

Inclusion to Innovation: How Leaders can Create a Culture of Creativity

S. Vijayalakshmi¹ and Hema Harsha²

Abstract

Within an organization, leadership is thought to have a particularly significant impact on creativity and innovation. The promotion of employee well-being and competitive advantage through inclusion is a critical component of global company and is suggested as a novel way to diversity management. This study aimed to investigate how inclusive leadership plays a vital role in generating innovative work behavior. This study collected data from managerial-level employees of various businesses. This study suggests that industry leaders should adopt an inclusive leadership style to enhance employees innovative work behavior and overall industry performance.

Keywords: Employee Creativity, Inclusive Leadership, Innovation, Innovative Work Behavior, Leadership **JEL Classification Code:** Z19

Cite this article as:

Vijayalakshmi, S., & Harsha, H. (2024). Inclusion to Innovation: How Leaders can Create a Culture of Creativity. *DHARANA - International Journal of Business*, *15*(1), 35-39. doi:https://doi.org/10.18311/DBIJB/2024/44266

1. Introduction

Inclusion is a crucial aspect of global business, promoting competitive advantage and employee health, and is proposed as a unique diversity management approach. (Roberson, 2006; Thompson & Matkin, 2020). Inclusive leadership, introduced in 2006, refers to a leader's words and actions that acknowledge and appreciate others' contributions. (Nembhard & Edmonson, 2006; Korkmaz *et al.*, 2022), and the concept of leaders who are visible, accessible, and available in their interactions with followers has evolved significantly. (Carmeli *et al.*, 2010).

A novel approach to leadership is inclusive leadership, and effective team leadership is essential to raising team productivity. This research investigates the connection between creative work practices and inclusive leadership. It puts out a conceptual framework with inclusive leadership and innovative work practices.

Organizations may unleash individual potential and foster an atmosphere where all talent can flourish and develop by implementing inclusive leadership (Li & Tang, 2022; Rajun *et al.*, 2022; Shah *et al.*, 2022). It makes heterogeneous teams more capable of outperforming homogeneous ones and unleashes collective intelligence. Although they are uncommon, inclusive leaders can be identified, trained, and developed. Building diverse and inclusive workplaces is vital, and the key to accomplishing this is inclusive leadership (Malik *et al.*, 2017).

Research on inclusive leadership, a trending style for managing diverse workplaces, is limited. This study examines the relationship between inclusive leadership and innovative work performance. Leaders can be extremely important in developing and defining different programs that promote inclusiveness in the workplace (Siyal *et al.*, 2023; Ogunsola *et al.*, 2024). In groups and organizations, leadership is frequently viewed as a

S. Vijayalakshmi¹ and Hema Harsha²

¹Assistant Professor, M.P. Birla Institute of Management, Bengaluru – 560001, Karnataka, India; lamysster@gmail.com

²Associate Professor, M.P. Birla Institute of Management, Bengaluru – 560001, Karnataka, India; hemharsha@yahoo.co.in

multifaceted and intricately designed process. (Gardner et al., 2010; Guo & Yim, 2022; Khattak et al., 2022). This study provides a range of characteristics for inclusive leader behavior that businesses can implement to reap the rewards of workplace inclusion. Inclusive leaders communicate a clear message that they want members to share and exchange unique talents and to use them in their work practices by highlighting the value of individuality. When employees feel valued, and at ease speaking up and expressing themselves, they become more intrinsically motivated and have more energy to work on innovative and creative tasks. (Atwater & Carmeli, 2009; Ashikali et al., 2020; Dai & Fang, 2023). This research contributes to understanding leadership's role in developing competitive advantage and extends previous research on antecedents of employee innovative behavior.

2. Methodology

Existing literature prescribes primary data as a source of information for this research. The current paper uses an interview schedule and questionnaire to collect data. Respondents for the study included managerial level employees from various businesses belonging to different industries in Bangalore City. Responses were collected through Google forms. After a one on one discussion and orientation regarding the objectives, a pilot study was conducted in order to elicit responses. The data is analysed for further discussion and inferences.

The businesses chosen for the research are highly focused on innovation and operate in complex and dynamic economic environments. Managerial level employees at these organizations therefore have creative roles and are required to demonstrate innovative work behavior.

2.1 Problem Statement

Diversity and inclusion issues not only impact culture but also product quality and the client experience. Innovation is critical for the success of the creative economy, and diverse teams contribute significantly to bridging gaps with their unique ideas and perspectives. The volatile work environment and evolving mindsets necessitate adaptation to changing leadership needs. Reinvention should start from the top, with inclusive leadership exemplified by leaders fostering a diverse, equitable workplace that bridges gaps. Organizations may help people reach their full potential and foster a more productive and collaborative work environment by adopting inclusive leadership.

Exclusion has a greater chance of resulting in health problems, resignations, and dissatisfaction at work than bullying or harassment. Individuals who feel excluded from their job are more likely to resign and have a lower sense of commitment, involvement, and belonging. Team psychological safety affects team, individual, and organizational effectiveness, making it a performance issue for the company.

2.2 Research Gap

Diversity and leadership are two emerging themes. (Ghosh et al., 2014) However, the developing areas of leadership, diversity, and culture receive relatively little attention in HRD research. (Callahan, 2007; Hollander et al., 2008; Al Wali et al., 2021) There is less research based on empirical data, and there is a need to examine inclusive leadership with real time data from organizations. To gain new insights into the expanding field of inclusion. Further research is needed on the relationship between inclusive leadership, and an inclusive work environment, fewer research using samples from various sector have been done to examine the relationship between inclusive leadership and innovative work behaviour. The study adds to the body of knowledge in a number of ways. The study first examines the mechanisms that connects Innovative work behavior and inclusive Leadership.

2.3 Research Question

In what direction does inclusive leadership influence and increases innovative work performance?

2.4 Research Objectives

- 1. To investigate the relationship between inclusive leadership and innovative work behaviour
- 2. To examine whether inclusive leadership encourages creative work practices among employees.
- 3. To provide possible practical implications for inclusive leadership for the companies.

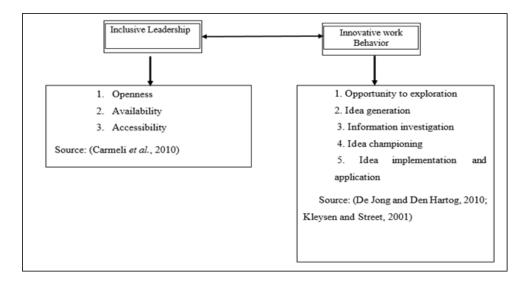


Figure 1. Conceptual framework of the study. Source: Authors' work

3. Key Discussions

Innovative work practices and inclusive leadership are positively correlated and contribute to increased employee involvement in creative work suggesting that inclusive leadership is a key factor between inclusive leadership and employee creativity. Employees at the managerial level concur that the three primary tenets of inclusive leadership are accessibility, availality, and openness. Characteristics like being receptive to fresh perspectives, chances to enhance work procedures, the organisational intended goals, and innovative approaches to achieving them are important. Organisations should focus on incorporating these principles as a part of their work practices to sustain in the present day competitive landscape. Inclusive leaders should be open to discuss the organization's desired goals and new ways to achieve them. The employees will look forward that the manager is available for professional discussions, encourage employees to express their view so as to create an atmosphere inclusivity in the workplace.

Employees occasionally embrace the opportunities to help enhance an established procedure, piece of technology, good or service, or workplace culture. Though the responses indicates moderate level inclusivity. Employees though their work behavior can develop inclusive culture. Employees frequently see chances to positively impact their department, company, customers, or work environment. Employees will rarely characterize issues more broadly in an effort to understand them better.

Sometimes, workers see opportunities to improve things in their area, company, or interaction with clients. Employees look for new tools processes, or working ways on a regular and occasional basis. Employees often come up with innovative ways and solutions to work issues and resolve them. They also sporadically inspire significant organization members to embrace novel concepts and implement the same. When implementing new methods into an already-existing procedure, technology, good, or service, they frequently amend any deformities leading to better performance. Employees frequently methodically incorporate creative ideas into workflow procedures and occasionally integrate fresh concepts for enhancing an already-in-use procedure, technological product, or service in to regular tasks.

This research suggests that inclusive workplace practices are positively impacted by leaders' behaviour. Leaders play an essential role in promoting inclusivity. As a result, it makes sense and is imperative that leaders acquire new skills and encourage inclusive behaviour. This study provides a range of characteristics for inclusive leader behaviour that businesses can implement to reap the rewards of workplace inclusivity. The suggested leadership framework offers academics and practitioners several ways to study the inclusion domain. This study contributes to the theory of inclusive leadership and its impact on innovative employee work behaviour in the different industries through effective mechanisms. Inclusive leadership boosts innovation, employee engagement,

problem-solving abilities, and customer service, fostering a positive organizational culture.

4. Conclusion and Directions of Future Research

Researchers are urged to examine the literature from a range of additional sources outside the ones listed in this study to investigate more recent paths. The popular management strategy for diverse businesses, known as inclusive leadership, has not received much research. An extensive single corporate case may be examined; research on numerous businesses across several industries can be conducted to gain a comprehensive understanding of inclusive leadership and creative work practices in Indian companies. In addition, other industries besides the IT sector may be examined for inclusiveness and innovative work practices.

References

- Atwater, L., & Carmeli, A. (2009). Leader–member exchange, feelings of energy, and involvement in creative work. *The Leadership Quarterly*, 20(3), 264-275.
- Al Wali, J., Muthuveloo, R., Ping, T. A., & Bataineh, M. (2021). The impact of HR practices and innovative work behavior on job performance in physicians. *International Journal of Human Resource Studies*, *11*(3), 42-66. https://doi.org/10.5296/ijhrs.v11i3.18715
- Ashikali, T., Groeneveld, S., & Kuipers, B. (2020). The role of inclusive leadership in supporting an inclusive climate in diverse public sector teams. *Review of Public Personnel Administration*, 41(3), 497-519. https://doi.org/10.1177/0734371x19899722
- Callahan, J. L. (2007). Gazing into the crystal ball: Critical HRD as a future of research in the field. *Human Resource Development International*, 10(1), 77-82.
- Carmeli, A., Reiter-Palmon, R., & Ziv, E. (2010). Inclusive leadership and employee involvement in creative tasks in the workplace: The mediating role of psychological safety. *Creativity Research Journal*, 22(3), 250-260.
- Dai, X., & Fang, Y. (2023). Does inclusive leadership affect the organizational socialization of newcomers from diverse backgrounds? The mediating role of psychological capital. *Frontiers in Psychology*, 14. https://doi.org/10.3389/fpsyg.2023.1138101

- Gardner, W. L., Lowe, K. B., Moss, T. W., Mahoney, K. T., & Cogliser, C. C. (2010). Scholarly leadership of the study of leadership: A review of The Leadership Quarterly's second decade, 2000–2009. *The Leadership Quarterly*, 21(6), 922-958.
- Ghosh, R., Kim, M., Kim, S., & L. Callahan, J. (2014). Examining the dominant, emerging, and waning themes featured in select HRD publications: Is it time to redefine HRD? *European Journal of Training and Development*, 38(4), 302-322.
- Guo, Y., Jin, J., & Yim, S. (2022). Impact of inclusive leadership on innovative work behavior: The mediating role of job crafting. *Administrative Sciences*, *13*(1), 4. https://doi.org/10.3390/admsci13010004
- Hollander, E. P., Park, B. B., Elman, B., & Ignagni, M. E. (2008). Inclusive leadership and leader-follower relations: Concepts, research, and applications. *The Member Connector, International Leadership Association*, 5, 4-7.
- Khattak, S. R., Zada, M., Nouman, M., Rahman, S. U., Fayaz, M., Ullah, R., ..., Contreras-Barraza, N. (2022). Investigating inclusive leadership and pro-social rule breaking in hospitality industry: Important role of psychological safety and leadership identification. International Journal of Environmental Research and Public Health, 19(14), 8291. https://doi.org/10.3390/ijerph19148291
- Korkmaz, A. V., Van Engen, M. L., Knappert, L., & Schalk, R. (2022). About and beyond leading uniqueness and belongingness: A systematic review of inclusive leadership research. *Human Resource Management Review*, 32(4), Article 100894. https://doi.org/10.1016/j. hrmr.2022.100894
- Li, T., & Tang, N. (2022). Inclusive leadership and innovative performance: A multi-level mediation model of psychological safety. *Frontiers in Psychology*, *13*. https://doi.org/10.3389/fpsyg.2022.934831
- Malik, M. S., Suleman, F., Ali, N., & Arshad, F. (2017). An empirical analysis of impact of inclusive leadership on employee engagement in international non-government organizations (Ingo's) of Punjab (Pakistan). *International Journal of Economics and Management Sciences*, 6(4). https://doi.org/10.4172/2162-6359.1000441
- Nembhard, I. M., & Edmondson, A. C. (2006). Making it safe: The effects of leader inclusiveness and professional status on psychological safety and improvement efforts in health care teams. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 27(7), 941-966.

- Ogunsola, O. K., Arikewuyo, K. A., & Okwegbe, V. S. (2024). Effect of leadership styles on Gen-Z work performance: An empirical analysis. *Asian Journal of Research in Business and Management*, 6(1), 1-71. https://doi.org/10.55057/ajrbm.2024.6.1.5
- Rajun, I. S. A., Bikar Singh, S. S., & Rabe, Z. (2022). Inclusive leadership in relationship with psychological distress, organizational climate and social intelligence: A theoretical framework study. *Malaysian Journal of Social Sciences and Humanities*, 7(10), Article e001696. https://doi.org/10.47405/mjssh.v7i10.1696
- Roberson, Q. M. (2006). Disentangling the meanings of diversity and inclusion in organizations. *Group and Organization Management*, 31(2), 212-236.

- Shah, H. J., Ou, J. P., Attiq, S., Umer, M., & Wong, W. (2022). Does inclusive leadership improve the sustainability of employee relations? Test of justice theory and employee perceived insider status. *Sustainability*, *14*(21), Article 14257. https://doi.org/10.3390/su142114257
- Siyal, S., Liu, J., Ma, L., Kumari, K., Saeed, M., Xin, C., & Hussain, S. N. (2023). Does inclusive leadership influence task performance of hospitality industry employees? Role of psychological empowerment and trust in leader. *Heliyon*, *9*(5), Article e15507. https://doi.org/10.1016/j. heliyon.2023.e15507
- Thompson, H., & Matkin, G. (2020). The evolution of inclusive leadership studies: A literature review. *Journal of Leadership Education*, 19(3), 15-31. https://doi.org/10.12806/v19/i3/r2