heads. While the study provides insights applicable to other devolved units in Kenya, its conclusions are context-

specific to Nandi County and should be interpreted within the socio-political and administrative realities of Kenyan county governments.

2.0 Theoretical Framework

The Social Exchange Theory (SET) provides the first lens for understanding how diversity and inclusion practices influence innovative work behavior. SET posits that workplace interactions are built on reciprocity, where employees respond to positive organizational practices with constructive behaviors (Cao & Yu, 2024). When employees perceive fair recruitment, equal training opportunities, and inclusive leadership, they feel valued and supported, which motivates them to reciprocate with higher levels of commitment, risk-taking, and idea-sharing (Roberson, 2019). In this study, SET explains why D&I practices are expected to elicit greater innovative behavior in the County Government of Nandi, as employees exchange perceived organizational fairness for proactive contributions that enhance service delivery.

The second theoretical anchor is the Componential Theory of Creativity, which emphasizes that innovation results from the interaction of intrinsic motivation, domain-relevant skills, and supportive work environments (Amabile, 1996; Kallio et al., 2024). According to this theory, employees are more likely to engage in idea generation, promotion, and implementation when organizational climates provide autonomy, recognition, and psychological safety. Diversity and inclusion practices create precisely such climates by valuing differences, encouraging collaboration, and reducing interpersonal risks. In the Nandi County context, where departments differ in mandates and citizen interaction, the theory helps explain how inclusive climates can translate into creative problem-solving and innovation.

Together, these theories reinforce the proposition that D&I practices are not merely compliance obligations but strategic levers for innovation. SET highlights the motivational dynamics of reciprocity, while the Componential Theory of Creativity underscores the contextual conditions necessary for innovation to thrive. By integrating these perspectives, the study demonstrates that inclusive HR practices in Nandi County can enhance psychological safety and affective commitment, thereby unlocking innovative work behavior across departments. This dual-theoretical foundation provides a robust framework for examining how D&I shapes employee innovation in the public sector.

3.0 Research Philosophy

The study was anchored in the positivist philosophy, which assumes that social phenomena can be studied objectively through empirical evidence and statistical testing. Positivism was appropriate because the research measured perceptions of diversity and inclusion (D&I) practices, psychological safety, affective commitment, and innovative work behavior (IWB) using validated scales, and tested hypothesized relationships through regression and mediation modeling (Creswell & Creswell, 2018). While quantitative analysis provided generalizable findings, the study also incorporated qualitative interviews to enrich the interpretation of results, consistent with the pragmatist stance that multiple methods complement each other in organizational research (Tashakkori & Teddlie, 2020).

3.1 Research Design

The study employed a cross-sectional explanatory research design. The cross-sectional approach enabled data collection from a large number of respondents at a single point in time, while the explanatory dimension was justified because the research aimed not only to describe D&I practices

but also to establish their causal influence on IWB and to test the mediating roles of psychological safety and affective commitment (Sekaran & Bougie, 2019). The design was efficient given the large county workforce and the need to balance time, cost, and data validity.

3.2 Target Population

The target population comprised 5,048 employees of the County Government of Nandi, distributed across administrative, technical, and frontline service departments. Of these, 2,956 were female and 2,092 were male. Employees were further stratified by cadre (lower, middle, and top management) and by departmental distribution, with the Department of Health alone accounting for 1,846 staff (1,083 female, 763 male). This diversity in demographics, roles, and departments necessitated proportional representation to ensure that the findings reflected the realities of the entire workforce (Mugenda & Mugenda, 2003).

3.3 Sample Size Determination

The sample size was determined using Yamane's (1967) formula at a 95% confidence level and a 5% margin of error:

$$n = \frac{N}{1 + N(e^2)}$$

Where:

- N=5,048 (population size),
- e=0.05 (precision level).
- n=378

3.4 Sampling Procedure

The study used stratified random sampling. Employees were first stratified by department (administrative, technical, frontline/service delivery). Within each department, further stratification was done by cadre (lower, middle, top management) and gender. Finally, simple random sampling was applied within each stratum to select respondents. This ensured fair representation and reduced sampling error (Kothari, 2014). In addition, purposive sampling was used to identify key informants such as HR managers and departmental heads for semi-structured interviews.

3.5 Data Analysis Techniques

Quantitative data were cleaned, coded, and analyzed using SPSS version 28. The analysis began with descriptive statistics—frequencies, percentages, means, and standard deviations—to summarize demographic characteristics of respondents and their perceptions of diversity and inclusion (D&I) practices, remuneration, affective commitment, inclusive leadership,

psychological safety, and innovative work behavior (IWB). Tables and charts were employed to enhance clarity and facilitate comparison across variables.

To address the research objectives, inferential statistics were applied. Pearson's correlation analysis was conducted to examine associations among study variables, while multiple regression analysis was used to establish the direct effects of remuneration, affective commitment, and inclusive leadership on IWB. In addition, the PROCESS Macro for SPSS was employed to test the mediating role of psychological safety in the D&I–IWB relationship, and ANOVA was applied to assess departmental variations. These inferential analyses provided a basis for testing the study's hypotheses.

Qualitative data obtained from semi-structured interviews with HR managers and departmental heads were transcribed verbatim and analyzed using thematic analysis guided by Braun and Clarke (2019). NVivo software was utilized to support coding and categorization of emerging themes. The process involved familiarization with the data, generation of initial codes, identification and review of themes, and final reporting.

By combining descriptive and inferential statistics with qualitative thematic analysis, the study generated both a quantitative profile of staff perceptions and a qualitative understanding of organizational practices and leadership dynamics. This mixed-methods approach ensured a comprehensive examination of how D&I practices influenced innovative work behavior in the County Government of Nandi.

4.0 Findings

This section presents the descriptive statistics and inferential.

4.1 Descriptive Analysis

The qualitative component of the study sought to complement the quantitative analysis by capturing the lived experiences and perceptions of HR managers and departmental heads regarding diversity and inclusion (D&I) practices and their influence on innovative work behavior (IWB). Through thematic analysis of interview transcripts (Braun & Clarke, 2019), four major themes emerged: (1) fairness in remuneration and recognition, (2) inclusive leadership and participatory decision-making, (3) affective commitment and employee loyalty, and (4) psychological safety as a foundation for innovation.

Across departments, participants emphasized that equitable remuneration and recognition practices were central to motivating employees to innovate. Many felt that disparities in pay or promotion demotivated staff and limited their willingness to generate or implement new ideas. As one respondent noted:

“When employees feel that salaries and promotions are handled fairly, they are more willing to go beyond routine work and suggest creative solutions.” (KII, 2025)

Another HR officer explained:

“People innovate when they know their efforts will be acknowledged, not when they feel overlooked.” (KII, 2025)

This finding aligns with social exchange theory, which posits that fair treatment by the organization elicits positive reciprocal behaviors from employees (Cao & Yu, 2024). It is also consistent with research by Ahmed et al. (2024), who found that fair diversity management

practices, including remuneration and recognition, positively influence innovative work behavior in emerging economies.

A recurring insight from participants was the role of leadership in fostering inclusion and innovation. Leaders who involved employees in decision-making and respected diverse perspectives were described as catalysts for creative problem-solving. One departmental head observed:

“In our team, innovation comes easier when leaders listen to all voices, not just senior staff.”
(KII, 2025)

Similarly, another noted:

“Inclusive leadership makes people feel that their contributions matter; it is from this confidence that new ideas are born.” (KII, 2025)

These observations echo Shore et al. (2018), who argue that inclusive workplaces enhance participation and creativity by recognizing diverse inputs. Moreover, Okello et al. (2024) found that inclusive leadership in Ugandan universities significantly boosted innovative work behavior, underscoring the regional relevance of this theme.

Participants also highlighted the emotional bond employees develop with the organization when D&I practices are embraced. Respondents noted that staff who feel valued and respected demonstrate higher loyalty and are more willing to innovate. As one manager remarked:

“When people feel emotionally attached to the county, they commit more, and this is when they start thinking of how to improve services.” (KII, 2025)

Another added:

“Commitment comes from being included — once you are part of the system, you want it to succeed, and you bring new ideas.” (KII, 2025)

This resonates with Meyer and Allen’s (1997) theory of affective commitment, which links emotional attachment to discretionary behaviors such as innovation. Similarly, Lin et al. (2024) found that organizational commitment positively correlates with innovative behaviors, especially in contexts where fairness and inclusion are present.

A consistent message across interviews was the importance of psychological safety in enabling innovation. Employees were more likely to suggest ideas when they felt safe from ridicule or punitive consequences. One HR manager stated:

“If staff fear criticism, they will keep quiet even when they have good ideas.” (KII, 2025)

Another participant emphasized:

“Innovation needs a safe space; people should not fear being shut down or punished for mistakes.” (KII, 2025)

These sentiments are supported by Edmondson and Lei (2014), who argue that psychological safety fosters risk-taking and creativity in organizations. Likewise, Chen et al. (2024) found that team psychological safety mediates the relationship between inclusive practices and innovative performance, showing how safety enables communication and experimentation.

The thematic analysis reveals that fair remuneration, inclusive leadership, affective commitment, and psychological safety are interlinked drivers of innovative work behavior within the County Government of Nandi. These qualitative findings reinforce the quantitative results and align with global and regional scholarship that underscores the importance of embedding D&I practices as strategic enablers of innovation (Syed et al., 2024; Ferdman & Deane, 2020). By triangulating both data strands, the study confirms that organizational fairness, emotional attachment, leadership inclusivity, and psychological safety collectively create a conducive environment for employee-driven innovation in public sector contexts

4.2 Inferential Analysis

Inferential analysis was conducted to determine the effect of diversity and inclusion (D&I) practices—operationalized through remuneration, affective commitment, and inclusive leadership—on innovative work behavior (IWB) among employees of the County Government of Nandi. Unlike descriptive statistics, which only summarize responses, inferential techniques allow for testing hypotheses and establishing the extent to which the study variables are associated in the broader population (Sekaran & Bougie, 2019). Multiple regression analysis was therefore applied to establish the direct predictive power of the independent variables on IWB. This approach was appropriate given that the study sought not only to describe employee perceptions but also to explain causal relationships in line with the study objectives.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.794	0.630	0.627	0.412

Source: Survey Data (2025)

The findings show that the model linking remuneration, affective commitment, and inclusive leadership to innovative work behavior (IWB) was statistically robust. The correlation coefficient ($R = 0.794$) indicates a strong positive relationship between the independent variables and IWB. The coefficient of determination ($R^2 = 0.630$) demonstrates that the three predictors jointly explained 63% of the variance in innovative work behavior among employees in the County Government of Nandi. This level of explanatory power is considered high in organizational research, where R^2 values above 0.50 indicate strong predictive capacity (Hair et al., 2019). The adjusted R^2 value of 0.627 further confirms that the model was stable and generalizable, with minimal inflation due to sample size. These results suggest that diversity and inclusion (D&I) practices, conceptualized through remuneration, affective commitment, and inclusive leadership, are significant drivers of employee innovation.

Table 2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	88.276	3	29.425	173.214	0.000
Residual	51.836	304	0.171		
Total	140.112	307			

Source: Survey Data (2025)

The ANOVA results confirm the overall significance of the regression model. The F-statistic ($F = 173.214$, $p < 0.001$) indicates that the combined effect of remuneration, affective commitment, and inclusive leadership on IWB was highly significant. In practical terms, this means that the model as a whole provided a better fit than one without predictors, and the probability of these results occurring by chance is less than 0.1%. This finding is consistent with Ahmed et al. (2024), who demonstrated that diversity management practices significantly improve innovative outcomes when systematically integrated into organizational systems. It also echoes Shore et al. (2018), who emphasized that inclusive practices collectively create climates that foster employee innovation.

Table 3: Coefficients of Regression

Model	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	0.742	0.108	–	6.870	0.000
Remuneration	0.281	0.047	0.298	5.979	0.000
Affective Commitment	0.214	0.041	0.247	5.220	0.000
Inclusive Leadership	0.333	0.045	0.361	7.389	0.000

Dependent Variable: Innovative Work Behavior (IWB)

Source: Survey Data (2025)

The coefficients table reveals the individual contributions of each predictor to innovative work behavior. Remuneration had a positive and significant effect ($B = 0.281$, $\beta = 0.298$, $p < 0.001$), indicating that fair and transparent pay practices motivated employees to generate and implement new ideas. This aligns with social exchange theory, which holds that employees reciprocate organizational fairness with constructive behaviors such as innovation (Cao & Yu, 2024).

Affective commitment also emerged as a significant predictor ($B = 0.214$, $\beta = 0.247$, $p < 0.001$). This implies that employees who feel emotionally attached and loyal to the county government

were more likely to engage in innovative practices. This supports Meyer and Allen’s (1997) model of commitment, which links affective attachment to discretionary behaviors, and is reinforced by Lin et al. (2024), who found that organizational commitment positively correlates with innovation in public institutions.

Finally, inclusive leadership demonstrated the strongest effect among the three predictors ($B = 0.333$, $\beta = 0.361$, $p < 0.001$). This finding suggests that leaders who respect diversity, involve employees in decision-making, and provide participatory spaces significantly boost innovation. The result resonates with Ferdman and Deane (2020), who argue that inclusive leaders foster climates of trust and creativity, and with Okello et al. (2024), who observed similar outcomes in Ugandan universities where inclusive leadership drove innovative work behavior.

Beyond testing the direct effects of remuneration, affective commitment, and inclusive leadership on innovative work behavior (IWB), the study examined the mediating role of psychological safety. Mediation analysis was necessary because literature has consistently shown that while inclusive practices and fair organizational systems can directly drive innovation, their impact is often enhanced when employees feel psychologically safe to voice ideas, experiment, and take risks without fear of ridicule or sanction (Edmondson & Lei, 2014; Chen et al., 2024).

The analysis therefore incorporated psychological safety into the regression model to assess whether it accounted for part of the relationship between diversity and inclusion (D&I) practices and innovative outcomes. This approach aligns with Baron and Kenny’s (1986) framework for mediation testing, which requires that (i) the independent variables significantly predict the dependent variable, (ii) the independent variables significantly predict the mediator, and (iii) the mediator significantly predicts the dependent variable, with reduced coefficients for the direct effects once the mediator is included.

The results of the mediation analysis are presented in Table 4 (Model Summary), Table 5 (ANOVA), and Table 6 (Coefficients). Together, these outputs illustrate the extent to which psychological safety contributed to strengthening the explanatory power of the model and clarifying how D&I practices translated into innovative work behavior among employees in the County Government of Nandi.

Table 4: Model Summary (Mediation Model)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.823	0.678	0.674	0.389

Source: Survey Data (2025)

The mediation model accounted for 67.8% of the variance in innovative work behavior, showing that the inclusion of psychological safety strengthened the explanatory power compared to the direct model ($R^2 = 0.678$ vs. $R^2 = 0.630$ earlier).

Table 5: ANOVA (Mediation Model)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	95.048	4	23.762	157.278	0.000
Residual	45.064	303	0.149		
Total	140.112	307			

Source: Survey Data (2025)

The F-statistic ($F = 157.278$, $p < 0.001$) confirmed that the mediation model was statistically significant, reinforcing the importance of psychological safety in shaping innovative work behavior.

Table 6: Coefficients

Predictor	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	0.518	0.097	–	5.340	0.000
Remuneration	0.197	0.044	0.209	4.477	0.000
Affective Commitment	0.161	0.038	0.186	4.237	0.000
Inclusive Leadership	0.244	0.043	0.265	5.674	0.000
Psychological Safety	0.286	0.041	0.319	6.976	0.000

Dependent Variable: Innovative Work Behavior (IWB)

Source: Survey Data (2025)

The mediation analysis demonstrated that psychological safety played a significant role in shaping innovative work behavior among employees of the County Government of Nandi. The results showed that psychological safety was itself a strong predictor of innovative work behavior ($B = 0.286$, $\beta = 0.319$, $p < 0.001$), thereby confirming its position as a mediating variable. When psychological safety was incorporated into the regression model, the effects of remuneration, affective commitment, and inclusive leadership on innovative work behavior all remained statistically significant but declined in strength. Specifically, the standardized coefficient for

remuneration reduced from $\beta = 0.298$ to $\beta = 0.209$, that of affective commitment declined from $\beta = 0.247$ to $\beta = 0.186$, and inclusive leadership dropped from $\beta = 0.361$ to $\beta = 0.265$.

These reductions indicate that part of the influence of D&I practices on innovative work behavior occurs indirectly through the creation of psychologically safe environments, even as direct effects continue to operate. In other words, when employees perceive fairness in remuneration, feel emotionally attached to the organization, and experience inclusive leadership, they are more likely to innovate not only because of those practices directly, but also because such conditions cultivate psychological safety. Employees who feel safe from ridicule or punitive consequences are more willing to experiment, voice ideas, and take the interpersonal risks that innovation requires.

This finding is consistent with the arguments of Edmondson and Lei (2014), who emphasize that psychological safety is foundational for risk-taking and learning behaviors in organizations. Similarly, Chen et al. (2024) empirically showed that psychological safety mediates the relationship between inclusive practices and innovative outcomes by encouraging communication and collaboration. Taken together, the results suggest that in Nandi County, D&I practices enhance innovation both directly and indirectly by shaping climates of safety where employees feel free to contribute creatively.

5.0 Summary of Study Findings

The study examined the effect of diversity and inclusion (D&I) practices—operationalized through remuneration, affective commitment, and inclusive leadership—on innovative work behavior (IWB) in the County Government of Nandi. Descriptive results showed that employees perceived significant gaps in fair remuneration, promotion opportunities, and recognition, with many citing dissatisfactions regarding equity in pay and access to training. At the same time, respondents emphasized the importance of inclusive leadership and participatory decision-making in shaping their sense of belonging and motivation to innovate. These observations were echoed in the qualitative findings, where HR managers and departmental heads consistently highlighted fairness, loyalty, and leadership inclusivity as core drivers of employee creativity and problem-solving (KII, 2025). This is consistent with Ferdman and Deane (2020), who argue that inclusive practices provide the foundation for leveraging workforce diversity as a source of innovation.

The regression analysis confirmed that the three predictors—remuneration, affective commitment, and inclusive leadership—had statistically significant and positive effects on IWB. The model explained 63% of the variance in innovative work behavior, a strong result by organizational research standards (Hair et al., 2019). Among the predictors, inclusive leadership emerged as the strongest, followed by remuneration and affective commitment. This finding underscores the importance of leaders who create participatory and respectful climates, consistent with Shore et al. (2018), who emphasize that inclusive leadership practices amplify employee voice and creativity. The strong role of remuneration also reflects the principles of social exchange theory, which suggest that when organizations provide fair rewards, employees reciprocate with constructive behaviors such as innovation (Cao & Yu, 2024).

The mediation analysis further revealed that psychological safety played a pivotal role in shaping innovation outcomes. When psychological safety was introduced into the model, the explanatory power increased to 67.8%. Psychological safety was itself a significant predictor of IWB ($\beta = 0.319$, $p < 0.001$), while the coefficients for remuneration, affective commitment, and inclusive leadership declined but remained significant, indicating partial mediation. This finding suggests that while inclusive practices directly foster innovation, their impact is significantly enhanced

when employees feel safe to take interpersonal risks. These results corroborate Edmondson and Lei (2014), who highlight psychological safety as central to risk-taking and learning behaviors, and Chen et al. (2024), who showed that psychological safety mediates the relationship between inclusive climates and innovative performance.

Overall, the findings demonstrate that D&I practices are not only compliance obligations but strategic levers for public sector innovation. In the County Government of Nandi, fostering fair remuneration systems, cultivating affective commitment, and strengthening inclusive leadership created conditions where employees were motivated to engage in idea generation, promotion, and implementation. Crucially, the presence of psychological safety amplified these effects, providing a pathway through which employees could confidently contribute to organizational innovation. These results align with global evidence that inclusive and fair systems drive innovation (Ahmed et al., 2024) and reinforce regional perspectives that inclusive leadership and psychological safety are especially critical in African public institutions (Okello et al., 2024).

6.1 Conclusion

The study concludes that diversity and inclusion (D&I) practices—captured through remuneration, affective commitment, and inclusive leadership—are significant enablers of innovative work behavior among employees of the County Government of Nandi. The results demonstrated that these practices not only directly stimulate idea generation, promotion, and implementation but also indirectly influence innovation through the mediating role of psychological safety. Inclusive leadership emerged as the strongest predictor, underscoring the importance of participatory, fair, and empowering management styles in public service contexts. The findings affirm that D&I initiatives, when implemented strategically, move beyond compliance to become drivers of creativity, organizational learning, and citizen-centered service delivery.

6.2 Recommendations

Based on the findings, the study recommends that county governments, and particularly the County Government of Nandi, strengthen the integration of D&I practices into their human resource policies and leadership frameworks. This includes institutionalizing fair and transparent remuneration systems, developing leadership training programs focused on inclusivity, and implementing mechanisms that reinforce employees' psychological safety, such as open-door communication channels and non-punitive innovation platforms. By embedding these practices, county administrations can enhance employee affective commitment, stimulate innovative work behavior, and build more adaptive, resilient, and citizen-responsive institutions.

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