

## **Examining the Role of Inclusive-leadership: Its Influence on Eudaimonic and Hedonic Wellbeing through the Pathway of Workgroup Inclusion**

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### **Abstract**

The study at hand investigates the impact of inclusive-leadership on two dimensions of Wellbeing, both eudaimonic and hedonic. The study investigates how workgroup inclusion serves as a mediator in this relationship. The investigation employs Structural Equation Modelling (SEM) using the partial least squares method to explore the direct and mediated impacts based on data from 405 participants from residential care organisations in the UK. The findings indicate that inclusive-leadership's direct influence on eudaimonic and hedonic Wellbeing is not statistically significant. Workgroup inclusion, however, emerges as a crucial mediator in this relationship. The current study contributes to the existing body of research by shedding light on the essential function of workgroup inclusion, focusing primarily on the direct correlation between inclusive-leadership and employee Wellbeing. The result suggests that inclusive-leadership fosters an environment in which employees perceive themselves as an indispensable member of their work teams, exerting a beneficial influence on their overall Wellbeing and satisfaction. These observations emphasize the need to foster an inclusive culture for organisational leaders and managers to improve employee Wellbeing. The research validates that incorporating workgroups enhances employees' sense of belongingness and improves their Wellbeing in the workplace. This study offers valuable perspectives on enhancing job happiness and overall satisfaction.

**Keywords:** Inclusive-leadership, workgroup inclusion, eudaimonic & hedonic wellbeing

### **Introduction**

The concept of “inclusion” has gained increasing attention in the current business scenario, as researchers and practitioners seek higher

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agreement on the importance of perceiving inclusion to improve employees' Wellbeing and gain higher competitiveness in the long run (Shore & Chung, 2023). When examining the positive behaviour of inclusive-leadership, the most nuanced, subtle, and robust mechanism, fostering a sense of belonging among employees, has been given considerable attention (Nishi & Leroy, 2022; Anwer et al. 2023).

Leadership has an unparalleled effect on the organisational outcomes and behaviours of employees because leaders shape the psychological climate within the workplace, on which the overall welfare of employees greatly relies (Nishi & Leroy, 2022). This act of shaping the psychological atmosphere has immense consequences on employee Wellbeing, highlighting leaders' significant role through their actions and character (Teetzen et al., 2023).

Research has demonstrated that leadership is integral to organisational culture and employee outcomes. However, we need to understand further the impact of the relationship between inclusive-leadership and workgroup inclusion on employee Wellbeing (Choi et al., 2017). Despite the recognised significance of leadership in determining organisational culture and prompting employee outcomes, we still need a clearer understanding of how inclusive-leadership styles specifically affect employee reactions to leader behaviours (Azila-Gbettor et al., 2024).

This study aims to present empirical findings that underscore the significance of inclusive-leadership in improving employee Wellbeing and organizational performance. These findings carry substantial implications for leaders and managers, providing practical insights into how they can foster an inclusive and supportive work environment. The author's objective was to obtain answers to the following questions through the ongoing investigation.

1. What association is present between inclusive-leadership and eudaimonic Wellbeing at the workplace?
2. What is the relation between inclusive-leadership and hedonic Wellbeing in the workplace?
3. What is the connection between inclusive-leadership and workgroup inclusion?
4. Does workgroup inclusion mediate the link between inclusive-leadership and workplace Wellbeing (eudaimonic & hedonic).

## **Literature Review**

### *Inclusive-leadership*

Numerous authors and researchers define inclusive-leadership from different perspectives. Nembhard and Edmondson (2006) defined

inclusive-leadership as the actions or words of leaders who recognise and appreciate followers' contributions to achieving team or unit goals. Conversely, Shah et al. (2022) explain inclusive-leadership from three perspectives: the leader-follower exchange perspective, termed 'partnership', which focuses on independence and employee involvement in decision-making; the conduct-based perspective, known as equality, provides equal and fair treatment to employees under varying circumstances.

From a cultural standpoint, inclusive-leadership involves embracing diverse behaviours and values and fostering an environment that encourages learning from mistakes. According to Lee (2022), leaders demonstrate inclusive-leadership by being easily accessible, approachable, and attentive listeners. Similarly, Ferdman (2020) captured the essence of an inclusive leader as one who could recognise and reward employee contributions irrespective of the employee's position within the organisation. This broad perspective has significantly enhanced the understanding of inclusive-leadership within scholarly circles.

Several research studies have highlighted the organisational impact and shown the outcomes of inclusive-leadership. Qi et al. (2019) have shown its role in facilitating innovation, while Mikyoung and Moon (2019) underscore its influence on enhancing creativity. Moreover, Hassan and Jiang (2021) identified that inclusive-leadership cultivates a conducive learning environment, boosting employee innovation and engagement. According to Carmeli et al. (2010), inclusive-leadership, characterised by its participatory style that promotes support, fault tolerance, and equality, directly impacts employee performance.

From a Theoretical standpoint, the framework of social identity theory and optimum uniqueness theory further support the concept of inclusive-leadership. Shore et al. (2011) argued that these theories view inclusive-leadership as comprising actions that enable employees, through inclusion, to feel they belong and are uniquely valued in contributing to the organisation's goals. Echoing his perspective, Ly (2024) confirms that inclusive-leadership's visibility, availability, and active listening are pivotal in making leadership genuinely inclusive.

#### *Inclusive-leadership and Employee Wellbeing (Eudaimonic)*

Meaningful engagement or work, including a profusion of contexts related to fulfilling needs, is a significant aspect of eudaimonic Wellbeing at work. Eudaimonic Wellbeing, derived from Aristotle's philosophy, encompasses life or work aligned with one's true self, maximising self-capabilities and achieving full potential. It represents a level of flourishing that consists of profound meaning and personal

growth. Therefore, in the present study, to achieve eudaimonia-centered Wellbeing in the workplace, it is necessary to spotlight the nature of inclusive-leadership behaviour's influence on Wellbeing, mainly employees' eudaimonia Wellbeing.

As stated by Nembhard and Edmondson (2006), inclusive-leadership is not only about fostering a sense of involvement and inclusivity; it involves actions and interactions that consider multiple perspectives and encourage employees to consider themselves as valued contributors within their teams. This type of leadership aligns well with eudaimonic Wellbeing because it allows individuals to be involved in work consistent with who they are, enhancing their sense of purpose and significance. Such alignment is constructively significant to a person's eudaimonic Wellbeing.

Inclusive-leadership is instrumental because it enables employees to use their unique talents and abilities and encourages rising involvement and contentment. To explore the dynamic, the author of this study inspects the effects of inclusive-leadership on employees' eudaimonic well-being by empowering employee growth and engagement. Specifically, the study assesses whether an individual's fulfilment with their work is closely associated with the degree to which they gain a profound sense of purpose (Telu & Potnuru, 2014). The application of inclusive leaders is pertinent in such a case because it provides a platform where employees can apply their unique talents and abilities and have room to use them effectively, thus increasing their engagement and satisfaction at work.

***HI. Inclusive-leadership significantly impacts employees' eudaimonic Wellbeing at the workplace.***

#### *Inclusive-leadership and Employees' Wellbeing (Hedonic)*

The literature review demonstrates the intricate connection between inclusive-leadership and employee hedonic Wellbeing, highlighting the role of leaders in promoting the emotional and psychological climate at work. Hedonic Wellbeing is characterised by experiencing pleasure and avoiding pain, focusing on achieving positive emotions and satisfaction with life. In contrast, eudaimonic Wellbeing involves finding meaning and fulfilment in life's activities. Nembhard and Edmondson (2006) explained that inclusive-leadership involves privileging and encouraging contributions, essential for creating a workplace environment that allows employees to feel esteemed and valued.

These feelings of belonging contribute significantly to employees' emotional Wellbeing by creating a positive and affirmative environment

that encourages growth and development. Building on this foundation, some previous research has noted evidence of a multifaceted relationship between different leadership styles and the overall Wellbeing of employees. However, research studies have indicated an indirect correlation between inclusive-leadership and hedonic Wellbeing, suggesting that other factors, such as perceived organizational support or job satisfaction, may mediate this relationship.

It has been established that deploying an inclusive-leadership strategy positively influences job satisfaction, enhancing hedonic Wellbeing (David et al., 2024). Furthermore, the impact of inclusive-leadership on hedonic Wellbeing has been linked to organizational outcomes such as reduced employee turnover and an enhanced team-working environment (Hannah et al., 2020). Employee engagement, productivity, and dedication to the organization are all positively related to hedonic Wellbeing, indicating that inclusive-leadership increases hedonic Wellbeing among employees. This leads to an understanding that a critical facet of inclusive-leadership focuses on how organizations create time, spaces, and opportunities to be heard, significantly impacting their Wellbeing.

Inclusive-leadership aims to create a diverse and embracing workplace, enhancing employees' experience of fulfilment and pleasure. When inclusive leaders ensure their employees experience joy and satisfaction, they create a more harmonious and productive organisational climate. Hence, the researcher in the current study put forward a relationship between employee hedonic Wellbeing and inclusive-leadership, which subsequently led to the development of the following hypothesis:

***H2. Inclusive-leadership has a substantial impact on employees' hedonic Wellbeing.***

#### *Inclusive-leadership and Workgroup Inclusion*

Workgroup Inclusion transcends the mere assembly of a diverse workforce, emphasizing the critical importance of employees feeling valued and recognized as unique contributors within their teams. This nuanced understanding of inclusion considers the employees' subjective experiences of belongingness and individuality within an organizational context, advocating for their active involvement in decision-making processes and access to essential information (McElvaine, 2021).

To fully harness the benefits of diversity, it is essential that employees feel included and maintain their sense of uniqueness. Removing barriers to full participation allows employees to effectively utilize organizational resources and contribute ideas, enhancing their

understanding of inclusion and individuality (Nishii & Leroy, 2022). However, the essence of true inclusion is compromised if employees are pressured to conform, losing their unique identity in the process (Ballakrishnen, 2023).

Leadership plays a pivotal role in this dynamic, where leaders' behaviours significantly influence how employees perceive their value and integration within the organizational structure (Iqbal & Ahmad, 2021). Inclusive-leadership fosters an environment where every team member feels unique and essential to the collective, achieving a balance of individuality and belongingness.

Leaders are tasked with creating an inclusive atmosphere that motivates and involves individuals in growth opportunities, encouraging them to express their viewpoints and promoting learning behaviours (Aboramadan et al., 2022). This approach not only accelerates the sense of belongingness but also acknowledges and leverages the diverse contributions of team members, ensuring they remain engaged and motivated within the organization. Consequently, the author considers the association between inclusive-leadership and workgroup inclusion contain the hypothesis below:

**H<sub>3</sub>.** Inclusive-leadership has a significant impact on employees' workgroup inclusion.

#### *Mediating Role of Workgroup Inclusion*

McCandless et al. (2022) highlighted that having a diverse workforce does not equate to creativity and innovation. However, Duchek et al. (2020) argued that team diversity allows multiple perspectives and mindsets that can lead to different idea generation and innovation. This contrasting view has prompted many organisations to shift their focus from merely having a diverse workforce to leveraging diversity for enhanced performance. Shore et al. (2018) stated that organisations can achieve this by actively including more employees. An essential aspect of inclusive-leadership is its emphasis on inclusion, which Shore et al. (2011) define as the feeling among employees of being welcomed in their workgroups, meeting their needs for belonging, and affirming their uniqueness.

Transitioning to related theories, while lean inclusion varies according to perceptions, it is generally agreed that lean inclusion leadership manifests when an individual feels both similar to and distinct from others. Supported by the optimal distinctiveness theory, Randell et al. (2018) proposed that people desire to be identical to and different from their peers.

Reflecting on practical outcomes, it has been observed that implementing inclusive-leadership enhances workplace integration and boosts employee morale, dedication, and ability to make substantial contributions at work (Krainovic et al., 2023). Moreover, Chen et al. (2023) found that workgroup inclusion plays a critical mediating role between inclusive-leadership and employee Wellbeing, subsequently reducing employee turnover.

Based on these insights, the current study aims to deepen our understanding of how inclusive-leadership influences the formation of work units that encompass and value all employees and the positive outcomes that can be achieved by fostering an inclusive environment. The focus is primarily on the mediating role of workgroup inclusion between inclusive-leadership and the Wellbeing of employees, encompassing both hedonic and eudaimonic Wellbeing. To systematically explore this dynamic, the following hypothesis has been developed:

H4a. Workgroup inclusion acts as a mediator in the connection between inclusive-leadership and eudaimonic Wellbeing at the workplace.

*H4b. Workgroup inclusion plays a mediating role between inclusive-leadership and the hedonic wellbeing of employees at the workplace.*

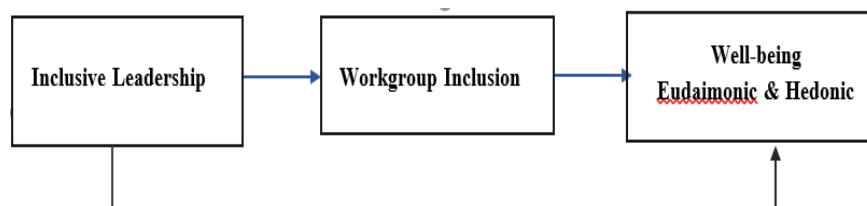


Figure 1: Conceptual Framework

### Research Methodology

In a challenging and dynamic environment such as social care, organizations are looking for people with expertise and integrity who can demonstrate they have tackled problems and can offer solutions and be empathic more persuasively and creative as required to be able to deal with the complex nature of care provision (Sima et al., 2020). Therefore, a purposive sampling approach was employed due to its effectiveness in deliberately selecting participants who are knowledgeable about or experienced with a phenomenon of interest, in this case, inclusive. We targeted a heterogeneous group of deputy managers and registered managers from various sizes of residential care organisations in London,

aiming to reflect a broad spectrum of experiences and insights. 550 questionnaires were distributed among the managers, and we received 430 completed questionnaires, achieving a response rate of 86%.

To address the 29 incomplete questionnaires, we used listwise deletion for missing data, as these responses were not substantial enough to impute. The survey asked managers about their experiences with leadership inclusivity, workgroup inclusion, and eudaimonic and hedonic Wellbeing using a 7-point Likert scale for responses where 1 = strongly disagree and 7 = strongly agree. This scale was chosen because it provided a sufficient range to capture subtle nuances in response while avoiding overwhelming participants with too many options.

Current research utilizes Carmeli's (2013) nine-item scale to assess inclusive-leadership based on Nembhard and Edmonson's (2006) research. The scale assesses three different dimensions of inclusive-leadership, including openness with (3) items, such as "My manager is attentive to new opportunities to improve work processes, availability (4) like "My manager remains available to discuss problems, and accessibility (2). For instance, "My leader is ready to listen to my requests".

Shore et al. (2011) developed a ten-item scale to measure workgroup inclusion. The scale assesses feeling valued in the workplace: For instance, "I feel connected to my work group and uniqueness as 'My team members listen to me even when my views are different". Bartels et al. (2019) devised an eight-item scale to measure workplace eudaimonic Wellbeing, divided to assess both the intrapersonal and interpersonal aspects of eudaimonic Wellbeing, which is crucial for understanding comprehensive employee Wellbeing in social care settings. Examples include "I feel myself doing purposeful work at my workplace" and "I feel connected with my team members at my workplace". Additionally, hedonic Wellbeing was measured using life satisfaction, such as "I am happy and enjoy life at the workplace" with five questions from Diener et al. (1985), and positive affect at work, such as "I feel inspired at work, tested with four items by Watson et al. (1988).

#### *Structural and Measurement Models Analysis*

We assessed the proposed model by implementing its components and conducting a structural assessment. We followed Cheung et al. (2023) by validating the measurement model by examining convergent reliability, indicator reliability, internal reliability, and discriminant validity. Cronbach's alpha was used to assess the internal reliability of the measurement model, indicating a consistent understanding of the components within a construct if the alpha is above 0.7, following (Hair et



al., 2010). Composite reliability was employed to assess the internal consistency of the items using SmartPLS software (Bacon et al., 1995).

### Results & Discussion

The study utilised Cronbach's alpha value and composite reliability to assess the reliability of the latent variables, demonstrating that all constructs' composite reliability values exceeded the well-accepted threshold of 0.7. The results indicated that the composite reliability values for each construct ranged from 0.905 to 0.904, presented in Table 1 of the current study. The item loadings over 0.5 signify an appropriate measurement model (Hair et al., 2017). All external loadings were above 0.6 and statistically significant at 0.001.

These findings underscore the strong reliability indicators for the constructs measured. The study further tested the convergent-validity of the measurement model by looking at the latent constructs' Average Variance Extracted (AVE) values. If the construct's average variance extracted (AVE) value is greater than or equal to 0.5, it suggests adequate convergent validity, confirming that the constructs are well-represented by their indicators. The assessed average variance extracted value of the intended construct in the measurement model was more than 0.546. Therefore, the convergent validity was accepted at the significant level of 0.5.

Table 1: *Gender distribution of the respondents (N=405)*

Category	Frequency	Percentage	Cumulative Percentage
Male	342	84.5	84.5
Female	63	15.5	100

The study meticulously recorded the gender distribution among participants, emphasising the significant presence of both genders. There was an approximate distribution of 84.5% for males and 15.5% for females. This detail is crucial as it reflects the demographic representation within the study, helping to understand how gender distribution might influence the study's outcome. Moreover, the reliability of the scales applied in the study was confirmed through composite reliability analysis. This statistical measure evaluates data consistency by analysing the correlation among individual items within a scale. Shresta (2021) stated that a composite reliability index of 0.7 or higher is deemed sufficient,

underscoring the validity and robustness of the scale used, thus affirming the trustworthiness of the measurement derived from it.

Table 2: *Reliability & Validity*

Variables	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Inclusive-leadership	0.879	0.911	0.551
Workgroup Inclusion	0.945	0.953	0.649
Wellbeing Eudaimonic	0.918	0.945	0.601
Wellbeing Hedonic	0.879	0.911	0.673

The composite reliability of the concept of "inclusive-leadership" was 0.879, while Eudaimonic Wellbeing had a reliability of 0.918, and workgroup inclusion had a reliability of 0.945. These results indicate that all of these constructs have satisfactory internal reliability. The use of Cronbach's Alpha and Composite Reliability, determined to surpass the widely acknowledged threshold of 0.70, reinforces the reliability of the measurement model.

This research study examined the convergent validity of the measurement model by utilising the Average Variance Extracted (AVE) for the latent constructs. A threshold of 0.5 or greater was utilised to determine the model's suitability, with constructs in this research having values of AVE ranging from 0.551 to 0.673. this indicates the presence of convergent validity, as the AVE values were above the 0.5 criteria, detailed in Table 2.

#### *Structural-Model*

The Structural model elucidated the conjectured pathways by computing path coefficients, such as  $R^2$  and  $Q^2$  values. The stability of the structural paths decides the quality of the structural model. The stability of these paths is measured by the  $R^2$  value related to the endogenous constructs stated by (Asmelash & Kumar, 2019).

According to Falk and Miller (1992), a model is considered satisfactory if its  $R^2$  value equals or exceeds 0.1. The model's adequacy was confirmed when the  $R^2$  values for the endogenous variables exceeded the minimum threshold of 0.1. In addition, the study evaluated and

confirmed the model's ability to make accurate predictions by analysing the Q<sup>2</sup> value of the internal construct. The investigation results demonstrate that the Q<sup>2</sup> value for each construct offers empirical support for the model's predictive validity, as depicted in Table 3.

Table:3 *Q<sup>2</sup> and R<sup>2</sup> Values – Coefficient of Determination*

Variables	R <sup>2</sup>	Q <sup>2</sup>
Workgroup Inclusion	0.638	0.379
Wellbeing Eudaimonic	0.659	0.373
Wellbeing Hedonic	0.637	0.439

The coefficient of determination of the R<sup>2</sup> value determines the variance in the endogenous construct explained by the exogenous constructs. To confirm the structural model's predictive validity, the endogenous construct's R<sup>2</sup> value must exceed a predefined cut-off value. SmartPLS calculated the R<sup>2</sup> values for the endogenous constructs using an algorithm and bootstrapping functions, drawing from over 5000 samples from 400 cases to determine the t-statistics. This approach ensures robust statistical testing.

The analysis revealed that 65% of the variation in the endogenous construct of eudaimonic Wellbeing is explained by inclusive-leadership behaviours and a sense of belongingness (see Table 4). The high level of explained variance highlights the significant impact of leadership practices on employee Wellbeing. Investigators use path coefficients to assess the relationships between exogenous and endogenous constructs, deciding to accept or reject hypotheses based on these metrics. The standardized beta coefficients (path coefficients) are calculated using least squares regression, while the bootstrapping function assesses the significance of these coefficients using t-statistics. Significantly, approximately 5000 re-samples generated 95% confidence intervals, and intervals not including zero indicate substantial relationships, confirming the reliability of these findings.

Table 4 provided detailed information on the path coefficient, t-statistics, and significance level for the assumed relationships, facilitating easy verification and interpretation of the data. Testing these proposed hypotheses is crucial to establishing the latent constructs' relationships and understanding the broader implications of inclusive-leadership on organizational Wellbeing.

Table 4: *Statistics for Hypotheses Testing*

Variables	$\beta$	St-Dev	T-Statistics	P-Values	2.50%	97.5%
IL-->EWB	00.079	00.062	01.240	00.219	00.048	00.202
IL-->HWB	00.163	00.069	02.298	00.215	00.029	00.306
IL-->WI	00.709	00.111	19.70	00.000	00.628	00.768

Hypothesis H1 was constructed to assess the influence of a leader's inclusive attitude on the eudaimonic Wellbeing of employees in the workplace. The data analysis indicates no statistically significant and direct relationship between a leader's inclusive conduct and the eudaimonic Wellbeing of employees in the workplace (H1:  $\beta = 0.079$ ;  $t = 01.240$ , and  $p = 0.202$ ), leading to the rejection of the hypothesis. This suggests that simply adopting inclusive-leadership practices without integrating them into broader organisational policies and culture may not be sufficient to enhance the deeper, meaning-related aspect of employee Wellbeing. Organisations might consider coupling inclusive-leadership behaviours with supportive structures, such as continuous development programs and meaningful work design, to enhance eudaimonic Wellbeing. Practically, organisations might consider coupling inclusive-leadership behaviours. Theoretically, these findings challenge existing assumptions within leadership studies and suggest a need for a more integrated approach in leadership research, examining how organisational context influences the effectiveness of leadership styles.

Examining Hypothesis H2 indicates that inclusive-leadership (IL) has a marginal positive impact on hedonic Wellbeing (HWB), as evidenced by a beta value of 0.163 and a p-value of 0.215. However, the effect is not statistically significant. This implies that although IL enhances employee satisfaction, its influence may need to be more powerful. This means that organisations may need to implement extra supportive measures in addition to inclusive-leadership to enhance employee satisfaction effectively. In theory, the results suggest the need for additional research on how factors such as organisational culture or individual variations influence the impact of inclusive-leadership on health and Wellbeing.

H3, the third hypothesis, investigates the possible impact of inclusive-leadership on workgroup inclusion. The present study used statistical analysis to explore the association between inclusive-leadership (IL) and workgroup inclusion (WI), uncovering a significant positive link. H3: The value of  $\beta$  is 0.709,  $t$  is 19.70, and  $p$  is 0.00. This underscores the

importance of leadership practices, enhancing team cohesion and organisational commitment. From a theoretical perspective, these findings support and extend the social identity theory by highlighting the role of leadership in enhancing group inclusivity, which could lead to higher group performance and reduced turnover. That not only embrace diversity but actively involve all team members in the decision-making process.

#### *Mediation Analysis*

Given the mediation process between endogenous and exogenous constructions, it is necessary to consider three variables in this particular context: Y, X, and M. In this context, variable X denotes an exogenous construct, while variable Y signifies an endogenous construct. According to Petter et al. (2013), the mediating construct, denoted as M, is postulated to facilitate the transmission of causal effects from the predictor variable to the outcome variable. According to the affinity between the independent and dependent variables, Petter et al. (2013) propose classifying effects into two distinct classifications. TE, or total effect, denotes the impact of the external factor on the internal factor. It encompasses both the direct effect (DE) and indirect effect (IE) of the predictor variable on the outcome variable, transmitted through the mediator variable. The concept of Total Effect (TE) refers to the impact of an external factor on an internal factor, encompassing both the Direct Effect (DE) and Indirect Effect (IE), where the predictor influences the outcome variable.

Hypothesis 4a was constructed to investigate the mediating role of workgroup inclusion in the association between inclusive-leadership and employees' eudaimonic Wellbeing. The result demonstrated that inclusive-leadership has a significant overall influence (TE) on eudaimonic Wellbeing (H3:  $\beta=0.63$ ;  $t=10.70$ ;  $p<0.001$ ), thereby confirming the hypothesis. This finding emphasises the significance of establishing inclusive cultures inside organisations to exploit leadership's advantages entirely for employee Wellbeing. Organisations should prioritise educating leaders to be inclusive and adopting policies that promote group inclusion. These results theoretically validate models of organisational psychology that highlight environmental elements as crucial mediators in leadership effectiveness.

Nevertheless, the statistical analysis revealed that the impact of inclusive-leadership on Wellbeing, considering the involvement of workgroups, did not reach statistical significance ( $\beta=0.10$ ;  $t=1.17$ ;  $p=0.250$ ). On the other hand, the study found a significant indirect influence (IE) through workgroup inclusion ( $\beta=0.49$ ;  $t=9.04$ ;  $p<0.001$ ), suggesting that this characteristic predominantly mediates the impact of inclusive-leadership on eudaimonic Wellbeing. According to the data

presented in Table 5, it can be concluded that the relationship between inclusive-leadership and employees' eudaimonic Wellbeing is mainly influenced by workgroup inclusion. This finding provides support for hypothesis H<sub>4a</sub>.

Table 5:  $H_{4a}$  – Inclusive-leadership  $\rightarrow$  Workgroup Inclusion  $\rightarrow$  Eudaimonic Wellbeing

	Total Effect			Direct Effect			$H_{3:IL \rightarrow WI \rightarrow EWB}$	Indirect Effect		
	$\beta$	$t$	$p$	$\beta$	$t$	$p$		$\beta$	$t$	$p$
IL $\rightarrow$ EWB	00.63	10.70	00.00	00.10	01.16	00.26		00.50	09.04	00.00

The analysis of the relationship between Inclusive-leadership (IL) and Hedonic Wellbeing (HWB), with Workgroup Inclusion (WI) acting as a mediating variable, demonstrates a significant Total Effect (TE) of IL on HWB ( $\beta=0.546$ ;  $t=9.548$ ;  $p<0.00$ ), indicating a robust overall influence. Nevertheless, the impact of IL on HWB, as indicated by the Direct Effect (DE), is not statistically significant ( $t=1.942$ ;  $p=0.053$ ), implying a weak direct association. On the other hand, the statistical analysis reveals a significant Indirect Effect (IE) of IL on HWB through WI ( $\beta=0.364$ ;  $t=5.554$ ;  $p<0.00$ ), suggesting that WI considerably influences the impact of IL on HWB. The substantial mediation through workgroup inclusion indicates that improving one's pleasure-based Wellbeing through leadership necessitates establishing an environment where all individuals feel included and appreciated. Organisations should foster inclusive cultures to maximise leadership's impact on employee satisfaction and happiness. In theory, this supports the thesis that the influence of leadership on Wellbeing is intricate and significantly affected by the organisational environment, primarily through factors such as conclusion.

According to the data in Table 6, the relationship between IL and HWB is mainly mediated by WI, supporting the idea that WI plays a mediating function in the connection between IL and HWB. Therefore, this finding confirms hypothesis H<sub>4b</sub>.

Table 6:  $H_{4b}$  – Inclusive-leadership  $\rightarrow$  Workgroup Inclusion  $\rightarrow$  Hedonic Wellbeing

	Total Effect	Direct Effect	Indirect Effect

IL→HWB	$\beta$	$t$	$p$	$\beta$	$t$	$p$	H <sub>3</sub> :IL→ WI→EWB	$\beta$	$t$	$p$
		00.546	9.548	00.00	00.183	1.942		0.053		0.364

The study employed statistical methodologies and incorporated prominent theories like belongingness theory, self-determination theory, and optimal distinctiveness theory to establish a conceptual framework for analysing specific constructs. The main objective of this study was to examine the impact of inclusive-leadership on the Wellbeing of eudaimonic and hedonic, with a particular focus on the mediating effect of workgroup inclusion.

The primary inquiry of the study revolved around the efficacy and advantages of inclusive-leadership. Hypotheses and research questions were meticulously formulated to meet the study's objectives. This research's notable accomplishment is clarifying the influence of leaders' inclusive activities on the Wellbeing of employees in the workplace. The subsequent section will analyse the results and offer essential elucidations.

Hypotheses H1, H2, H3, H4a, and H4b were established first and tested later to fetch the answers to the proposed questions in the current study, such as "Does employees' Wellbeing (eudaimonic & hedonic) at the workplace (endogenous construct) carry association in the presence of a workgroup inclusion (mediator construct) with inclusive-leadership (exogenous construct). After a great deal of statistical data analysis through different approaches, H<sub>3</sub>, H<sub>4a</sub>, and H<sub>4b</sub> were supported, whereas hypothesis H<sub>1</sub> was rejected and H<sub>2</sub> was partially supported. As a result, the empirical evidence gathered from the collected responses suggests that the inclusive actions taken by their leaders significantly impact the perception of workgroup inclusion among employees. Specifically, when leaders are open to receiving different viewpoints from their team members and are easily accessible, employees feel acknowledged and appreciated, resulting in an improved sense of inclusion within the workgroup. Other scholarly investigations supported the validity of this association.

Recent research from Shore et al. (2011) determined that leaders' accessibility and openness significantly impacted the inclusion of employees in workgroups. As Ayehsabur (2020) said, these leadership behaviours create an excellent and inclusive environment through a bond between the leader and employees, enabling the whole workgroup to show more loyalty and inclusivity. Meanwhile, Urmani et al. (2023) argue that inclusive-leadership substantially impacts employees' Wellbeing. They highlighted that systematic engagement between leaders and their

teams could reduce stress. These leadership behaviours continuously impact organizational outcomes and staff productivity. Zhang et al. (2020) underscored the significance of inclusive-leadership as a crucial factor influencing the Wellbeing of employees. Notwithstanding these observations, the results obtained from Hypothesis H1 suggest no direct and statistically significant impact of inclusive-leadership on eudaimonic Wellbeing inside the workplace.

Nevertheless, it significantly affects the inclusion of workgroups, subsequently affecting both eudaimonic and hedonic Wellbeing. The study's primary objective was to investigate the potential mediating role of workgroup inclusion in the relationship between inclusive-leadership and eudaimonic Wellbeing. Hypotheses H<sub>4a</sub> and H<sub>4b</sub> validated that the participation of workgroups plays a vital role in mediating the relationship between inclusive-leadership and employees' Wellbeing (eudaimonic and hedonic). The significance of cultivating an inclusive work environment is emphasised, as it is associated with advantageous results such as decreased staff turnover, increased productivity, and greater overall employee Wellbeing, as emphasised by (Fox et al., 2022).

## Conclusion

The empirical support for three out of five hypotheses validated the conceptual framework based on self-determination, belongingness, and social identity theories. The present study conducted an in-depth analysis of the interconnections among inclusive-leadership, workgroup inclusion, and Wellbeing eudaimonic and hedonic inside the workplace. The study emphasised that inclusive-leadership positively affects workgroup inclusion and other vital outcomes. However, the mediating role of workgroup inclusion influences its contribution to employees' eudaimonic and hedonic Wellbeing. Organisations should include leadership training for those who are or plan on being managers to show how vital behaviours are when building workgroup inclusion. In contrast, managers are said to increase employees' eudaimonic Wellbeing.

Our result validated that inclusive-leadership is a powerful predictor of workgroup inclusion, as the leader's behaviour in the workplace highly influences the degree to which employees feel included and respected by others, which in turn impacts their eudaimonic Wellbeing. How available and approachable leaders are to hear various



points of view also helps subordinates feel more valued and a sense of belongingness to the team. The research further reinforces the grouping of leadership theory, which shows the strong relationship between leadership style and employee behaviours and attitudes, which influence outcomes like engagement (Gotsis & Grimani, 2016).

The data gathered from this study helps provide practical and theoretical insight into how employees' eudaimonic and hedonic Wellbeing functions at work. The research explains how different variables, such as inclusive-leadership and workgroup inclusion, increase employees' eudaimonic and hedonic Wellbeing. The research also explains that by using inclusive-leadership to involve workgroups, a positive, practical attitude can be incorporated into employees, increasing their eudaimonic and hedonic Wellbeing. Consultation, training initiatives, self-evaluation, and robust feedback mechanisms must be used to endorse inclusive-leadership within an organization. This is to create leaders who are willing and able to promote an atmosphere of consciousness and increase inclusivity within the workgroups. By displaying this, an improved atmosphere can be created within workgroups that encourages diversity and inclusivity, which fuels creativity, decision-making, employee satisfaction, and retention.

Inclusive-leadership consists of assumptions and teaching programs that concentrate on creating positive management and accomplishment and minimizing the teams' unpredictability by ensuring that the leaders understand and can face new challenges. For organizations to create more comprehensive management, they must take the consequences to create inclusive capabilities. This can be possible by executing the determinations and growth implementations that assist their leaders in achieving inclusive, informative management techniques. The training plans give guidance, for example, on distinguishing unconscious biases, arranging cultural insights, or improving conversational skills, for a few suggestions. The aim is to improve management so that it is advantageously able to handle the diversity of instructions and inclusive populations. Proving strategic policies that recognize and cherish staff diversity is vital to growing an inclusive organization. Policies such as promotion are familiar with, train, and share internal methods that ensure diversity and inclusiveness.

The following limitations were due to various factors, such as the data utilised in this investigation was obtained solely from a single sector, hence imposing a notable constraint on the scope and generalizability of our findings. Although the concentrated strategy employed in this study yielded comprehensive insights into the particular business being investigated, the extent to which the findings can be applied to other

sectors is limited. It would have been more beneficial to gather data from different sectors to achieve a more comprehensive viewpoint and augment the applicability of the findings across various industries. The author made another assumption: the impact of inclusive-leadership takes time to establish because the author collected the data only at one point. Therefore, results may be compromised when analysing the causal relationship between the variables.

There are few limitations on how the results should be interpreted, even though Structural Equation Modelling (SEM) can be used to instantly test the entire model and make identifying positive causal links among the variables easier. A self-reported questionnaire was used to collect the data, which may result in standard method variance because, through this method, the respondents respond to the questions based on their subjective judgments. Past studies have argued that any data that inherit defects may fail to deduce a concise parametric estimate of structural association and validity risk (Chan et al., 2009).

The effect of leadership is considered a product of the collective functions of followers, leaders, and the environment; hence, no single leadership style can be universal. According to the situational leadership theory, the characteristics of individuals, teams, or the entire organization may affect employees' Wellbeing at the workplace (Faderi et al., 2022).

The research equips practical insights into the impact of inclusive-leadership on employee Wellbeing. However, the study's conclusions are somewhat constrained by its specific setting. This highlights the necessity for further validation across diverse industrial sectors and organisational stages to ensure broader applicability. While valuable, using specific scales for evaluating inclusive-leadership and employee Wellbeing suggests the potential advantages of using a broader range of instruments to conduct a more comprehensive investigation of these constructs. The emphasis on employee perceptions may need to pay more attention to other crucial perspectives, especially those of the leaders, suggesting a comprehensive strategy incorporating multiple stakeholder opinions to understand the impact of inclusive-leadership fully.

Using only a sample of self-reported data may imply individual respondent bias, and thus, triangulation or integrating other objective measurements is essential in the study ahead. The current study employs a cross-sectional research design. However, it would not be possible to demonstrate causal connections or long-term dynamics between inclusive-leadership and Wellbeing. Despite this, using a longitudinal research design will open up the possibility of examining and testing the lasting effects of inclusive-leadership on follower Wellbeing. Another limitation of the current study is its simplicity, as it did not control any other variables

that could mediate or moderate the inclusive-leadership-follower Wellbeing relationship, such as other charismatic leadership, culture, and traits. More consideration of these variables will allow an understanding of follower Wellbeing when working under a leader whose behaviours and characteristics are considered inclusion. As a result, future studies will contribute to the theoretical knowledge and practical implications of leadership in organizations.

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