Inclusive leadership and its impact on Employees' creativity and how knowledge sharing mediates the effects of Inclusive leadership on employees' creativity.



By

Farhan Rauf Qureshi Fall-2K19-EMBA – 00000318858

Department of Finance & Investment

NUST Business School

National University of Sciences and Technology (NUST)

(2024)

Inclusive leadership and its impact on Employees' creativity and how knowledge sharing mediates the effects of Inclusive leadership on employees' creativity.



By

Farhan Rauf Qureshi Fall-2K19-EMBA – 00000318858

Department of Finance & Investment

A Business Project submitted in partial fulfillment of the requirements for the degree of

Executive Masters in Business Administration

Supervisor: Dr Nabeel Safdar NUST Business School National University of Sciences and Technology (NUST)

BUSINESS PROJECT ACCEPTANCE CERTIFICATE

It is Certified that final copy of EMBA Business Project written by <u>Farhan Rauf Qurashi</u> Registration No. <u>318858</u> of <u>EMBA 2K19</u> has been vetted by undersigned, found complete in all aspects as per NUST Statutes/Regulations/MS Policy, is free of errors, and mistakes and is accepted as fulfillment for award of EMBA degree. It is further certified that necessary amendments as pointed out by GEC members of the scholar have also been incorporated in the said business project.

Signature of Supervisor with stamp: Dr. Nabeel Safdar	Siral
Date:	
	1
Programme Head Signature with stamp: Dr. Adeel Ahmed	(2)
Date:	
Signature of HoD with stamp: <u>Mr. Saad UI Marwat</u>	SAAD KHAN ALMARWAT HoD, Finance & Investments NUST Business School (NBS)
	Sector H- 12, Islamabad Tel: 051-90853150
Countersign by	>
Princip	nal & Dean hez Sarwar hes School
Signature (Dean/Principal):	ass School
Date: 12/09/23	

Abstract

In the current agile market companies struggle to achieve advantage over the competitors, one of the key factor to achieve this advantage is creativity in employees. Creativity is something that organizations struggle very hard to find and sustain. Employers are finding ways to attain certain level of creativity and utilize the existing resources to further grow this asset. In today's competitive external world, creativity is increasingly stressed as a means of staying ahead of others and ensuring organizational success. The importance of employee creativity for innovation has been emphasized in a large fraction of literature. Fostering individual creativity is critical for businesses to be competitive and survive in the marketplace.

Organizational researchers have been trying to figure out what causes creativity among employees. Leadership has been proposed as a crucial driver of developing and sustaining creativity. In this study, we will try to focus on one specific type of leadership – **inclusive leadership (IL) and its impact on Employees' creativity**. Furthermore, this study will explain the underlying mechanisms by testing how knowledge sharing mediates the effects of IL on employee creativity.

This research is cross-sectional and quantitative genre. Data was collected from IT organization employees. Structured questionnaires were used for data collection. By reason of limitation of time, this approach was used. The data was collected through the technique non-probability sampling and under that convenience sampling will be used by reason of time constraint. Gather data through private contacts. All the items in questionnaires were filled by employees.

Table of Contents

L	etter o	of Acceptanceii	ii
Т	able c	of Contents in	V
A	bstrac	ctv	
1.	Int	roduction	1
2.	Lit	erature Review and Hypothesis	2
	2.1.	Inclusive Leadership (IL)	5
	2.2.	Employee Creativity	6
	2.3.	IL and Employee Creativity	8
	2.4.	Knowledge Sharing	9
	2.5.	IL and Knowledge Sharing	9
	2.6.	Knowledge Sharing and Employee Creativity	11
	2.7.	Knowledge Sharing as Mediator	13
3.	Re	search Methodology	14
	3.1.	Research Approach	14
	3.2.	Research Design	15
	3.2	.1. The research Question	15
	3.2	.2. Sampling	15
	3.2	.3. Data Collection method	15
	3.2	4 Data Analysis method	iv v 1 v 1
	3.2	5 Time Frame	15
	3.2	.6 Data Basic Dynamics	16

22	2
17	'
	17 22

Chapter 1. Introduction

Creativity at the level of employees is of utmost importance for every sector of an economy, with no exception to any system. The reason why employee creativity is important lies in the fact that employees have profound knowledge of their job and thus can serve as a source of meaningful innovation in an organization. Research shows that employee creativity is largely dependent on leadership. Corporate leaders significantly influence subordinates' behavior. However, with the economic development, globalization, and changing business environment, a traditional authoritative leadership style can no longer be effective in understanding employees' psychological needs to foster their creative behavior. In this regard, the role of inclusive leadership as an effective organizational management strategy has gained much importance at different levels. It is also observed that that an inclusive leader could foster employee creativity.

In the current agile market companies struggle to achieve advantage over the competitors, one of the key factor to achieve this advantage is creativity in employees. Creativity is something that organizations struggle very hard to find and sustain. Employers are finding ways attain certain level of creativity and utilize the existing resources to further grow this asset. In today's competitive external world, creativity is increasingly stressed as a means of staying ahead of others and ensuring organizational success. The importance of employee creativity for innovation has been emphasized in a large fraction of literature. Fostering individual creativity is critical for businesses to be competitive and survive in the marketplace (Madžar & Milohnić, 2019).

Organizational researchers have been trying to figure out what causes creativity. Leadership behaviour is perhaps one of the most essential forerunners of creativity. Leadership has been proposed as a crucial driver of organizational innovation. (Prasad & Junni, 2016, p. 1542). In this study, we have contributed by focusing on one specific type of leadership – inclusive leadership (IL).

An inclusive leader is the one who makes himself or herself accessible, open, and available to his or her followers. Inclusive leaders involve followers in decision-making and ensure that they are available to always assist employees; as a result, employees could become active members and expand their creative thinking. Employee engagement in critical matters, where their ideas may not have been heard previously, is ensured by inclusive leaders. Employees' ability to create is strongly linked to leadership style (Sirkwoo, 2015).

Drawing on social exchange theory (SET), we propose that employee reciprocate inclusive leaders' behaviour by engaging in creative activities. The researchers indicate that SET is based on the principle of reciprocity (Blau, 1964; Cook et al., 2013; Cropanzano and Mitchell, 2005; Salleh et al., 2020). The principle of reciprocity refers to the equal exchange of either positive or negative commitments between the parties involved (Aburumman et al., 2020). The inclusive leader's positive treatment encourages employee to reciprocate the positive behaviour (Hanh Tran & Choi, 2019).

Similarly, this study will further explain the underlying mechanisms by testing how knowledge sharing mediates the effects of IL on employee creativity. SET reflects the idea that human beings are driven to reciprocate and engage in a social exchange relationship (Wang et al., 2019; Wu et al., 2009). The openness, accessibility and availability of inclusive leader encourage the employee to engage in the positive behaviour such as knowledge sharing which in turn foster creativity. So, we propose knowledge sharing to be an important mediator in the relationship between IL and employee creativity.



Chapter 2. Literature Review and Hypothesis

2.1 Inclusive Leadership

The term "inclusive leadership" was coined by Nembhard and Edmondson, who argued that an inclusive leader creates an environment where "voices are actually respected" (Nembhard & Edmondson, 2006, p. 948). "Leader inclusiveness," according to Nembhard and Edmonson (2006), is defined as a leader's verbal and behavioural performance to encourage and applaud employee contribution. IL is a win-win situation for both leaders and subordinates, with the goal of a mutually beneficial relationship (Hollander, 2012). Hollander stressed the subordinates' participation in the relationship, as well as their understanding of good leadership.

The inclusiveness of leaders was defined as attempts by leaders to involve others in discussions and decisions where their views and opinions might otherwise be lacking (Nembhard & Edmondson, 2006). Inclusive leader influences his followers by giving right example (Carmeli et al., 2010). Inclusive leaders fostered a supportive environment for all employees while maintaining a high level of impartiality (Hollander, 2009). Randel and colleagues defined IL as leadership that focuses on supporting employees as group members by assuring justice and equity and offering chances for shared decision-making, all while fostering varied contributions (Randel et al., 2018). Whether dealing with crises, injustices, or conformist pressures, inclusive leaders began with regard for others, acknowledgment of their contributions, and response to them. The necessary quality of responsibility in both directions persisted as a foundation for leader–follower relationships that produced legitimacy and approval (Hollander, 2012).

Leaders' inclusiveness invited employees in the decision-making process to promote an inclusive culture (Edmondson, Kramer, & Cook, 2004; Nembhard & Edmondson, 2006). Employees who had a say in choices and conversations actively spoke up, promoted, and implemented new ideas as a result (Dorenbosch, Engen, & Verhagen, 2005; De Jong & Den Hartog, 2010). Leaders that exhibited IL characteristics established a quality relationship that fostered fairness of input and output to all employees without relying on a single person's ability (Hollander, 2012).

Furthermore, inclusive leaders provided emotional support to their staff, which boosted their trustworthiness. As a result, inclusive leaders demonstrated that they were moral individuals who made unbiased decisions (Nembhard & Edmondson, 2006; Ryan, 2006; Hollander, 2009).

Inclusive leaders distributed power to employees (Nishii & Mayer, 2009), allowing employees to make their own decisions about their job activities. Inclusive leaders respected their employees' inclusion at work (Salib, 2014), and employees who valued their inclusion felt more empowered (Randel et al., 2017).

H1: Inclusive Leadership is Positively related with Employee Creativity

H2: Inclusive Leadership is Positively related with Knowledge Sharing

H3: Knowledge Sharing is Positively related with Employee Creativity

H4: Knowledge Sharing Mediates the Relationship Between IL and Creativity of Employee

Inclusive leadership is a style of leadership that emphasizes the importance of diversity and inclusion in the workplace. Inclusive leaders prioritize the creation of an environment in which all employees feel valued, respected, and included. This type of leadership is becoming increasingly important as organizations strive to create diverse and inclusive workplaces that reflect the changing demographics of the workforce.

One of the key characteristics of inclusive leadership is the ability to listen actively and empathetically to employees. Inclusive leaders create an environment in which employees feel comfortable sharing their ideas and concerns. This involves actively seeking out feedback and input from all employees, regardless of their background or position in the organization. Inclusive leaders are also skilled at creating opportunities for employees to share their experiences and perspectives with others in the organization.

Another important characteristic of inclusive leadership is the ability to recognize and address biases and stereotypes. Inclusive leaders are aware of their own biases and work to overcome them. They also work to identify and address biases within the organization as a whole. This involves creating policies and procedures that promote diversity and inclusion, and providing training and support to employees to help them recognize and overcome their own biases.

Inclusive leaders also prioritize the development of diverse talent within the organization. This involves creating opportunities for employees from diverse backgrounds to take on leadership roles and to be mentored by more senior leaders. Inclusive leaders also work to ensure that all

employees have access to the resources and support they need to succeed, regardless of their background or identity.

Overall, inclusive leadership is essential for creating a workplace culture that values diversity and inclusion. Inclusive leaders prioritize the creation of an environment in which all employees feel valued and respected, and work to address biases and promote diversity at all levels of the organization. By doing so, they help to create a more innovative, productive, and inclusive workplace that benefits everyone.

2.2 Employee's Creativity

Creativity is the ability to think outside the box, to come up with new and original ideas, and to solve problems in innovative ways. It is a valuable skill that is highly sought after by employers in today's fast-paced and constantly evolving business world. Creative employees are often valued in organizations because they can contribute to the development of new products or services, improve existing processes, and help the company to stay competitive in the market. Creativity can also lead to increased job satisfaction and motivation for employees, as they feel that their ideas are being heard and implemented.

There are many different factors that contribute to creativity. One important factor is the ability to generate ideas. This involves being able to see things from different perspectives and to connect seemingly unrelated concepts in new and interesting ways. Another important factor is the ability to take risks and to be willing to try new things, even if they may not always work out.

Creativity also requires a certain level of curiosity and a willingness to explore new ideas and concepts. This involves being open-minded and receptive to new experiences and being willing to challenge conventional wisdom and explore new ways of thinking.

In addition to these individual factors, there are also many environmental factors that can influence creativity. For example, research has shown that a supportive and positive work environment can

help to foster creativity by providing employees with the resources and support they need to take risks and explore new ideas.

Another important factor in creativity is the ability to collaborate effectively with others. By working together and sharing ideas, individuals can build on each other's strengths and come up with more innovative and creative solutions than they could on their own. Encouraging and nurturing employee creativity can involve creating a culture that supports experimentation and risk-taking, providing resources and opportunities for training and development, and fostering collaboration and communication among employees.

Overall, creativity is an essential skill for success in today's business world. It requires a combination of individual traits and environmental factors, including the ability to generate ideas, take risks, be curious, work collaboratively, and foster a supportive and positive work environment. By cultivating creativity in the workplace, organizations can become more innovative, adaptable, and successful in the long run.

2.3 Inclusive Leadership and Employees Creativity

The belief of individuals in one another reflects their conviction that the group members are telling the truth and are acting according to their beliefs and values. Mutual trust exists among peers, superiors, and those that they supervise (Khassawneh and Mohammad 2022b; Dalati and Alchach 2018). Workers may have faith in each other but mistrust management. Thus, various tiers of trust should be considered. According to several studies, knowledge sharing within an organization is more likely to be successful if its members have a high level of trust. As defined by Le and Lei (2018), the level of trust between the members of an organization depends on how confident each party is that the others will work together toward a common goal. The authors found that, when employees trust one another, they are encouraged to share information, which can boost productivity. If workers lose faith in their leader, then they are less likely to form the close working relationships that make knowledge sharing possible. They will then either keep the knowledge a secret or twist it, especially if it is something crucial (Ansong et al. 2022; Phong et al. 2018).

Organizations today are in constant pursuit of innovation and creativity, which are essential for their survival and growth in a fast-paced business environment. Leaders play a critical role in fostering creativity in their workforce. However, research shows that not all leadership styles are equally effective in promoting employee creativity. Inclusive leadership is emerging as a promising approach for enhancing employee creativity and innovation. In this assignment, we explore the relationship between inclusive leadership and employee creativity and highlight some key findings from recent research.

Inclusive leadership is a leadership style that emphasizes creating an environment where all employees feel valued and respected, regardless of their background or identity. It involves actively seeking out and incorporating diverse perspectives and experiences into decision-making, communication, and problem-solving. Inclusive leaders recognize and leverage the unique strengths and abilities of each individual in their team to create a more inclusive and innovative workplace.

Several studies have found a positive relationship between inclusive leadership and employee creativity. Inclusive leaders provide a supportive and inclusive environment that encourages employees to share their ideas and perspectives without fear of judgment or rejection. This leads to greater psychological safety, which is a key factor in promoting creativity. When employees feel safe and supported, they are more likely to take risks and explore new ideas, which can lead to innovative solutions.

Inclusive leadership also fosters a culture of collaboration and open communication, which can enhance creativity. When leaders actively seek out and incorporate diverse perspectives, it leads to a broader range of ideas and insights. This can stimulate creativity and lead to novel solutions that may not have been considered otherwise.

Another way that inclusive leadership promotes creativity is by empowering employees to take ownership of their work. Inclusive leaders provide employees with the autonomy and resources they need to pursue their ideas and projects. This sense of ownership can motivate employees to be more creative and innovative in their work.

Inclusive leadership is a powerful tool for promoting creativity and innovation in the workplace. By creating a supportive and inclusive environment, inclusive leaders can inspire their employees to be more creative and take risks. They can also leverage the unique strengths and abilities of each individual in their team to foster a culture of collaboration and open communication. Organizations that embrace inclusive leadership are more likely to succeed in today's fast-paced business environment, where creativity and innovation are essential for survival and growth. Research has shown that when employees feel included and valued, they are more likely to be engaged and motivated to contribute to the organization's goals. This engagement can lead to increased creativity, as employees are more willing to share their ideas and take risks without fear of judgment or exclusion.

Inclusive leaders create an environment that encourages diverse perspectives and ideas. They actively seek out and consider the input of all team members, regardless of their role or status within the organization. By doing so, they create a sense of psychological safety and trust, which can foster a culture of innovation and creativity.

Furthermore, inclusive leaders provide opportunities for employees to develop their skills and talents. They offer constructive feedback and support, which can help employees feel confident and motivated to take on new challenges and explore their creativity.

Overall, inclusive leadership can play a crucial role in promoting employee creativity. By fostering an environment of collaboration, trust, and respect, inclusive leaders can help employees feel valued and motivated to contribute to the organization's success.

2.4 Knowledge Sharing

In today's rapidly changing business environment, knowledge is a key driver of competitive advantage. Organizations that are able to effectively share and leverage knowledge are better positioned to innovate, adapt, and succeed. However, despite the clear benefits of knowledge sharing, many organizations struggle to create a culture that supports it. We will try to explore the importance of knowledge sharing in the workplace and provide some tips on how organizations can promote it.

Knowledge sharing refers to the transfer of information, skills, or expertise from one individual to another or from one group to another. It can take many forms, such as training programs, mentoring, team projects, or online collaboration tools. The goal of knowledge sharing is to create a culture where employees are encouraged to share their knowledge and expertise with others, thereby creating a more knowledgeable and skilled workforce.

Why is Knowledge Sharing Important?

There are several reasons why knowledge sharing is important in the workplace:

- 1. Innovation: Knowledge sharing can spark new ideas and insights, leading to innovative solutions that can help organizations stay ahead of the competition.
- 2. Better decision-making: When employees have access to a wide range of knowledge and expertise, they are better equipped to make informed decisions.
- 3. Improved efficiency: Knowledge sharing can help organizations avoid duplicating efforts and wasting resources. By sharing best practices and lessons learned, employees can work more efficiently and effectively.
- 4. Employee engagement: Knowledge sharing can create a sense of community and collaboration in the workplace, which can improve employee engagement and job satisfaction.

Tips for Promoting Knowledge Sharing

Here are some tips for organizations looking to promote knowledge sharing in the workplace:

- 1. Create a culture of openness and collaboration: Leaders should encourage employees to share their knowledge and expertise with others by creating a culture of openness and collaboration.
- 2. Provide training and resources: Organizations should provide employees with the training and resources they need to share their knowledge effectively.
- 3. Recognize and reward knowledge sharing: Organizations should recognize and reward employees who demonstrate a commitment to knowledge sharing. This can be done through performance evaluations, promotions, or other incentives.
- 4. Use technology to facilitate knowledge sharing: Technology can be a powerful tool for facilitating knowledge sharing, such as online collaboration tools, knowledge management systems, and social media platforms.

Knowledge sharing is essential for organizations looking to stay competitive in today's fast-paced business environment. By creating a culture that supports knowledge sharing and providing employees with the tools and resources

2.5 Inclusive Leadership and Knowledge Sharing

Inclusive leadership and knowledge sharing go hand in hand in creating a diverse and collaborative workplace culture. In today's rapidly changing and complex business environment, leaders need to prioritize creating a work culture that values diverse perspectives and fosters knowledge sharing. We are intending to explore the key elements of inclusive leadership and knowledge sharing, and how they can be used together to create a thriving workplace culture.

Ta stan and Davoudi (2015) found that, on the one hand, a willingness to take risks is a universal feature of trustworthy relationships. Trust, on the other hand, is unique in that it requires a person to take on the weaknesses and risks of others. Employees who trust one another are more likely to take risks and develop creative solutions. In most cases, the innovative actions of people are based on their free will. As a result, this kind of behavior serves a dual purpose as both the result of the followers' confidence in their leaders and a precursor to risk-taking actions. Moreover, each person must take full responsibility for their shortcomings. As a result of this uncertainty, there is a robust correlation between following a trusted leader and taking creative risks (Ullah et al. 2021; Hao and Yazdanifard 2015). Employees heavily rely on their representatives to secure the information, resources, and social support that they need to cultivate, preserve, and produce original ideas within the context of the business (Mohammad et al. 2021; Kremer et al. 2019). When employees believe in their supervisors, they are more likely to take risks and develop novel solutions to problems (Lee et al. 2019). When a superior and subordinate work together to form a team, the subordinate may be given more opportunities to exercise policy and make independent decisions, both of which are conducive to developing creative approaches to problems. Additionally, when there is a higher level of trust between leaders and their subordinates, employees are more likely to take initiative in the organization's growth (Lei et al. 2019).

Inclusive leadership is about creating an environment where all employees feel valued and respected. It involves creating a workplace culture that values diversity, where everyone feels included and has a sense of belonging. Inclusive leaders are those who recognize and celebrate differences, and who actively seek out and listen to diverse perspectives. They create an

environment where people can speak up and contribute their ideas, knowing that their input will be valued.

One of the key ways that inclusive leaders foster knowledge sharing is by creating an environment where people feel comfortable sharing their knowledge and expertise. This involves creating a culture of psychological safety, where people feel that they can speak up without fear of reprisal or judgment. In an environment where people feel comfortable sharing their ideas and knowledge, innovation and creativity can flourish. Knowledge sharing also helps to break down silos and create a sense of shared ownership and accountability.

Another way that inclusive leaders promote knowledge sharing is by encouraging and facilitating collaboration. Collaboration is essential for sharing knowledge and developing new ideas. Inclusive leaders bring people together from different backgrounds and areas of expertise to work together on projects and initiatives. They create opportunities for people to share their knowledge and learn from each other.

Inclusive leaders also recognize the importance of providing access to learning and development opportunities. This includes both formal training and informal learning opportunities. Inclusive leaders invest in their employees' growth and development, recognizing that their success is the organization's success.

In conclusion, inclusive leadership and knowledge sharing are critical elements of creating a thriving workplace culture. Inclusive leaders create an environment where everyone feels valued and respected, and where knowledge sharing is encouraged and facilitated. They recognize the importance of diversity and collaboration in creating new ideas and driving innovation. By prioritizing inclusive leadership and knowledge sharing, organizations can build a culture that is more resilient, adaptable, and successful in the long run.

2.6 Knowledge Sharing and Employee Creativity

Knowledge sharing and employee creativity are two essential elements that are closely intertwined in any successful organization. Knowledge sharing helps employees to build on the collective knowledge of the organization, while employee creativity enables them to use this knowledge to develop innovative ideas and solutions. In this assignment, we will explore how knowledge sharing can enhance employee creativity and contribute to the success of the organization. Knowledge sharing is the process of sharing information, knowledge, and experience among employees in an organization. It is an essential component of organizational learning, as it helps employees to build on existing knowledge and develop new skills. Knowledge sharing can occur in many forms, such as formal training sessions, informal conversations, and online knowledge-sharing platforms.

Employee creativity, on the other hand, is the ability to generate new and innovative ideas that can solve problems and improve business processes. Creativity is critical for organizations because it enables them to stay ahead of the competition by developing new products, services, and business models. It is also essential for employee job satisfaction, as it allows them to use their skills and expertise to create something new and meaningful.

Knowledge sharing can enhance employee creativity in several ways. First, it helps employees to build a solid foundation of knowledge and skills that they can draw upon when generating new ideas. When employees have access to a wide range of knowledge and experience, they are more likely to develop new and innovative solutions to business problems.

Second, knowledge sharing creates a culture of collaboration and openness that encourages employees to share their ideas and insights. When employees feel comfortable sharing their thoughts and ideas, they are more likely to contribute to the development of new and innovative solutions. This collaboration can also help to break down silos within the organization and encourage cross-functional collaboration.

Third, knowledge sharing can help employees to develop a growth mindset, which is essential for creativity. When employees are exposed to new ideas and experiences, they are more likely to see challenges as opportunities for growth and learning. This mindset can help them to think outside the box and develop innovative solutions to business problems.

In conclusion, knowledge sharing is a critical component of employee creativity and organizational success. By creating a culture of collaboration and openness, organizations can encourage employees to share their knowledge and ideas, which can lead to the development of new and innovative solutions. By investing in knowledge-sharing initiatives, organizations can create a more innovative and creative workforce that can stay ahead of the competition and adapt to changing business environments.

2.7 Knowledge Sharing as Mediator

Knowledge sharing is an essential mediator for employees' creativity in the workplace. Knowledge sharing is the process of exchanging ideas, information, and expertise among employees within an organization. This process is critical for promoting creativity among employees because it allows them to share their knowledge and experiences, collaborate with others, and develop new ideas.

When employees share their knowledge, they are exposing others to new concepts and perspectives that can spark creativity. As employees learn from each other, they can build on existing knowledge and develop new insights that lead to innovative ideas. This knowledge-sharing process can create a dynamic environment where employees can explore new approaches to work and problem-solving.

Moreover, knowledge sharing can also foster collaboration among employees. When employees share their knowledge and expertise, they can collaborate with others to develop new ideas and approaches. This collaboration can lead to the creation of new products, services, or processes that are more innovative and effective.

Furthermore, knowledge sharing can also help employees to develop a growth mindset. When employees are exposed to new ideas and perspectives, they can learn and grow, which can lead to the development of more innovative solutions. Employees who are encouraged to share their knowledge and ideas are more likely to feel empowered and invested in their work, which can lead to greater creativity and innovation.

In conclusion, knowledge sharing is a critical mediator for employee creativity in the workplace. By creating a culture that values knowledge sharing and collaboration, organizations can foster creativity and innovation among their employees. When employees are encouraged to share their knowledge and ideas, they can build on existing knowledge and develop new insights that lead to innovative solutions. This knowledge-sharing process can create a dynamic and creative environment that leads to the success of the organization.

Chapter 3. Research Methodology

This study is simply based on responses thorough structured questions shared with employees performing duties at middle level in multiple organizations, mainly IT related. Questionnaire was very carefully designed and composed so that purpose of the study could be justified. During formulation and implementation of this methodology, following points have been taken care of:

- Identification the research questions: Identified the relative research question or topic that the questionnaire addressed. The objective was to find questions should be clear and specific.
- Development the questionnaire: Developed the questionnaire by creating a list of questions that addressed the research question. Ensureed that the questions are clear, concise, and unbiased.
- c. Determined the sample size: Determine the appropriate sample size of about 91 respondents based on the assignment.
- d. Selection of the sample: Selection a sample of individuals to participate in the study. It was taken care that that sample should be representative of the population being studied.
- e. Conduct the survey: A google questionnaire form was distributed to more than 70 relevant and eligible participants in which 45 responded. Ensured that the survey is conducted in a way that is ethical and unbiased.
- f. Analyze the data: Collected and analyzed the data gathered from the survey. Use appropriate statistical methods on MS Excel to analyze the data and drawn conclusions.
- g. Findings: Reported the findings of the research in a clear and concise manner. Ensured carefully that the report accurately reflects the data gathered and the conclusions drawn.

3.1 Research Approach

The research approach for this research is qualitative. Qualitative research is an exploratory research approach that seeks to understand a phenomenon in its natural setting by collecting and analyzing non-numerical data, such as words, images, and observations.

This study involved the collection of data through written questions. The collected data is then analyzed using techniques such as thematic analysis, grounded theory, or narrative analysis, to identify patterns, themes, and meanings in the data.

To gather the information on the various factors that make up the proposed framework, we designed a systematic survey. In this work, we used established instruments from other studies to gauge the proposed variables. Individuals employed in the multiple industry (preferably IT) made up the bulk of this study's respondents.

3.2 Research Design

Research design is a crucial element in the research process as it determines the quality of the findings and the validity of the conclusions drawn from the study. In this study it has been taken care that research study should be based on a clear and concise research question, and the research design should be chosen to best answer the question and meet the research objectives.

The research design is mainly composed on the following factors;

- 1. **The research questions**: the research questioned are composed and researched very carefully and due diligence has been done as it is the basic factor in qualitative research design.
- Sampling: Samples were also chosen to get responses from mid-career employees of reputable companies. In this context more than 150 questionnaires were distributed to potential respondents and 91 have completely responded.
- 3. **Data collection methods**: As already discussed that data was collected through circulation of google form close ended questionnaire and on the basis of responses of the participants, data has been collected.
- 4. **Data analysis methods**: Simple tools of mathematics i.e. percentage is used to gauge the relationship between the variables and the strength of effectiveness. Pie charts and graphs are also composed to see to see the graphical representation of responses and the relation.
- 5. Time frame: It took around 02 months to complete all the study-

6. Data Basic Demographics

Respondents Detail	Frequency	Respondents	Frequency
Gender		Experience	
Male	75	Below 5 Years	24
Female	16	5 to 10 years	36
Age Brackets		Above 10 years	31
Below 30 Years	06	Education	
B/w 30 to 40	51	Under graduation	39
B/w 40 to 50	25	Masters	47
Above 50	09	Above Masters	05

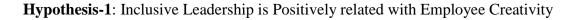
Furthermore, basic demographics and other detail about the respondents is given as under:

Chapter 4. Results

According to one of this study's findings, exchanging information boosts creative actions, which highlights the fact that knowledge sharing is a precondition for innovative behavior, as has been shown in other research. The knowledge gained by an organization can be categorized as either "tangible" (such as a capital, shares, explicit data, or information) or "intangible" (such as information, abilities, or employee experiences). Knowledge sharing of this nature impacts the propensity of workers to be creative. An organization's level of innovation is affected by the amount of knowledge that it has. The propensity of employees toward innovation can be nurtured by fostering open lines of communication within an organization. The knowledge sharing of employees about their jobs and daily routines has the potential to, and should, help businesses become more creative. Therefore, an efficient business should have a mechanism by which workers can contribute to the managerial process and suggest novel approaches to innovation. This study's findings support that information sharing among workers has a salutary effect on the propensity of employees to engage in creative problem solving and can be similarly interpreted.

In this study, we aimed to determine whether there is a correlation between employee trust in leadership and the employee propensity to engage in innovative behavior, and if so, how other types of knowledge mediate this influence. Knowledge sharing demonstrates a person's willingness to assume the risk associated with every piece of knowledge in a competitive organizational environment. Because of their sensitivity to this risk, employees may choose to withhold or alter crucial information if they do not trust each other. However, if there is trust, they can work together in a way that allows them to feel safe enough to offer each other assistance and share what they have learned. Individuals must take chances for confidence to develop; thus, it is crucial to grasp the importance of the risk in building trust. The authors imply that taking risks within a relationship leads to trust. In their role as service providers to customers, staff members draw on a wide range of experiential and personal knowledge in their daily work. This anecdotal information could be vertically shared between superiors and reports, and horizontally shared among peers. In other words, when a subordinate receives information from a superior, that subordinate must have faith in the veracity of the data being passed along. When employees have faith in their superiors, they are more likely to take their advice seriously.

The above mentioned description has been analyzed through the below given outcome data in the response of respondents.





The result of the study shows that the is very strong relationship between inclusive leadership and employee creativity while there is strong presence of IL then there is always strong existence of employee creativity.

The result is also similar in the cases where there is wea IL factors, employee creativity has also the same results. There 20% responses where there weal IL so the response from same people arguments that employee creativity is also same kind of discouraging

The result indicates that positive relationship between inclusive leadership and employee creativity creates a virtuous cycle. When employees feel valued and heard, they are more likely to engage in creative thinking, which in turn leads to innovative solutions, improved performance, and a stronger organizational culture.

However, it's important to note that while inclusive leadership provides a conducive environment for creativity, it's not the only factor. Organizational support, resources, individual skills, and the overall corporate culture also play roles in influencing employee creativity.

Hypothesis-2: Inclusive Leadership is Positively related with Knowledge Sharing

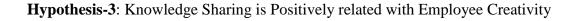


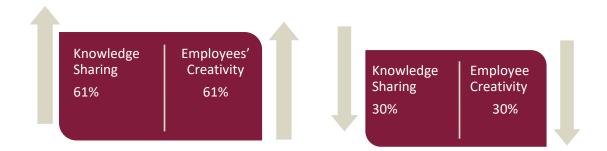
As discussed before the is the result in hypothesis No 2. Which shows the strong relationship between Inclusive leadership and Knowledge sharing. There is a positive relationship between inclusive leadership and knowledge sharing within organizations. Inclusive leadership practices create an environment that encourages and facilitates knowledge sharing among employees in several ways:

- 1. **Trust and Psychological Safety:** Inclusive leaders build trust and psychological safety within teams.
- Open Communication: Inclusive leaders promote open and transparent communication. This communication style encourages employees to express their thoughts and insights, leading to more meaningful knowledge exchanges.
- 3. Valuing Diverse Perspectives: Inclusive leadership values diverse viewpoints and experiences. When employees perceive that their perspectives are valued, they are more willing to contribute their knowledge and expertise.
- 4. **Collaborative Culture:** Inclusive leaders emphasize collaboration and teamwork. This collaborative culture encourages employees to pool their knowledge and work together to solve problems and achieve goals.
- 5. **Recognition and Appreciation:** Inclusive leaders recognize and appreciate the contributions of their team members. When employees' efforts are acknowledged, they are motivated to share their knowledge and continue contributing.
- 6. Learning Orientation: Inclusive leadership fosters a learning-oriented culture where continuous learning and growth are emphasized.

- Reduced Silos: Inclusive leaders break down silos and encourage cross-functional collaboration. This facilitates the flow of knowledge across different departments and teams.
- 8. **Role Modeling:** Inclusive leaders set an example by openly sharing their own knowledge and experiences. This behavior encourages others to do the same.

As a result of these practices, organizations with inclusive leadership tend to have a culture that promotes knowledge sharing. Employees are more likely to share information, ideas, best practices, and lessons learned, leading to increased innovation, better problem-solving, and overall improved performance.





The above mentioned results shows that there is a positive relationship between knowledge sharing and employee creativity. When knowledge sharing is actively encouraged and practiced within an organization, it tends to foster an environment that supports and enhances employee creativity in various ways. In essence, knowledge sharing acts as a catalyst for employee creativity. It empowers individuals by providing them with a broader knowledge base to draw from, fostering an environment of open communication and collaboration that supports creative thinking and innovation. Organizations that actively promote knowledge sharing tend to have a stronger foundation for cultivating and harnessing employee creativity to drive organizational success.

Hypothesis-4: Knowledge Sharing Mediates the Relationship Between IL and Creativity of Employee



The hypothesis behind this concept is that inclusive leadership fosters an environment of trust, psychological safety, and respect. In such an environment, employees are more likely to feel comfortable sharing their knowledge, ideas, and viewpoints. When knowledge sharing is encouraged and practiced, it leads to the cross-pollination of ideas and the exploration of different perspectives. This, in turn, enhances the overall creativity of employees, as they are exposed to a broader range of insights and concepts which has been reflected in the results shown above.

By analysing the data, it has been determined if knowledge sharing indeed plays a role in mediating the relationship between inclusive leadership and employee creativity. The results have supported this idea, it suggests that organizations that promote inclusive leadership and knowledge sharing are more likely to experience higher levels of employee creativity and innovation.

In practice, organizations can use this knowledge to develop strategies that not only encourage inclusive leadership behaviours but also create platforms and mechanisms that facilitate knowledge sharing among employees. This combination can contribute to a more dynamic and innovative work environment.

Chapter 5. Conclusion

This study delves into the factors that inspire employees to think outside the box to better position their companies in the service sector. We examined how employees' trust in one another and their superiors affects their propensity to take creative risks. In addition, we examined whether the relationship's mediation comes from knowledge sharing. The theoretical contribution of this study is that it shows how important it is for employees to be open to new ideas and trust their managers and coworkers. This research confirms the importance of a conducive work environment in which employees feel comfortable expressing their ideas and opinions. This study's findings emphasize the importance of team dynamics, particularly in fostering a culture of trust among workers. We also show that trust indirectly affects innovative behavior via the spread of information. In addition to its theoretical relevance, this research also has real world applications. A joint organizational flaw hampers knowledge sharing in the IT industry. For instance, one worker may attribute some of their skills to the knowledge that they have gained through work experience. As a result, they will be hesitant to teach others or will only teach a fraction of what they know. This kind of selfishness hinders the sharing of information within the company and causes friction among workers. Therefore, it must be processed at the organizational level, and one approach to addressing this issue is to foster a more trusting environment among workers. The manager/leaders of an organization are responsible for fostering a positive work environment by encouraging participation in any existing employee networks, whether formal or informal. Many scholars suggest employee empowerment as a managerial practice for boosting an organization's trustworthiness, and they also argue that the promotion of knowledge sharing should be a part of this effort. With a knowledge-sharing system in place, managers can foster a sharing culture that encourages learning and growth among employees, which, in turn, stimulates more creative thinking. The importance of this study lies in the fact that it empirically explores the factors that influence innovative behavior, with employees as the primary focus of the analysis. One of this study's limitations is that we interpret and analyze the variable as a multidimensional concept. This is one of the reasons why the study has this limitation. Interpersonal trust is possible; it just requires a different strategy than the multitiered one used for vertical and horizontal trust. Second, innovative behavior encompasses organizational and collective innovation, which are conceptually distinct from individual innovation. More concretely evaluating innovative behavior across a more expansive space will yield more relevant results in future studies.

References

Ahmad, N., Ullah, Z., Aldhaen, E., & Scholz, M. (2022). A CSR perspective to foster employee creativity in the banking sector: The role of work engagement and psychological safety. *Journal of Retailing and Consumer Services*, 67, 102968. https://doi.org/10.1016/j.jretconser.2022.102968

Bhutto, T. A., Farooq, R., Talwar, S., Awan, U., & Dhir, A. (2021). Green inclusive leadership and green creativity in the tourism and hospitality sector: Serial mediation of green psychological climate and work engagement. *Journal of Sustainable Tourism*, 29(10), 1716–1737. https://doi.org/10.1080/09669582.2020.1867864

Birkinshaw, J. M., & Morrison, A. J. (1995). Configurations of Strategy and Structure in Subsidiaries of Multinational Corporations. *Journal of International Business Studies*, *26*(4), 729–753. https://doi.org/10.1057/palgrave.jibs.8490818

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. https://doi.org/10.1080/10400419.2010.504654

Cummings, J. L., & Teng, B.-S. (2003). Transferring R&D knowledge: The key factors affecting knowledge transfer success. *Journal of Engineering and Technology Management*, 20(1–2), 39–68. https://doi.org/10.1016/S0923-4748(03)00004-3

Doz, Y. L. (1996). The evolution of cooperation in strategic alliances: Initial conditions or learning processes? - Doz—1996—Strategic Management Journal—Wiley Online Library. https://onlinelibrary.wiley.com/doi/abs/10.1002/smj.4250171006

Fatima, S. (2021). How Do Leaders Influence Innovation and Creativity in Employees? The Mediating Role of Intrinsic Motivation. *Administration & Society*, 1–25.

Hanh Tran, T. B., & Choi, S. B. (2019). Effects of inclusive leadership on organizational citizenship behavior: The mediating roles of organizational justice and learning culture. *Journal of Pacific Rim Psychology*, *13*, e17. https://doi.org/10.1017/prp.2019.10

Helmstädter, E. (2003). The economics of knowledge sharing :a new institutional approach. *Undefined*. https://www.semanticscholar.org/paper/The-economics-of-knowledge-sharing%3Aa-new-approach-Helmst%C3%A4dter/eef5409f6135078931f2478d3d2eeb8bd12fb449

Hollander, E. (2012). Inclusive Leadership: The Essential Leader-Follower Relationship. Routledge.

Javed, B., Abdullah, I., Zaffar, M., Haque, A., & Rubbab, U. (2018). Inclusive leadership and innovative work behavior: The role of psychological empowerment. *Journal of Management & Organization*, 25, 1–18. https://doi.org/10.1017/jmo.2018.50

Jiang, Z. (2020). Research on the Impact of Inclusive Leadership on Team Knowledge Sharing— —A Multilevel Model Test With Two- Dimensional Identity as the Mediator. 7, 14.

Kremer, H., Villamor, I., & Aguinis, H. (2019). Innovation leadership: Best-practice recommendations for promoting employee creativity, voice, and knowledge sharing. *Business Horizons*, 62(1), 65–74. https://doi.org/10.1016/j.bushor.2018.08.010

Kwai, R., Ip, F., & Wagner, C. (2007). Weblogging: A study of social computing and its impact on organizations.

Madžar, D., & Milohnić, I. (2019). Improving business competitiveness based on managing creativity system. *Ekonomska Misao i Praksa*, *1*, 193–208.

Mansoor, A., Farrukh, M., Wu, Y., & Abdul Wahab, S. (2021). Does inclusive leadership incite innovative work behavior? *Human Systems Management*, 40(1), 93–102. https://doi.org/10.3233/HSM-200972

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*, 27(7), 941–966. https://doi.org/10.1002/job.413

Oyemomi, O., Liu, S., Neaga, I., & Alkhuraiji, A. (2016). How knowledge sharing and business process contribute to organizational performance: Using the fsQCA approach. *Journal of Business Research*, 69(11), 5222–5227. https://doi.org/10.1016/j.jbusres.2016.04.116

Paulin, D., & Suneson, K. (2012). *Knowledge Transfer, Knowledge Sharing and Knowledge Barriers – Three Blurry Terms in KM. 10*(1), 11.

Qi, L., Liu, B., Wei, X., & Hu, Y. (2019). Impact of inclusive leadership on employee innovative behavior: Perceived organizational support as a mediator. *PLOS ONE*, *14*(2), e0212091. https://doi.org/10.1371/journal.pone.0212091

Schein, E. H. (2010). Organizational Culture and Leadership. 458.

Schoonus, R. (2018). Inclusive leadership relationship to innovative work behavior: The mediating effect of knowledge sharing and the moderating effect of mindfulness. 31.

Serenko, A., & Bontis, N. (2016). Negotiate, reciprocate, or cooperate? The impact of exchange modes on inter-employee knowledge sharing. *Journal of Knowledge Management*, 20(4), 687–712. https://doi.org/10.1108/JKM-10-2015-0394

Sirkwoo, J. (2015). *Leading employee creativity: the relationship between leadership styles and employee creativity.* 12.

Srivastava, A., Bartol, K. M., & Locke, E. A. (2006). Empowering leadership in management teams: Effects on knowledge sharing, efficacy and performance. *Academy of Management Journal*, 1239–1251.

Tong, Z., Zhu, L., Zhang, N., Livuza, L., & Zhou, N. (2019). Employees' perceptions of corporate social responsibility and creativity: Employee engagement as a mediator. *Social Behavior and Personality*, 47(12), checked-checked. https://doi.org/10.2224/sbp.8479

Wang, X., Zheng, X. (Janey), & Zhao, S. (2021). Repaying the Debt: An Examination of the Relationship between Perceived Organizational Support and Unethical Pro-organizational Behavior by Low Performers. *Journal of Business Ethics*. https://doi.org/10.1007/s10551-021-04809-0

Wiewiora, A., Trigunarsyah, B., Murphy, G., & Coffey, V. (2013). Organizational culture and willingness to share knowledge: A competing values perspective in Australian context. *International Journal of Project Management*, 31(8), 1163–1174. https://doi.org/10.1016/j.ijproman.2012.12.014