

**Exploring the Influence of Inclusive Leadership on Employee Engagement and Organizational Success**

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**Abstract**

This study examines the impact of inclusive leadership on both employee engagement and overall organizational performance. Inclusive leadership, characterized by behaviors that value diversity, foster a sense of belonging and encourage the contributions of all employees, is increasingly recognized as a key driver of workplace effectiveness. By analyzing existing literature and conducting empirical research, this paper explores how inclusive leadership practices enhance employee satisfaction, collaboration and innovation, leading to improved organizational outcomes. The findings suggest that inclusive leadership not only boosts individual employee performance but also contributes to the organization's competitive advantage by cultivating a more adaptable and resilient workforce. This research underscores the importance of fostering inclusive leadership within organizations to drive sustainable success in a diverse and rapidly changing business environment.

**Keywords:** Employees, Organizational, Performance, Cultivate

**Introduction:**

In today's ever-evolving business landscape, the success of organizations increasingly depends on their ability to cultivate an inclusive work environment that empowers and actively engages employees. Inclusive leadership, which emphasizes the creation of a culture centered on belonging, collaboration and equal opportunities, has become a critical strategy for enhancing both employee satisfaction and overall organizational performance. Studies have demonstrated that inclusive leadership significantly influences employee outcomes, including higher job

satisfaction, stronger commitment and improved retention rates. By fostering a culture of trust, open communication and continuous professional development, inclusive leaders inspire their teams, resulting in enhanced job satisfaction and lower turnover intentions (**Bilimoria et al., 2008**). This, in turn, can contribute to improved organizational performance, as employee engagement and retention are crucial for maintaining a stable and productive workforce. Inclusive leadership has been linked to enhanced organizational outcomes, including improved financial performance, innovation and adaptability (**Tavakoli, 2015**). When employees feel valued, empowered and able to share their unique perspectives, they tend to be more engaged, innovative and dedicated to the organization's success. This fosters a competitive advantage, as organizations with inclusive cultures are better positioned to adapt to shifting market demands and effectively meet customer needs.

Numerous studies have explored the relationship between inclusive leadership and organizational performance. One study found that inclusive work environments can directly impact effectiveness by addressing factors such as employee satisfaction, absenteeism and turnover. Another study highlighted the role of servant leadership, a form of inclusive leadership, in fostering positive organizational outcomes, including high-performing teams and a sense of employee satisfaction and ownership. (**Antunes, 2018**) The adoption of inclusive leadership strategies can significantly enhance both employee and organizational performance. By fostering a culture that values diversity, empowers individuals and encourages collaboration, organizations can fully leverage the potential of their workforce, leading to long-term competitive advantages (**Antunes, 2018**) (**Teoh et al., 2019**) (**Radziwill & Benton, 2021**) (**Kharroubi, 2020**).

Social identity theory (**Tajfel & Turner, 1986**) offers valuable insights into how individuals classify themselves and others into distinct social groups. This theory suggests that employees who do not feel included may experience a diminished sense of belonging, leading to disengagement and reduced productivity. Inclusive leaders, by promoting the value of each individual's unique contributions, help counteract the negative effects of social categorization. Inclusive leadership can be understood through the lens of LMX theory (**Graen & Uhl-Bien, 1995**), which highlights the importance of strong, trust-based relationships between leaders and

their followers. Leaders who build high-quality relationships with all team members, regardless of their background or social identity, are better able to foster inclusion and enhance employee commitment.

Studies by **Randel et al. (2018)** emphasize that Inclusive leadership enhances employee engagement by fostering a sense of belonging. When employees feel that their contributions are valued, they are more inclined to invest in their work and align their personal goals with the organization's objectives. **Saks (2006)** notes that employee engagement is a critical predictor of organizational outcomes, including job performance, productivity and retention. Inclusive leadership is positively associated with higher levels of job satisfaction and organizational commitment (**Choi et al., 2015**). Employees who perceive their leaders as inclusive report feeling more valued and supported, leading to stronger emotional ties to their organization. This reduced turnover intention and increased loyalty are crucial for maintaining organizational stability and reducing recruitment costs. Inclusive leadership often requires a cultural shift within organizations, which can encounter resistance from individuals who are uncomfortable with change or perceive diversity initiatives as a threat to the status quo. Researchers such as **Roberson (2006)** suggest that for inclusive leadership to be effective, organizations must provide ongoing education and support to both leaders and employees to reduce resistance and foster buy-in. Many organizations struggle with developing the necessary leadership skills to foster inclusivity. **Nembhard and Edmondson (2006)** argue that inclusive leadership requires specific competencies, including cultural intelligence, emotional intelligence and strong interpersonal communication skills. Therefore, organizations must invest in leadership development programs to equip their leaders with the tools needed to effectively practice inclusive leadership.

### Literature Review:

Table 1: Literature Review

Author Name	Year	Tool Used	Number of Samples	Findings	Research Gap
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Nishii & Leroy	2019	Multi-Level Framework Analysis	340	Created a ladder system for inclusive leadership in businesses.	Limited empirical research on inclusive leadership's application across various organizational levels and contexts.
Mohammed Aboramadan et al.	2019	Structural Equation Modeling (SEM)	436 dyads	Green Inclusive Leadership (GIL) positively influences employee green behaviors.	Need for further exploration in different contexts and with other green behaviors.
Shuchi Gupta, Nishad Nawaz, Abhishek Tripathi, Shafaq Arif Chaudhry, Khushbu Agrawal	2019	Smart PLS 3 (Structural Equation Modeling)	213 employees	Inclusive leadership significantly impacts innovation performance, with employee innovation behavior mediating and psychological empowerment moderating this relationship.	Further research needed to explore the moderating and mediating roles in different organizational contexts and during non-crisis periods.

Nadia Nasir	2020	Bibliometric Analysis	99 research articles reviewed	Identified growth, trends and patterns in inclusive leadership research from 1990 to 2019. Highlighted key authors, themes and countries contributing to the field.	Possible biases in the literature review process and the ever-changing character of study findings. To keep up with current trends and practices, more research is required.
Qurrah-Tul-Ain	2020	Structural Equation Modeling (SEM)	279 teachers and principals	Inclusive leadership positively impacts employees' performance.	Need to explore inclusive leadership's impact across different sectors and larger sample sizes.
Veronika Agustini Srimulyani et al.	2020	SPSS, Smart PLS, Sobel Test	135 employees	Inclusive leadership positively impacts affective commitment, but not directly on employee performance. Affective commitment mediates the	Both the immediate effects of inclusive leadership on productivity in the workplace and the intermediary effect of company culture need further study.

				relationship between inclusive leadership and employee performance.	
Delali Dogbe Zungbey	2020	PLS-SEM	500 public sector employees	Employees are more invested in their job when their leaders are inclusive and this connection is moderated by environmental empowerment and involvement.	Need for comparative studies in public vs. private sector and exploration of other mediating variables like intrinsic motivation and trust.
Anwar UI Haq et al.	2021	Qualitative Literature Review	Various studies reviewed	Inclusive leadership promotes diversity, equity and inclusion in modern management, leading to enhanced innovation, employee involvement and	Future research should conduct longitudinal studies and comparative assessments in various settings to explore the long-term impacts and contextual intricacies of inclusive leadership.

				decision-making.	
Bora Ly	2021	PLS-SEM	282 public sector employees	Affective organisational commitment (AOC) and employee engagement in the workplace are both enhanced by inclusive leadership. In order to facilitate communication between inclusive leadership and engaged employees, AOC acts as a mediator.	Further exploration needed in non-Western contexts and consideration of additional mediating/moderating factors like psychological safety and job satisfaction.
Usama Ilyas, Amer Sohail, Adnan Ashraf	2021	SPSS, Smart PLS	392 lecturers	The link between inclusive leadership and employee work engagement is mediated entirely by job satisfaction, which in turn has a	Further research needed to explore these dynamics in private sector universities and other industries and to consider longitudinal approaches.

				favourable influence on job satisfaction.	
Olawale	2021	Meta-Analysis	Various studies synthesized	Diversity and Inclusion (D&I) initiatives enhanced employee engagement, positively impacting organizational performance.	Need for further studies on the long-term effects of D&I initiatives and the role of leadership in sustaining these initiatives.

Source: Various Papers

**Findings**

The influence of inclusive leadership on organisational and employee performance, based on the data from the summarised studies, such as the specific authors and studies. Various aspects of employee behaviour and performance are considerably improved by inclusive leadership, as evidenced by numerous studies. For instance, **Aboramadan et al. (2019)** discovered that Green Inclusive Leadership (GIL) has a positive impact on employee green behaviours, including knowledge-sharing and innovative work behaviour. Inclusive leadership enhances the adaptive performance of teachers and principals, with psychological capital serving as a mediator. Additionally, **Veronika AgustiniSrimulyani et al. (2020)** observed that inclusive leadership increases affective commitment among employees, which mediates its impact on overall performance.

The overall efficacy of an organisation is positively influenced by inclusive leadership. **Shuchi Gupta et al. (2019)** discovered that inclusive leadership substantially enhances innovation performance, with employee innovation behaviour serving as a mediator and psychological



empowerment as a moderator. **Bora Ly (2021)** verified that inclusive leadership improves overall organisational outcomes by increasing employee work engagement and affective organisational commitment (AOC). **Okatta, Ajayi and Olawale (2021)** conducted a meta-analysis that demonstrated that D&I initiatives, such as inclusive leadership, result in improved decision-making, elevated employee engagement and increased innovation, all of which contribute to improved organisational performance. The significance of mediating and moderating variables in the relationship between inclusive leadership and organisational outcomes is underscored by the studies. **Gupta et al. (2019)** underscore the moderating influence of psychological empowerment on the relationship between innovation performance and inclusive leadership. **Srimulyani et al. (2020)** demonstrate that the relationship between employee performance and inclusive leadership is mediated by affective commitment. These results indicate that the influence of other psychological and organisational factors is either amplified or influenced by the impact of inclusive leadership. Although inclusive leadership has a positive impact on a variety of sectors, there is a notable distinction in the magnitude of these effects between the public and private sectors. **Zungbey (2020)** emphasise that inclusive leadership is particularly advantageous for public sector organisations in terms of employee engagement and work performance. Nevertheless, they also advocate for the necessity of additional comparative research across sectors to gain a more comprehensive understanding of these dynamics. Despite the extensive documentation of inclusive leadership's advantages, numerous studies have advocated for additional research to investigate its long-term consequences and contextual influences. **Anwar Ul Haq et al. (2021)** suggest that longitudinal studies be conducted to evaluate the long-term effects of inclusive leadership on employee engagement and innovation. **Malik and Nasir (2020)** emphasise the necessity of monitoring the most recent developments and methodologies in inclusive leadership research to mitigate potential biases and the field's ever-changing nature. The successful implementation of inclusive leadership practices is consistently underscored as a result of leadership commitment and accountability. **Okatta, Ajayi and Olawale (2021)** emphasise that organisations that have robust leadership support for diversity and inclusion initiatives are more likely to achieve favourable results, such as improved employee

performance and organisational success. Ly (2021) further substantiates the notion that leadership commitment is indispensable for cultivating organisational commitment and work engagement among employees. The corpus of research consistently demonstrates that inclusive leadership is essential for enhancing the performance of both employees and organisations. Organisations can achieve sustained success and a competitive advantage in the marketplace by cultivating an inclusive environment, as evidenced by numerous studies.

### **Conclusion:**

The assertion that inclusive leadership has a profound and positive impact on both employee and organisational performance is strongly supported by the evidence compiled in this paper. Inclusive leaders can significantly improve job satisfaction, engagement and innovation among their workforce by cultivating a culture that respects diversity, promotes open communication and empowers all employees. This, in turn, results in enhanced organisational outcomes, such as increased productivity, improved financial performance and greater adaptability to evolving market conditions. The results also underscore the critical role of mediating and moderating factors, including affective commitment, leadership support and psychological empowerment, in enhancing the advantages of inclusive leadership. These factors emphasise the significance of a comprehensive leadership development approach that provides leaders with the requisite skills and competencies to establish environments that are genuinely inclusive.

The positive effects of inclusive leadership are well-documented; however, there is a recognised need for additional research, particularly in the areas of its long-term effects, the distinctions between public and private sectors and the potential biases in the existing literature. In order to enhance our comprehension of the ways in which inclusive leadership can be employed to maintain a competitive edge in a global marketplace that is becoming more diverse and dynamic, longitudinal studies and comparative assessments across a variety of contexts will be indispensable. Inclusive leadership is not merely a trend; it is an essential strategy for organisations that aspire to prosper in the intricate business environment of the present day. Organisations can achieve sustained success and organisational excellence by embracing inclusivity at all levels of leadership, thereby unlocking the full potential of their workforce.

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