

**IMPACT OF INCLUSIVE LEADERSHIP ON INNOVATIVE
WORK BEHAVIOUR THE MEDIATING ROLE OF INTRINSIC
MOTIVATION IN IT SECTOR IN COLOMBO DISTRICT**

By

KOHILAMULLE ARACHCHIGE DILINI GIMHANI JAYATHUNGA

REG NO: EU/IS/2019/MS/150

INDEX NO: MS2330



A Project Report Submitted to The Faculty of Commerce and Management, Eastern University, Sri Lanka as a Partial Fulfillment of the Requirement of the Degree of Bachelor of Business Administration (BBA) Honours in Human Resource Management.



FCM3010

Project Report
Main Library, Eastern University, Sri Lanka

**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

2025

ABSTRACT

In today's dynamic business environment, fostering innovation is essential for organizational success, particularly in knowledge-intensive sectors such as information technology (IT). And also Employees are the primary driving force behind organizational innovation. Innovative Work Behaviour (IWB), which encompasses the generation, promotion, and realization of novel ideas, is essential for organizational competitiveness and growth. This study aims to examine the impact of inclusive leadership on innovative work behaviour, with a focus on the mediating role of intrinsic motivation in the IT sector of the Colombo District.

Drawing on theories such as Self-Determination Theory and Leader-Member Exchange Theory, the study explores how inclusive leadership characterized by openness, accessibility, and appreciation of diverse perspectives cultivates psychological safety and enhances employees' intrinsic motivation, thereby encouraging innovation. The research adopted a positivist philosophy and a quantitative approach, utilizing a structured questionnaire to collect primary data from 162 middle-level employees (Senior Tech Leads, Tech Leads, Associate Tech Leads) across ten leading IT firms identified through LMD rankings. Data analysis was conducted using descriptive, correlation, regression, and mediation analyses. The findings reveal that there is a significant positive impact on inclusive leadership and innovative work behavior, inclusive leadership and intrinsic motivation, and intrinsic motivation and innovative work behaviour. Moreover, intrinsic motivation mediates the relationship between inclusive leadership and innovative work behaviour, highlighting its crucial role in fostering creativity and innovation at work. These results underscore the importance of inclusive leadership in creating a supportive environment that fulfills employees' psychological needs, thereby stimulating both their motivation and innovative efforts. The findings offer theoretical insights into leadership and motivation theories and provide practical recommendations for fostering inclusive practices and innovation-friendly cultures in the IT sector.

Key words: Innovative Work Behavior, Inclusive Leadership, Intrinsic Motivation

Table of Contents

ACKNOWLEDGEMENT	i
ABSTRACT	ii
Table of Contents	iii
LIST OF TABLES	ix
LIST OF FIGURES	xi
ABBREVIATION	xii
Chapter 1:	1
Introduction	1
1.1 Background of the study.....	1
1.2 Research Problem.....	4
1.2.1 Performance Gap.....	5
1.2.2 Empirical Gap.....	6
1.3 Research Questions.....	7
1.4 Research Objectives.....	7
1.5 Significance of the Study.....	8
1.6 Scope of the Study.....	9
1.7 The Organization of the Chapter.....	9
1.8 Chapter Summary.....	10
Chapter 2	11
Literature Review	11
2.1 Introduction.....	11
2.2 Innovative Work Behaviour.....	11
2.2.1 Definition of IWB given by different researchers.....	12
2.2.2 Antecedents of Innovative Work Behaviour.....	13
2.2.3 Models of Innovative Work Behaviour.....	14
2.3 Inclusive Leadership.....	16
2.3.1 Definition of IL given by different researchers.....	18
2.3.2 Antecedents of Inclusive Leadership.....	19
2.3.3 Models of Inclusive Leadership.....	20
2.4 Intrinsic Motivation.....	23

2.4.1	Definition of IM given by different researchers	24
2.4.2	Antecedents of Intrinsic Motivation	25
2.4.3	Models of Intrinsic Motivation	26
2.5	Supporting Theories for Study	27
2.5.1	Leader-Member Exchange (LMX) Theory.....	27
2.5.2	Self-Determination Theory (SDT).....	28
2.5.3	Social Exchange Theory (SET)	29
2.6	The relationships among variables.....	29
2.6.1	Inclusive leadership and Innovative work behaviour	29
2.6.2	Inclusive leadership and Intrinsic motivation	31
2.6.3	Intrinsic motivation and Innovative work behaviour.....	32
2.6.4	Mediating role of Intrinsic motivation.....	33
2.7	Chapter Summary.....	35
Chapter 3	.....	36
Conceptualization and Operationalization	.....	36
3.1	Introduction	36
3.2	Conceptualization.....	36
3.3	Conceptual Framework	36
3.4	Hypothesis.....	37
3.5	Variables Relevant to the Conceptual Model.....	38
3.5.1	Inclusive leadership	38
3.5.2	Innovative Work Behaviour.....	38
3.5.3	Intrinsic Motivation	38
3.6	Operationalization	39
3.6.1	Innovative Work Behaviour.....	39
3.6.2	Inclusive leadership	40
3.6.3	Intrinsic Motivation	41
3.7	Chapter Summary.....	41
Chapter 4	.....	42
Research Methodology	.....	42
4.1	Introduction	42

4.2	Research Philosophy	42
4.3	Research Approach	43
4.4	Research Strategy	44
4.4.1	Survey	44
4.5	Methodological Choice	45
4.6	Time Horizon	45
4.7	Research Site/ Area Selection	45
4.8	Population of the Study	45
4.9	Sampling Technique and Sample Size	47
4.10	Method of Data Collection and Source	47
4.10.1	Primary Data	47
4.10.2	Secondary Data	48
4.11	Research Instrument.....	48
4.11.1	The Rational for the Question.....	48
4.12	Source of Measurement.....	48
4.12.1	Method of Measured the Personal Information	49
4.12.2	Method of Measuring the Research Information	50
4.13	The Pilot Study.....	50
4.14	Reliability of Instrument	52
4.15	Unit of Data Analysis.....	52
4.16	Method of Data Analysis.....	53
4.16.1	Methods of Data Analysis for First Objective	53
4.16.2	Methods of Data Analysis for Second Objective.....	53
4.16.3	Methods of Data Analysis for Third Objective.....	53
4.16.4	Methods of Data Analysis for Fourth Objective.....	53
4.17	Method of Data Evaluation	54
4.17.1	Univariate Analysis (Descriptive Statistics)	55
4.17.2	Bivariate Analysis (Inferential Statistics)	55
4.17.3	Simple Regression Analysis	56
4.17.4	Mediation Analysis	57

4.18	Testing Hypothesis.....	59
4.19	Data Presentation.....	60
4.20	Ethical Considerations.....	61
4.21	Chapter Summary.....	61
Chapter- 5	.....	62
Data Presentation and Analysis	.....	62
5.1	Introduction.....	62
5.2	Analysis of Reliability.....	62
5.2.1	Reliability of Variables.....	62
5.3	Data Presentation.....	63
5.3.1	Data Presentation for Personal Information.....	63
5.3.1.1	Gender.....	63
5.3.1.2	Age.....	63
5.3.1.3	Highest Education Level Achieved.....	64
5.3.1.4	Marital Status.....	64
5.3.1.5	Work Experience.....	65
5.3.1.6	Employee Position.....	65
5.3.2	Data Presentation and Analysis of Research Information.....	65
5.3.2.1	Univariate Analysis.....	66
5.3.2.2	Bivariate analysis.....	68
5.3.2.3	Regression Analysis.....	69
5.3.2.4	Mediation Regression Analysis.....	73
5.4	Testing Hypotheses.....	75
5.5	Chapter Summary.....	79
Chapter 6	.....	80
Findings and Discussion	.....	80
6.1	Introduction.....	80
6.2	Discussion of Personal Information.....	80
6.2.1	Gender.....	80
6.2.2	Age.....	80

6.2.3	Highest educational level achieved.....	80
6.2.4	Marital status.....	81
6.2.5	Work Experience	81
6.2.6	Employee Position	81
6.3	Discussion of Research Information	81
6.3.1	Univariate Analysis.....	82
6.3.2	Bivariate analysis	83
6.3.3	Simple Regression Analysis	84
6.3.4	Mediation Analysis	86
6.4	Discussion of Hypotheses Testing	87
6.4.1	Testing of Hypothesis 1	87
6.4.2	Testing of Hypothesis 2	88
6.4.3	Testing of Hypothesis 3	89
6.4.4	Testing of Hypothesis 4	89
6.5	Chapter Summary.....	90
Chapter 7	.....	91
Conclusions and Recommendations for future research	.....	91
7.1	Introduction	91
7.2	Conclusions	91
7.2.1	First Objective of the Study	91
7.2.2	Second Objective of the Study.....	91
7.2.3	Third Objective of the Study.....	92
7.2.4	Fourth Objective of the Study	92
7.3	Contribution of the Study	93
7.3.1	Theoretical and Empirical Contributions.....	93
7.3.2	Managerial Contributions	93
7.4	Limitations of the Study.....	94
7.5	Recommendations and Future Research Directions.....	95
7.6	Chapter Summary.....	95
List of References	.....	96
APPENDIX 1: QUESTIONNAIRE	.....	107

