IMPACT OF INCLUSIVE LEADERSHIP ON EMPLOYEE INNOVATIVE BEHAVIOUR IN BANKING INDUSTRY IN BATTICALOA DISTRICT

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MISS VITHTHIYA SANTHIRASEKARAM

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ABSTRACT

This study explores the impact of inclusive leadership on employee innovative behaviour within the banking industry in the Batticaloa District. As innovation is crucial for organizational growth, understanding how leadership can influence employee's creative contributions is essential. Inclusive leadership, which emphasizes openness, support, and appreciation of diverse ideas, is increasingly recognized as a key factor in promoting innovation among employees.

A quantitative research method was employed, with data collected from 278 employees working in both public and private sector banks. The structured questionnaire measured perceptions of inclusive leadership and the level of innovative behaviour. The data were analysed using SPSS (Version 27), including descriptive statistics, correlation, and regression analysis. The findings indicate that inclusive leadership is perceived to be at a high level among bank employees, and employee innovative behaviour also ranks high.

The Pearson correlation coefficient ($r = 0.747$) shows a strong positive relationship between inclusive leadership and innovative behaviour. The regression results reveal that inclusive leadership significantly predicts innovative behaviour, accounting for 55.8% of the variance ($R^2 = 0.558$). This confirms that when leaders demonstrate inclusive leadership behaviours such as listening, encouraging participation, and valuing input employees are more likely to engage in innovation at work.

This research contributes to the existing literature by reinforcing the importance of inclusive leadership in shaping positive organizational outcomes. It also offers practical implications for bank managers and HR practitioners, suggesting that fostering inclusive leadership can enhance innovation, teamwork, and employee engagement.

Key words: Inclusive Leadership, Employee Innovative Behaviour

TABLE OF CONTENTS

ACKNOWLEDGEMENT i

ABSTRACT ii

TABLE OF CONTENTS iii

LIST OF TABLES viii

LIST OF FIGURES ix

Chapter – 1 1

INTRODUCTION 1

1.1 Background of the study 1

1.2 Problem statement / Research Gap 2

1.3 Research Questions 3

1.4 Research Objectives 3

1.5 Significance of the study 3

1.6 Scope of the study 4

1.7 Chapter Organizations 5

1.8 Chapter Summary 5

Chapter -2 7

LITERATURE REVIEW 7

2.1 Introduction 7

2.2 Inclusive Leadership 8

2.3 Employee Innovative Behaviour 9

2.4 Relationship between Inclusive Leadership and Employee Innovative Behaviour 11

2.5 Chapter Summary 12

Chapter-3 13

CONCEPTUALIZATION AND OPERATONALIZATION 13

3.1 Introduction 13
3.2 Theoretical support for the conceptual framework of the study 13
3.2.1 Signalling Theory 13
3.3 Conceptual Framework 14
3.4 Definition of variables 15
3.4.1 Inclusive leadership 15
3.4.2 Employee innovative behaviour 15
3.5 Hypothesis Development 15
3.6 Operationalization 16
3.6.1 Operationalization of the study 16
3.7 Chapter Summary 19
Chapter-4 20
RESEARCH METHODOLOGY 20
4.1 Introduction 20
4.2 Research Philosophy 20
4.3 Research Approach 21
4.4 Research Strategy 21
4.5 Methodological Choice 22
4.6 Time Horizon 22
4.7 Research Site/ Area Section 23
4.8 Population of the study 23
4.9 Sampling Technique/ Method 24
4.9.1 Sampling Size 24
4.9.2 Sampling Framework 25
4.10 Method of Data Collection 26
4.11 Method of Data Measurement 26
4.11.1 Personal Information of Respondent 27

4.11.2 General Research Information 29

4.12 Questionnaire Formation 29

4.13 The Pilot Study 30

4.14 Validity and Reliability Instruments 31

4.14.1 Validity 31

4.14.2 Reliability 31

4.15 Unit of Data Analysis 32

4.16 Method of Data Analysis 32

4.16.1 Univariate Analysis 33

4.16.2 Bivariate Analysis 34

4.16.3 Correlation Analysis 34

4.16.4 Regression Analysis 35

4.17 Hypothesis Testing 36

4.18 Ethical Considerations 36

4.19 Data Presentation 37

4.20 Chapter Summary 37

Chapter – 5 39

DATA PRESENTATION AND ANALYSIS 39

5.1 Introduction 39

5.2 Reliability Analysis 39

5.3 Analysis of Personal Information 40

5.3.1 Distribution of Gender 41

5.3.2 Distribution of Age Table 41

5.3.3 Distribution of Educational and Professional Qualifications 42

5.3.4 Distribution of Working Experience 43

5.3.5 Distribution of Commercial Banks 44

5.3.6 Distribution of Job Position/Title 45

5.4 Data Presentation and Analysis of Research Objectives 45

5.4.1 Mean and Standard Deviation of inclusive leadership on employee innovative Behaviour banking industry in Batticaloa district..... 46

5.4.1.1 Levels of Study Variables According to Selected Banks 47

5.4.2 Bivariate Analysis 49

5.4.2.1 Correlation Analysis 49

5.4.2.2 Simple Regression 50

5.5 Testing Hypothesis 53

5.6 Chapter Summary 54

Chapter-6 56

FINDINGS AND DISCUSSION 56

6.1 Introduction 56

6.2 Discussion of Personal Information 56

6.2.1 Gender of the Respondent 56

6.2.2 Age Group of the Respondents 57

6.2.3 Higher Educational Level of the Respondents 58

6.2.4 Working Experience of Respondents 59

6.2.5 Working Bank of the Respondents 59

6.2.6 Job Position of the Respondents 60

6.3 Discussion of Research Information 60

6.3.1 Discussion - Objective 1 61

6.3.1.1 Level of Inclusive Leadership 62

6.3.1.2 Level of Employee Innovative Behaviour 62

6.3.2 Discussion - Objective 2 63

6.3.2.1 Correlation between Inclusive Leadership and Employee Innovative Behaviour 63

6.3.3 Discussion - Objective 3 64

6.4 Discussion of Testing Hypotheses 65

6.5 Chapter Summary 66

Chapter-7 67

CONCLUSIONS AND RECOMMENDATIONS 67

7.1 Introduction 67

7.2 Conclusions 67

7.2.1 First Objective of the Study 68

7.2.2 Second Objective of the Study 68

7.2.3 Third Objective of the Study 68

7.3 Contribution of the Study 69

7.3.1. Theoretical Contribution 69

7.3.2. Practical Contribution 70

7.3.3. Policy-Level Contribution 70

7.3.4. Regional Development Contribution 70

7.4 Recommendations 70

7.5 Limitations of the Study 71

7.6 Directions for Future Research 72

7.7 Chapter Summary 74

LIST OF REFERENCES 75

RESEARCH QUESTIONNAIRE 78