

**The influence of inclusive leadership on corporate governance and  
the mediating role of employee voice thereon**

**25207432**

A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

02 November 2021

## **ABSTRACT**

The need for good corporate governance has been emphasised by the increasing corporate scandals and corporate failures, compounded with the detrimental effects of governance failures on the micro and macro level. In effecting good corporate governance, the role and responsibility of the leader has become increasingly significant. Despite the abundant literature on the effects of different leadership styles on organisational outcomes, there exists a gap on the impact of inclusive leadership, a leadership construct characterised by openness, accessibility and fairness, on corporate governance. This research aimed to solve the conundrum emanating from corporate governance failures by demonstrating the relationship between inclusive leadership and corporate governance, thereafter demonstrating the mediating role of employee voice was used to explain the relationship.

A quantitative online survey was used to collect data from the target population which comprised of leaders/managers working for companies listed on the Johannesburg Stock Exchange and purposely selected using non-probability sampling techniques. A total of 216 participants completed the survey, after which, multiple linear regression analyses techniques were used to demonstrate the relationship between the constructs and explain the mediating role of employee voice. The results showed evidence of a positive significant relationships between the constructs, further confirming that employee voice was a complementary partial mediator. The research contributes theoretically by adding to the body of knowledge on the positive relationship between the studied constructs. Furthermore, the research will assist business in the effective and ethical role of the leadership in effecting good corporate governance.

## **KEYWORDS**

Inclusive leadership, employee voice, corporate governance, belongingness, uniqueness.

## **DECLARATION**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research. The name of the student and the date should follow the declaration.

---

02 November 2021

<b>TABLE OF CONTENTS</b>	
<b>ABSTRACT</b> .....	ii
<b>KEYWORDS</b> .....	ii
<b>DECLARATION</b> .....	iii
<b>LIST OF TABLES</b> .....	vii
<b>LIST OF FIGURES</b> .....	vii
<b>CHAPTER 1: PROBLEM FORMULATION</b> .....	1
<b>1. Introduction</b> .....	1
<b>1.1 Background</b> .....	1
<b>1.2 Description of the Problem</b> .....	2
<b>1.3 Purpose of the Research</b> .....	5
1.3.1 Business contribution for the study .....	5
1.3.2 Academic contribution for the study .....	7
<b>1.4 Research Scope</b> .....	8
<b>1.5 The Structure of the Report</b> .....	8
<b>CHAPTER 2: THEORY AND LITERATURE REVIEW</b> .....	10
<b>2.1 Introduction</b> .....	10
<b>2.2 Inclusive Leadership</b> .....	10
2.2.1 The origins and evolution of inclusive leadership.....	10
2.2.2 Defining inclusive leadership.....	12
<b>2.3 Corporate Governance</b> .....	15
2.3.1 Defining corporate governance .....	15
2.3.2 The need for corporate governance .....	17
2.3.3 The proponents of good corporate governance .....	21
2.2.3 Inclusive leadership, social identity theory, and corporate governance .....	23
<b>2.4 Employee Voice</b> .....	25
2.4.1 Defining voice behaviour .....	25
2.4.2 The mediating role of employee voice.....	27
2.4.3 Employee voice and corporate governance .....	28
<b>2.5 Conclusion</b> .....	29
<b>CHAPTER 3: RESEARCH HYPOTHESES</b> .....	31
<b>3.1 Introduction</b> .....	31
<b>3.2 Research Questions</b> .....	32
3.2.1 Research question 1.....	33
3.2.2 Research question 2.....	33
3.2.3 Research question 3.....	34

3.2.4	Research question 4.....	34
<b>3.3</b>	<b>Conclusion.....</b>	<b>35</b>
<b>CHAPTER 4: RESEARCH METHODOLOGY .....</b>		<b>36</b>
<b>4.1</b>	<b>Introduction .....</b>	<b>36</b>
<b>4.2</b>	<b>Research Philosophy.....</b>	<b>36</b>
<b>4.3</b>	<b>Approach.....</b>	<b>36</b>
4.4	Research Design and Time Horizon .....	37
4.5	Method and Strategy .....	38
4.6	Population and Unit of Analysis.....	38
<b>4.7</b>	<b>Sampling Method and Size.....</b>	<b>39</b>
<b>4.8</b>	<b>Measurement Instrument and Questionnaire Design.....</b>	<b>41</b>
4.8.1	Measurement instrument.....	41
4.8.2	Questionnaire design.....	43
<b>4.8.2.1</b>	<b>Demographics (Section A).....</b>	<b>44</b>
<b>4.8.2.2</b>	<b>Inclusive leadership (Section B) .....</b>	<b>44</b>
<b>4.8.2.3</b>	<b>Employee voice (Section C).....</b>	<b>45</b>
<b>4.8.2.4</b>	<b>Corporate governance (Section D) .....</b>	<b>45</b>
4.8.3	Pre-testing of the questionnaire .....	46
<b>4.9</b>	<b>Data Collection Process .....</b>	<b>47</b>
<b>4.10</b>	<b>Data Analysis Approach.....</b>	<b>49</b>
4.10.1	Measuring reliability.....	50
4.10.2	Measuring validity.....	51
4.10.3	Model fit.....	52
4.10.4	Descriptive statistics.....	53
4.10.5	Inferential statistics.....	54
4.10.6	Testing the hypothesis: Regression and correlation tests for association .....	55
<b>CHAPTER 5: RESEARCH RESULTS .....</b>		<b>61</b>
<b>5.1</b>	<b>Introduction .....</b>	<b>61</b>
<b>5.2</b>	<b>Descriptive Characteristics of the Sample .....</b>	<b>61</b>
5.2.1	Research sample.....	61
5.2.2	Participants.....	62
<b>5.3</b>	<b>Reliability .....</b>	<b>65</b>
5.3.1	Inclusive leadership Cronbach's alpha results .....	65
5.3.2	Employee voice Cronbach's alpha results .....	66
5.3.3	Corporate governance Cronbach's alpha results .....	66
<b>5.4</b>	<b>Validity.....</b>	<b>67</b>

<b>5.5</b>	<b>Model Fit</b> .....	67
<b>5.6</b>	<b>Descriptive Statistics for Observable Variables and Constructs</b> .....	68
<b>5.7</b>	<b>Research Question Analysis</b> .....	71
5.7.1	Research question 1.....	71
5.7.2	Research question 2.....	72
5.7.3	Research question 3.....	73
5.7.4	Research question 4.....	74
<b>5.8</b>	<b>Conclusion</b> .....	77
<b>CHAPTER 6: DISCUSSION</b> .....		78
<b>6.1</b>	<b>Introduction</b> .....	78
<b>6.2</b>	<b>Descriptive Statistics</b> .....	78
6.2.1	Inclusive leadership .....	78
6.2.2	Employee voice .....	80
6.2.3	Corporate governance.....	82
<b>6.3</b>	<b>The Relationship between Inclusive Leadership and Corporate Governance</b> 82	
<b>6.4</b>	<b>The Relationship between Inclusive Leadership and Employee Voice</b> .....	86
<b>6.5</b>	<b>The Relationship between Employee Voice and Corporate Governance</b> .....	88
<b>6.6</b>	<b>The Mediating Role of Employee Voice on the Relationship between Inclusive Leadership and Corporate Governance</b> .....	89
<b>6.7</b>	<b>Conclusion</b> .....	90
<b>CHAPTER 7: CONCLUSION</b> .....		91
<b>7.1</b>	<b>Introduction</b> .....	91
<b>7.2</b>	<b>Principal Findings</b> .....	92
<b>7.3</b>	<b>Recommendations and Implications</b> .....	96
7.3.1	For business .....	97
7.3.2	For academia.....	98
<b>7.4</b>	<b>Research Limitations</b> .....	99
<b>7.5</b>	<b>Suggestions for future research</b> .....	101
<b>7.6</b>	<b>Conclusion</b> .....	102
<b>REFERENCES</b> .....		104
<b>APPENDICES</b> .....		115
Appendix A: Measurement instrument .....		115
Appendix B: Reliability.....		122
Appendix C: Convergent and Discriminant Validity.....		124
Appendix D: Ethical clearance approval.....		128

## LIST OF TABLES

Table 1: Five-point Likert scale.....	42
Table 2: Sample descriptive characteristics .....	61
Table 3: Alpha scores for constructs .....	65
Table 4: Cronbach's alpha for inclusive leadership.....	66
Table 5: Cronbach's alpha for Employee voice .....	66
Table 6: Cronbach alpha for corporate governance.....	67
Table 7: Confirmatory factor analysis .....	68
Table 8: PCA Analysis .....	68
Table 9: Summary of descriptive statistics .....	69
Table 10: Descriptive statistics for inclusive leadership .....	69
Table 11: Descriptive statistics for employee voice.....	70
Table 12: Descriptive statistics for corporate governance.....	70
Table 13: Test of normality .....	71
Table 14: Correlation test: inclusive leadership and corporate governance .....	72
Table 15: Correlation test: inclusive leadership and employee voice.....	73
Table 16: Correlation test: employee voice and corporate governance.....	73
Table 17: Mediated regression: Employee voice .....	75
Table 18: Mediated regression: Corporate governance .....	76
Table 19: Mediated regression: Total effect model .....	76
Table 20: Mediated regression: Total direct and indirect effects.....	77

## LIST OF FIGURES

Figure 1: A model for inclusive organisations.....	14
Figure 2: The hypothesised conceptual model of the study.....	35
Figure 3: The mediation model.....	58
Figure 4: Percentage of participants based on job levels.....	62
Figure 5: Percentage of participants based on industries .....	63
Figure 6: Percentage of participants based on age.....	64
Figure 7: Percentage of participants based on educational level.....	64
Figure 8: The conceptual model .....	74
Figure 9: Computation of the mediation .....	75

## ABBREVIATIONS

AVE:	Average Variance Extracted
DV:	Dependent Variable
CFA:	Confirmatory Factor Analysis
CFI:	Comparative Fit Index
CGI:	Corporate Governance Index
CI:	Confidence Interval
IIASA:	Institute of Internal Auditors South Africa
IRMSA:	Institute of Risk Management South Africa
IV:	Independent Variable
IoDSA:	Institute of Directors South Africa
JSE:	Johannesburg Stock Exchange
KMO:	Kaiser-Meyer-Olkin
LMX:	Leader-Member Exchange
MV:	Mediating Variable
OECD:	The Organisation for Economic Cooperation and Development
PCA:	Principal Component Analysis
PoPIA:	Protection of Personal Information Act
RMSEA:	Root Mean Square Approximation Error
SAICA:	South African Institute of Chartered Accountants
SRMSR:	Standardised Root Means Square Residual
WEF:	World Economic Forum
UK:	United Kingdom
US:	United States
TEI:	The Ethics Institute South Africa

## **CHAPTER 1: PROBLEM FORMULATION**

### **1. Introduction**

In 1994, a democratic South Africa was born. The new era promised a plethora of hope and the realisation of the African dream which entailed improved quality of life for all the citizens of South Africa. The end of the apartheid era meant that South Africa will be positioned on a global competitive scale and be able to participate in globalisation, attract foreign direct investment and capital, further sustaining economic growth and development (Chanda, Burton, & Dunne, 2017, Diamond & Price, 2012). The new era came with a proliferation of policy reforms, notably, the King Report on Corporate Governance and other solid institutional settings such as legal structures, financial markets, and a broader consideration of cultural underpinnings regarding the role of good governance in organisations (Adegbite, 2015; Diamond & Price, 2012; IoDSA, 2021) to enable the country to compete and establish trust. Two and a half decades later, how far has South African organisations come in upholding the principles and rules of sound corporate governance?

#### **1.1 Background**

The South African business fraternity faces a conundrum concerning corporate governance failures, evidenced by the number of corporate scandals in recent years. Examples of the contemporary corporate failures include, among others, the collapse of Steinhoff (Rossouw & Styan, 2019), the shocking revelations in the State Capture report, the findings by the Zondo Commission (Public Protector South Africa, 2016; Andrews, 2018), and recently, the Covid-19 corruption scandal (Transparency International, 2020).

It is noted that poor corporate governance practices create an enabling pathway for bribery, corruption and unethical business practices (Wu, 2005). Poor corporate governance also has detrimental effects such as the high cost of capital, lower firm and industry performance, and disruption to the flow of investments in a country (Wu, 2005; Sena, Daygun, Lubrano, Marra, & Shaban, 2018). On the other hand, good corporate governance helps navigate the harsh economic conditions at a macro and micro level (Wu, 2005).

South Africa has more mature corporate governance reforms and an exemplary, and globally acclaimed corporate governance framework (Vaughn & Ryan, 2006; Ntim, 2013) when compared to its African counterparts. However, in light of the increasing number of corporate governance failures, corruption and unethical business practices, there has been much debate in business and academia as to what the antecedents of good corporate governance and what is the role and responsibility of the leadership (Steckler & Clark, 2019; Adegbite, 2015, Rossouw & Styan, 2019; Sena et al., 2018).

In 2019, South Africa ranked 55<sup>th</sup> out of 141 countries on the institutional category of the World Economic Forum's (WEF) global competitiveness report, but performed best in the African region (WEF, 2019). It is also worth noting that the corporate governance aspect improved. However, South Africa's ranking in the Corruption Perception Index of 2020 indicated that 64% of the people surveyed perceived corruption had increased in South Africa (Transparency International, 2020). In this context, the question still remains unanswered as to why there is an increase in corporate governance failures.

## **1.2 Description of the Problem**

The King IV Report on Corporate Governance (hereafter, the King Code) has received worldwide recognition as a catalyst towards ensuring good governance practices in organisations (Ntim, 2013). The King Code has outlined the role and responsibility of the leadership (the board, executives and management) as drivers of corporate governance to achieve the governance outcome of an ethical culture, legitimacy, effective internal control, and good performance (Institute of Directors South Africa [IoDSA], 2016). The IoDSA posits the organisation's leadership as a critical driver towards achieving an ethical culture, transparency, accountability, legitimacy, and ultimately, good organisational performance. Through the evolution of the King Code, there has been a move from a primitive compliance culture to one that enforces transparency, integrity, ethics, accountability, and superior organisational performance (Shaukat & Trojanowski, 2018; Sena et al., 2018).

Scholarly debates in the corporate governance phenomenon have primarily focused on the structural elements and composition of the governing structures in size, duality, independence, and qualifications (Steckler & Clark, 2019; Sena et al., 2018; ). While Steckler and Clark (2019), and Adegbite (2015) acknowledge the extensive research in

the structural elements of the board as an antecedent to good corporate governance practices, they highlight the absence of individual virtue, unique characteristics, and the value of personal characteristics as a prerequisite to those charged with corporate governance.

Corporate governance was initially founded on the agency theory. However, the phenomenon has evolved. Furlotti and Mazza (2020) note that corporate governance systems are designed to provide the rules and practices that facilitate the interaction between the principals and their agents towards an influential ethical culture and good performance. The participants in this relationship could include the shareholders and the organisation's leadership, which infers that the organisation's agent is responsible for managing the shareholders' (the principal's) interest. More significantly, the stakeholder theory has evolved and shifted corporate governance to include all other stakeholders (Jensen, 2001). In this inference, using the stakeholder theory, the relationship between the leadership and other stakeholders such as employees is identified as fundamental to achieving good corporate governance (Helfen, Schüßler, & Sydow, 2018). Therefore, this calls for understanding the type of leader who will influence and motivate the employees towards adhering to all aspects of good corporate governance.

Many studies have focused on the different leadership constructs and their contribution to governance outcomes. Studies by Walumbwa and Schaubroeck (2009); Brown and Treviño (2014) postulate that ethical leadership demonstrates the appropriate conduct between leaders and followers. This conduct stems from the leaders' morals regarding honesty, integrity, compassion, transparency, accountability, respect, and ethical decision-making. Ethical leaders set standards and act as role models for their followers. Deloitte (2017) agrees by characterising ethical leadership by accountability, transparency, fairness, integrity, and responsibility. In their meta-analytic review, Bedi, Alpaslan, and Green (2016) determined the relation of ethical leadership and other leadership paradigms such as transformational leadership and transactional leadership, and their followers' work outcomes. In their analysis, the authors found a commonality in the leadership constructs: They all contribute to ethics, ethical behaviour, and ethical decision-making, therefore contributing positively to corporate governance (Bedi et al., 2016).

The authors further postulate that ethics and ethical behaviour, which are governance outcomes of implementing the principles of the King Code (IoDSA, 2016), are encouraged

through the leaders acting as role models, and modelling the behaviour that is either rewarded or punished. Other studies conducted on leadership constructs focused on the virtue of a leader's authenticity (Steckler & Clark, 2019). Authenticity is an essentially moral and behavioural perspective in the theory and practice of corporate governance (Steckler & Clark, 2019). While ethical and effective leadership serves as an antecedent to good corporate governance, previous literature has focused on the contributions made by the leadership as detailed above.

Bourke and Espedido (2019) suggest that inclusive leaders consider the fair, ethical and respectful treatment of team members, and ensure that employees are valued and appreciated for their individuality. Attached to inclusive leadership is the ability of inclusive leaders to encourage psychological safety, motivation, favourable work environments, and openness for team members. Such environment encourages employees to voice their concerns and thereby, it creates transparency, accountability, fairness, and a productive and ethical work environment (Shore, Cleveland, & Sanchez, 2018); Ye, Wang, & Gup, 2019, Bourke & Espedido, 2019). Research by the Ethics Institute South Africa (TEI) has indicated that the ethical treatment of team members makes significant contributions towards driving the organisation's ethical culture and performance (van Vuuren & Vorster, 2020). The study further highlights that unethical treatment of followers negatively affects an ethical culture, follower engagement, voice behaviour, and the well-being of followers, resulting in counterproductive unethical behaviours.

The literature reviewed concluded that inclusive leadership encourages team and employees' voice behaviour. In their study of inclusive leadership and employee voice, Ye et al. (2019), Burreis, Rockmann and Kimmons (2017), Jiang, Ding, Wang and Li (2020) conclude that the team and individual voice are fundamental to the organisation's success, and result in better managerial decision-making, collaboration, innovation, effective problem-solving, and organisational effectiveness. In addition, voice behaviour encourages a caring, ethical climate, and a transparent and trusting culture. Many researchers have noted the positive impact of different leadership theories on employee voice (Ye et al., 2019; Hsiung, 2012; Guo, Zhu & Zhang, 2020; Jiang et al., 2020).

The literature also indicates that voice benefits the organisation by challenging the status quo to improve the organisation's effectiveness, enhance performance, and achieve effective and adequate internal controls. These improvements may include, among others, practical feedback on improving policies, procedures and processes, refining the strategy,

and enhancing the quality of implementation. They also encourage accountability, and transparency, and employees speaking out against corporate injustices and unethical conduct to achieve governance outcomes (Hsiung, 2012). Notwithstanding the plethora of studies linking other leadership constructs to corporate governance (Walumbwa & Schaubroek, 2009; Brown & Treviño, 2014; Bedi et al., 2016; Steckler & Clark, 2019), the literature highlighted a gap in exploring the influence that inclusive leadership has on corporate governance. By utilising employee voice behaviour as a mediator, this research demonstrates the relationship between inclusive leadership and corporate governance.

### **1.3 Purpose of the Research**

With the media and literature's emphasis on governance failures and the need for good corporate governance to enable organisational and country performance and sustainability, the research aimed to critically review and demonstrate the relationship between inclusive leadership as a leadership construct and corporate governance. The South African economy is in decline. With weak macroeconomic factors (Statistics South Africa, 2020) compounded by the rising corporate failures that are caused by poor governance practices (Public Protector South Africa, 2016; Andrews, 2018; Rossouw & Styan, 2019), the country needs drastic policy reforms and far more effective leadership to improve the trajectory of the country (Wu, 2005).

Therefore, the objectives of the research were to:

1. Demonstrate the relationship between inclusive leadership and corporate governance;
2. Demonstrate the relationship between inclusive leadership and employee voice;
3. Demonstrate the relationship between employee voice and corporate governance;
4. Explore the degree to which the construct employee voice explains the relationship between inclusive leadership and corporate governance.

#### **1.3.1 Business contribution for the study**

Over the past few years, the increasing number of corporate scandals has caused an uproar among business people and society at large (Rossouw & Styan, 2019). At the same time, the growing complexities and the dynamic business environments in which organisations worldwide operate have made it challenging for these organisations' leadership to conduct their business in an ethical and sustainable manner (Abid & Ahmed,

2014). Corporate governance failures have serious detrimental effects not only on the organisation concerned, but on the overall performance of the country on the macro level, as they affect the country's ability to compete, prosper, and attract capital (Wu, 2005; Public Protector South Africa, 2016; Andrews, 2018, Rossour & Styan, 2019). In South Africa, corporate governance failures have seen a drastic increase that affect the country's performance and erodes foreign direct investment, and limits the access to the capital markets.

While these failures have had a devastating impact on the economy and growth of the country (Diamond & Price, 2012; Wu, 2005), they have also become a catalyst for the debate around good corporate governance. Therefore, it has become increasingly critical to determine the attributes and personality traits of the type of leader who will be able to lead the organisations, and influence and motivate followers in a manner that will pave the way for implementing sound corporate governance (Andrews, 2018, Rossour & Styan, 2019; Steckler & Clark, 2019; Walumbwa & Schaubroeck, 2009; Bedi et al., 2016).

The importance of corporate governance has been defended in the literature, and the King Code has also outlined the specific and vital governance outcomes associated with good corporate governance (IoDSA, 2016). It is important to have effective leadership and adequate strategies in place to respond to these highlighted governance challenges, and create an open, ethical, transparent, and fair environment. In such an environment, all corporate governance actors must be free to participate and voice their concerns around issues of governance in the organisation. It is also essential to identify areas of improvement to allow stakeholders the opportunity to ensure that the organisations are protected against the risks that emanate from poor corporate governance (Mccall, 2001; Furlotti & Mazza, 2020; Shaukat & Trojanowski, 2018).

Inclusive leadership has been identified as a leadership construct that facilitates the follower's' voice and the autonomy to speak up against any concerns they may have that could have a negative impact on the organisation. Such leadership will also facilitate any ideas of improvement on the processes or functioning of the organisations (Ye et al., 2019; Randel, Galvin, Shore, Ehrhart, Chung, Dean & Kedharnath, 2018). Employee voice, which is closely linked to inclusive leadership, enables employees to speak up and provide ideas of improving processes and systems for the better functioning of the organisation, and to achieve the goals and objectives of the organisation (Ye et al., 2019; Randel, Dean,

Ehrhart & Chung, 2016, Randel et al.; 2016; Burris et al., 2017; Guo et al., 2020; Jiang et al., 2020). This highlighted the need for research to determine if inclusive leadership as a leadership construct will influence corporate governance, when it is underpinned by the values of inclusion, psychological safety, belongingness, and value for uniqueness. It will also be essential to demonstrate if this influence can be explained by employees' propensity and freedom to speak up against organisational injustices or for areas for improvement.

### **1.3.2 Academic contribution for the study**

The academic contribution for the study was reinforced by the earlier studies conducted on the relationship between leadership constructs and corporate governance predominantly focusing on ethical leadership, authentic leadership, transformational leadership, and other leadership constructs (Brown & Treviño, 2014; Walumbwa & Schaubroeck, 2009, Steckler & Clark, 2019, Hsiung, 2012; Babalola, Stouten, Camps, & Euwema 2019; Anderson & Sun, 2017). However, there is limited knowledge on the relationship between inclusive leadership and corporate governance. For example, many studies have been performed where inclusive leadership was linked to other business outcomes. Ye et al. (2019) identified the link between inclusive leadership and the team's level of innovation. Javed, Naqvi, Khan, Arjoon, and Tayyeb (2019) also linked inclusive leadership and innovative work behaviour. On the other hand, Jiang et al. (2020) link inclusive leadership and organisational commitment, organisational citizenship behaviour, and innovative employee behaviour. Finally, inclusive leadership was linked to workplace performance and group identification by Randel et al. (2018). Thus, the theoretical gap was identified, because previous studies did not study the association between inclusive leadership and corporate governance. Many scholars have studied the relationship between inclusive leadership and employee voice (Burris et al., 2017; Shore et al., 2018; Jiang et al., 2020). However, limited research was found to demonstrate the relationship between inclusive leadership and employee voice.

Because of the increasing importance of corporate governance in organisations, and especially so in South Africa, the identified gaps in the literature on inclusive leadership and corporate governance has raised the need for academia to study the phenomenon further. The literature inferred that inclusive leadership facilitates workplace outcomes. Moreover, employee voice is stated as facilitating employees' commitment, participation

and contribution towards positive workplace outcomes (Ye et al., 2019; Burris et al., 2017; Guo et al., 2020). By demonstrating the relationship between inclusive leadership, corporate governance and employee voice, this study adds to the theoretical foundation of these constructs. The study also adds to the knowledge regarding the mediating effect of the employee voice.

#### **1.4 Research Scope**

The scope of the research was limited to the management of organisations registered on the Johannesburg Stock Exchange (JSE) in South Africa. The target population was purposely selected, because the implementation of the King Code is mandatory for organisations listed on the JSE. Therefore, corporate governance was deemed to be mature in these organisations. The relationship between inclusive leadership and corporate governance was demonstrated in accomplishing the governance outcomes of ethical culture, legitimacy, effective control and organisational performance through inclusive leadership and the mediating effect of employee voice.

#### **1.5 The Structure of the Report**

**Chapter 1** introduces the conceptual framework of corporate governance, inclusive leadership and employee voice. The chapter also outlines the research problem and defends the academic and business rationale for the research.

**Chapter 2** examines what is already known in the theory and literature on corporate governance, inclusive leadership and employee voice. The theoretical framework and literature discussed are used to develop the research questions and research hypothesis, which helped address the research objectives.

**Chapter 3** sets out the research questions and hypothesis that emerged from Chapter 2. The research questions and hypothesis were used to answer the research questions and achieve the research objectives.

**Chapter 4** defines and outlines the methodological framework adopted to achieve the research objectives. The quantitative research methodology is defended, justified and supported for the purpose of the research.

**Chapter 5** presents the results for the hypothesis that emerged from literature in Chapter 2 and was tested per the methodology outlined in Chapter 4.

**Chapter 6** presents the analysis of the findings, discusses the results tested in Chapter 5, and contextualises the results with existing literature.

**Chapter 7** presents the principal findings of the research, including the implications for business stakeholders, the limitations of the research, and suggestions for future research.

## **CHAPTER 2: THEORY AND LITERATURE REVIEW**

### **2.1 Introduction**

In answering the research questions, the researcher defined three specific constructs and established the theories that explain the relationship through the conceptual framework identified in Chapter 1 of this research. First, inclusive leadership, a leadership construct associated with openness, transparency and willingness to listen and encourage participation, is defined. The researcher then explores the origins of inclusive leadership and how it has evolved in business. Finally, the impact of inclusive leadership on work outcomes such as those associated with corporate governance, is outlined.

Second, the corporate governance construct is defined, based on ethical culture, good performance, legitimacy, and effective control. Next, the need for corporate governance is discussed. Thereafter, examples of corporate governance failures are outlined, followed by the proponents of corporate governance, which emphasise the King IV Report of Corporate Governance as a significant catalyst of good corporate governance in South Africa. The core outcomes of corporate governance are discussed, whereby the impact of inclusive leadership is presented through the social identity theory.

Lastly, the chapter presents a discussion of the mediating effect of employee voice. The mediating effect of employee voice on the relationship between inclusive leadership and corporate governance was well-positioned and supported through the conceptual framework presented in Chapter 1. The chapter ends by summarising the theoretical framework proposed through the mediation model.

### **2.2 Inclusive Leadership**

#### **2.2.1 The origins and evolution of inclusive leadership**

According to Thompson and Matkin (2019), several pieces of literature on inclusion and inclusive workplaces have been published over the past three decades. However, it was not until the late 1990s that inclusive leadership gained prominence as a leadership construct (Thompson & Matkin, 2019). Mor-Barak and Chelin (1998) were among the first scholars to empirically study inclusion in the workplace. Their theoretical framework

explained the benefits of inclusion in the workplace by providing a range of factors from inclusion and exclusionary practices. The benefits of inclusion are identified as organisational acceptance and employees' contribution (Mor-Barak & Chelin, 1998). This framework provided the foundation that allowed more scholars to study the inclusion concept (Thompson & Matkin, 2019).

Compounded by the imperative role of leadership on the organisations' performance is the need for inclusionary processes and inclusive climates that gear the leaders towards leading effectively and ethically in the time of complexities (Shore et al., 2018; Thompson & Matkin, 2019). Constructs such as diversity, inequality, and various backgrounds in the business setting are pressing issues for organisations operating in the 21<sup>st</sup> century (Thompson & Matkin, 2019). According to Shore, Randel, Chung, Dean, Ehrhart and Singh, (2011), although diversity and globalisation were increasingly becoming a problem to organisational management, because of nascent factors such as discrimination and bias, the literature advanced to positively link diversity to improved work processes and organisational mechanisms. Therefore, the need was identified to integrate diverse individuals into the organisation, evolving the theory of inclusion (Shore et al., 2011; Randel et al., 2018).

Guo et al. (2020) add to this notion by highlighting the increasing intensity of economic globalisation and the need for competitive organisations, however, argues that this gives rise to diversified workforces who possess various skills, talents and personalities to improve organisational outcomes. When organisations are diversified and pressurised to compete, the role of the inclusive leader becomes critically important in the concept of inclusive management (Burriss et al., 2017, Ye et al., 2019). In their study of inclusion and diversity, Shore et al. (2011) conceptualised inclusion by focusing on ensuring that diverse individuals feel included and valued in the organisation. In addition, the theoretical framework from their study conceptualised inclusion as relating to individuals or diverse members feeling a sense of belongingness and uniqueness (Shore et al., 2011); further adding insights to both the diversity and inclusion literature; and proposing that belongingness and uniqueness work together to create inclusion.

On the other hand, belongingness and uniqueness improved organisational performance (Randel et al., 2016; Randel et al., 2018; Guo et al., 2020). When unique or diverse individuals are accepted and valued for who they are, they are better positioned to perform

and add to group processes (Shore et al., 2011; Randel et al., 2016; Randel et al., 2018; Ye et al., 2019). However, it is important to note that when belongingness or uniqueness are thwarted, this can lead to potentially harmful consequences such as destructive behaviour, emotional and health issues, unproductive behaviours and a lack of organisational commitment (Shore et al., 2011; Shore et al., 2018). Framing inclusion and inclusive leadership around belongingness and uniqueness provided an advanced view of inclusion, therefore paving the way for the evolution of inclusive leadership as a leadership construct (Thompson & Matkin, 2019). The literature reviewed shows the growing prominence of inclusive leadership. From this perspective, a common thread was noted in the conceptualisation and evolution of inclusive leadership from the prescripts of diversity and inclusion to the broader characteristics of belongingness and uniqueness (Shore et al., 2011; Randel et al., 2016; Burriss et al., 2017; Randel et al., 2018; Ye et al., 2019; Shore et al., 2018; Guo et al., 2020). The research thus aimed to contribute to the existing body of knowledge by studying the theory of inclusive leadership and demonstrating its relation to corporate governance.

## **2.2.2 Defining inclusive leadership**

Based on the literature reviewed, there is a consensus on the conceptualisation of inclusive leadership (Nembhard & Edmondson, 2006; Shore et al., 2011; Randel et al., 2016; Burriss et al., 2017; Randel et al., 2018; Ye et al., 2019; Shore et al., 2018; Guo et al., 2020). Inclusive leadership was defined by Nembhard and Edmondson (2006) as “words and deeds exhibited by leaders that invite and appreciate others' contributions”. Inclusive leadership is grounded in the perception that the leader and follower mutually benefit through the interdependent relationship (Hollander, 2009). This is because inclusive leadership is devoid of professional status and encourages psychological safety through belongingness and being valued for one's uniqueness (Randel et al., 2016; Shore et al., 2011; Shore et al., 2018; Guo et al., 2020). Additionally, the follower and the leader play a significant role in this relationship; the leader's behaviour determines the followers' response, which is likely to benefit the leader, the follower and the organisation (Hollander, 2009). Lastly, Ospina (2011) described an inclusive leader as fair, open, transparent, encouraging, and someone who tolerated the followers' views, participation, errors, and inputs, and someone who was concerned with the team outcomes. Therefore, the above definitions identify inclusive leadership as unique, accepting, tolerant, fair, and a catalyst in organisational outcomes.

Recently, inclusive leadership has received attention in studies around innovation and building productive, innovative teams by focusing on belongingness, psychological safety, respect for individuality while observing ethical standards, team cohesion, and commitment (Ye et al., 2019; Randel et al., 2018). Inclusive leaders encourage participation and contribution by being open, transparent, relational, inspirational, fair, and accepting (Guo et al., 2020; Burris et al., 2017; Shore et al., 2018). In addition, inclusive leaders ensure that followers are empowered to voice their concerns, especially around organisational injustices, and unethical business practices. They are also concerned to find ways to improve performance, and refine and enhance the implementation of the strategy (Randel et al., 2018; Ye et al., 2019; Guo et al., 2020; Jiang et al., 2020).

According to Randel et al. (2018), inclusive leadership is the perception of followers' sense of belongingness, while maintaining their individuality and uniqueness, and fully participating and contributing to the organisation and individual outcomes. Guo et al. (2020) and Burris et al. (2017) agree with this definition by highlighting its association with employees' promotive and prohibitive voice behaviour, implying that employees are free to speak up to improve work processes and activities, and raise any concerns that might be detrimental to the organisation. Ye et al. (2019) defined inclusive leadership as a leadership theory that focuses on openness, approachability, and transparency in their interactions with team members. The authors posit that this openness in the leader signals that individuality, uniqueness and participation are welcome in the team's dynamic. This approach reinforces psychological safety, work engagement, employees' well-being, interactional justice and voice behaviour (Guo et al., 2020; Jiang et al., 2020). Ye et al. (2019); Jiang et al. (2020) and Guo et al. (2020) contribute to the literature by adding that such inclusive treatment of followers is critical to the organisation's effectiveness. They also note that leader inclusiveness is associated with removing the detrimental effects of status differences by modelling behaviours that value individuality and creativity. While Shore et al. (2018) agree with the notions, they summarise a model of inclusivity through a thematic depiction of the literature as shown in Figure 1 below:

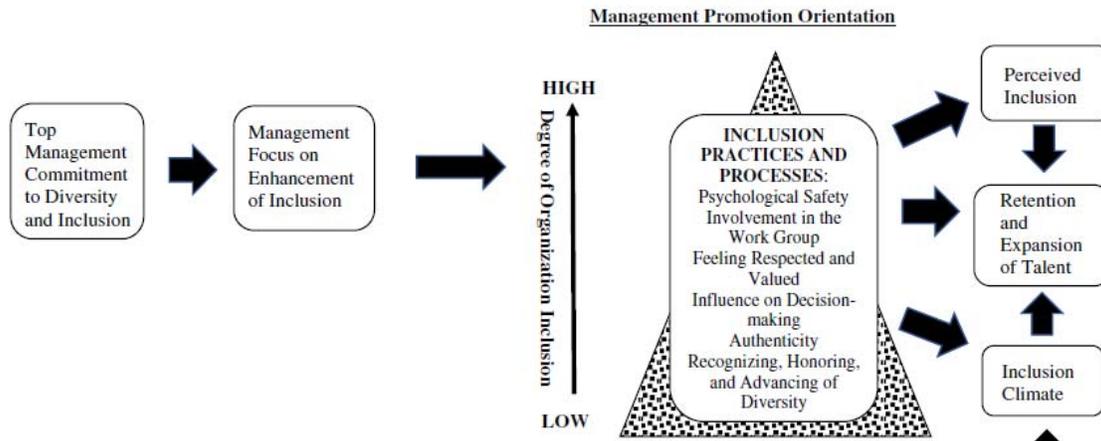


Figure 1: A model for inclusive organisations

Source: (Shore et al., 2018)

As shown in Figure 2 above, the degree of organisational inclusion is dependent on the practices and processes that the leadership enforces in promoting inclusion. The model explains that organisational inclusion is influenced by practices and processes. For example, when leaders are inclusive, then employees feel psychologically safe. There is a high degree of involvement in work processes and mutual respect. Employees feel valued for their contributions and can influence decision-making. Furthermore, it is suggested that inclusive leadership contributes to the employees' authenticity and advances diversity and an inclusive climate. The authors (Shore et al., 2018) further note that such inclusionary practices are crucial to the organisations' effectiveness, benefit the communities in which the organisations reside, and establish the employees' social identity.

More studies on inclusive leadership have highlighted that inclusive leadership emphasises employees' talents and acknowledges their contributions, allowing their voices to be heard and encouraging their autonomy to remain true to themselves (Guo et al., 2020; Ye et al., 2019). Burriss et al. (2017) add to the debate by mentioning that inclusive leaders provide employees with the access to decision-making in work activities, they support employees and provide them with opportunities to generate new ideas to improve work processes. Moreover, the authors (Javed et al., 2019) suggest that inclusive leaders encourage members to be comfortable with themselves, and they provide them with the autonomy to add value to the organisation. Finally, the authors highlight that

inclusive leaders are collaborative in their interactions with followers (Javed et al., 2019). This collaboration is explained through the leader-member exchange, where it is noted that leaders work with followers and not with people (Guo et al., 2020; Jiang et al., 2020). Therefore, the leaders are available, accessible, and motivate followers to achieve work processes (Javed et al., 2019).

## **2.3 Corporate Governance**

### **2.3.1 Defining corporate governance**

Corporate governance is a field that has been universally studied in academia and business. Corporate governance was first defined through the agency theory (Jensen & Meckling, 1976), which stated that corporate governance is concerned with two main functions of the board: decision-making and decision control for the shareholders (Shaukat & Trojanowski, 2018, Sena et al., 2018). However, as corporate governance has evolved and is associated with the institutional theory (Adegbite, 2015), the stakeholder theory, and the legitimacy theory (Furlotti & Mazza, 2020, Chanda et al., (2017) ), the definition of corporate governance has thus evolved. Corporate governance is a universal phenomenon, thus, the increasing complexities and the dynamic business environment in which organisations worldwide operate make it challenging to have a universal definition of corporate governance (Abid & Ahmed, 2014).

Corporate governance as a concept, and the rules and regulations leading from the concept, were recognised in South Africa, because of the political and economic transition from the apartheid era to the new democratic South Africa. The political and economic transition required the corporate governance reforms to be put in place around access to capital markets, efficient management of capital, compliance with legislation, economic development accounting standards, and listing requirements in 1994 (Diamond & Price, 2012; Vaughn & Ryan, 2006; Kana, 2020). The authors also postulate that corporate governance reforms were vital in integrating South Africa into the global economy. The evolution of corporate governance was a crucial development, caused by the requirement stated by foreign entities doing business with South Africa, and to ensure that South Africa is marketable to the international market to attract foreign direct investments and trade (Diamond & Price, 2012; Vaughn & Ryan, 2006). As a result, the IoDSA established the King Committee on Corporate Governance in 1993, and published the King I Report on Corporate Governance (IoDSA, 2021).

Earlier definitions of corporate governance included the definition by Markus (2008), which defined corporate governance as “a set of formal and informal rules determining the capacity of a firm's stakeholders to control decisions and cash flows in corporations”. In addition, corporate governance was defined as the mechanism used to help management enforce the proper controls, and management of the interests and needs of the company’s stakeholders, and in return holding the stakeholders accountable for the dissemination, defence and generation of wealth invested in the organisation (Aguilera, Filatotchev, Gospel, & Jackson, 2008). The authors' definition of corporate governance was grounded in the agency theory and explained the principal-agency relationship that Jensen and Meckling (1976) had already described.

Adegbite (2015) highlights that the agency theory was pivotal in advancing corporate governance. However, it was invalid in the context of developing markets such as South Africa. Therefore, broader institutional factors such as legal frameworks, financial markets, and cultural and religious organisations were believed to define corporate governance (Chanda et al., 2017). Through the institutional theory, corporate governance is defined as providing insights into the practices and distinctiveness of complex corporate governance structures across different contexts, sectors, and regions (Adegbite, 2015). The institutional theory also provides guidance into understanding the organisations' processes and structures. Furlotti and Mazza (2020) expand on the definition of corporate governance. In their definition, corporate governance is extended towards the stakeholder and legitimacy theory. Therefore, corporate governance is not based on the leadership doing what is suitable for the shareholders, but instead, it also incorporates the needs and interests of all stakeholders, particularly the employees (Aguilera, Marano, & Haxhi, 2019; Furlotti & Mazza, 2020). More significantly, corporate governance provides the rules and standards of operation for the benefit of all of the organisation's stakeholders (Furlotti & Mazza, 2020). Corporate governance, therefore, legitimises the needs and interests of these stakeholders by providing the rules, norms, standards and organisational structures towards the effective functioning of organisations (Aguilera et al., 2019).

Corporate governance is a global phenomenon, and many organisations have been established to support and drive the corporate governance agenda globally in academia and business. The King IV Report on Corporate Governance defines corporate governance as "applying ethical and effective leadership to achieve the ethical culture, good performance, effective control and legitimacy" (IoDSA, 2016). While the United

Nations Corporate Governance Code defines corporate governance as "the system by which companies are directed and controlled", companies' responsibility for corporate governance is associated with the board of directors (UK Financial Reporting Council, 2016). The Organisation for Economic Cooperation and Development (OECD) defines good corporate governance as "helping to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies" (OECD, 2015). An analysis of the above definitions highlight key themes of corporate governance; effective and ethical leadership, effective control, organisational performance, integrity, trust and transparency. For this research, corporate governance is defined as the mechanisms, guidelines, standards and practices according to which organisations are managed, measured and directed to provide value and benefit to all stakeholders.

### **2.3.2 The need for corporate governance**

Today, leaders face never-ending challenges in leading organisations, while they have to ensure that they add value to the critical stakeholders. The heightened public scrutiny and expectations of sound corporate governance principles from those in charge of organisations place much more pressure on leaders to do what is considered correct and ethical by observing the highest level of corporate governance (Yeoh, 2016; Abdel-Khalik, 2019). The increasing evidence of corporate scandals and unethical business practices has diminished the value of many organisations (Steckler & Clark, 2019). According to Edelman (2020), trust in leaders and organisations to do the right thing stands at just 54% globally, while in South Africa, the perception of corruption has increased (The Transparency International, 2020) to such an extent that there is limited trust in these organisations.

Weak corporate governance practices have detrimental consequences on organisations' macroeconomic and long-term survival, especially so in South Africa. Weak corporate governance practices not only create opportunities for corruption, bribery and unethical business practices, but they seem to tolerate such occurrences and behaviour (Wu, 2005). Ineffective or lacking corporate governance measures raise the cost of capital, they impede foreign direct investments, and affects the performance at a micro and macro level (Sena, et al., 2018). Chanda et al. (2017) add to the literature by highlighting the need for good corporate governance reforms in developing economies, especially for countries

wishing to achieve inward economic growth and investment. The lack of transparency and accountability promotes corruption, self-enrichments, and self-entrenchments among those charged with governance at the expense of national prosperity (Chanda et al., 2017). Globally, many markets have seen a decline in corporate governance being implemented, and the increasing reports of scandals, governance failures, fraudulent and corrupt activities, and weak institutions (Yeoh, 2016; Abdel-khalik, 2019; Rossouw & Styran, 2019). This decline in corporate governance measures being put in place and being adhered to locally and globally is exacerbated by the ever-changing dynamic and challenging environment in which organisations operate (Abid & Ahmed, 2014).

The United States (US) was marred by corporate scandals and failures in governance in the early 2000s. The WorldCom and Enron scandals are typical examples of corporate governance failures and weaknesses in ethics or corporate governance. While both these scandals spoke to accounting fraud and irregularities, they represented the broader spectrum of the lacking effectiveness of corporate governance (Abdel-khalik, 2019; Yeoh, 2016). For example, WorldCom's failure was caused by unethical and fraudulent trading, incorrectly classified expenses as capital, improperly releasing provisions that reduced expenses and fraudulent revenue recognised, which fraudulently increased the perception of there being earnings (Scharf, 2005). Reportedly, WorldCom losses amounted to approximately \$11 billion, affecting all its stakeholders, including investors and competitors (Scharf, 2005).

The other example was Enron, an organisation that contributed to the governance failures through the use of “creative accounting practices to cover the debt on its books, showing fraudulent financial positions” (Abdel-khalik, 2019). These governance scandals reflect some of the weaknesses in corporate governance in the wider business environment. It should also be noted that the fraudulent activities were perpetrated by the executives in charge of these organisations, and included the entire ecosystem, from banking, the external auditors, financial analysts, and the Securities and Exchange Commission (Abdel-Khalik, 2019; Scharf, 2005).

Many scholars have highlighted the detrimental effects of corporate governance failures. They note that corporate governance failures will have detrimental effects for the countries affected by the scandals, and could even have knock-on effects on the international market system (Gates, Prachyl, & Sullivan, 2016). Another case regarding the detrimental

effects of corporate governance failures was the 2008 financial crisis, which collapsed the global economy. The 2008 financial crisis caused debates among scholars, economists, policymakers, financiers, and the general public (Tett, 2019). It is noted that the financial crisis was caused by improper risk management practices; a lack of transparency, a lack of corporate accountability, improper and financial misreporting and disclosures, and weak regulations, all of which are tenets of good corporate governance (Tett, 2019). On the other hand, the governance failures that were reflected by the financial crisis were attributed to an overall collapse of corporate governance by the critical role players in the financial markets (Yeoh, 2016). The failures in risk management are related to excessive risk-taking and a focus on the short-term interest, without considering the long-term view of risk (Yeoh, 2016). For example, the executive compensation scheme's role perpetrated the corporate governance failures because of the controls relating to checks and balances not being enforced (Gates et al., 2016; Tett, 2019; Yeoh, 2019).

The OECD (2014) added to the literature by mentioning that the corporate governance failures were due to the widespread misalignment of risk management with the company strategy. First, there was a general misunderstanding of enterprise risk management. Therefore, risk could not be managed effectively. Second, effective risk implementation involves the board as owners and drivers of risk management, and risk is effectively managed at the enterprise level. However, this was not the case with the companies that contributed to the global financial crisis.

It is estimated that the corporate governance failures in the US and the United Kingdom's (UK) financial and banking systems contributed approximately US\$20 trillion of the lost wealth in the capital markets (Barack, 2013; Button, 2011; Yeoh, 2019). The crisis cost the various countries and the world approximately "US\$700 billion in bailouts, 4 million US homeowners losing their homes, a job blood bath of 20 million worldwide, and a 20% loss in global output" (Barack, 2013; Button, 2011). These losses further show the detrimental effects of a global system that relies on weak corporate governance reforms.

Since this crisis and these scandals, many jurisdictions, including the US and worldwide, have responded by implementing stronger frameworks for ensuring good corporate governance, creating tighter controls around corporate fraud and unethical conduct, and protecting capital markets (Adrian, Wright, & Kilgore, 2017). For example, the US responded by implementing the Sarbanes-Oxley Act (SOX) of 2002, which addressed the

weaknesses in governance systems, improving internal controls and offering protection against financial non-disclosure and misstatements (Gunz & Thorne, 2019). In addition, the proliferation of the UK Corporate Governance Code was developed, which similarly emphasises the role and responsibility of the leadership, accountability, transparency, financial reporting and stakeholder inclusion (UK Financial Reporting Council, 2016; Shaukat & Trojanowski, 2018).

More recently, many organisations in South Africa have fallen into the trap of relying on weak governance systems, and thereby the damaging ramifications of weak corporate governance practices. These include the Steinhoff scandal, with the proliferation of the accounting fraud perpetrated by senior executives (Rossouw & Styan, 2019). In addition, the unusual nature of Steinhoff's governance structures was highlighted as an area of weakness, with risks emanating from the conflicted management board not reporting transparently to the supervisory board of directors. Therefore, such lack of ethical and transparent reporting resulted in the board of directors not exercising their responsibility of ensuring corporate governance (Rossouw & Styan, 2019).

The Steinhoff scandal shows a different dimension to the need for corporate governance by focusing on the composition and functioning of the governing structures. As defined by the King IV Report on Corporate Governance, one of the most essential corporate governance principles is the governing body's composition, structure, and execution of duties and responsibilities (IoDSA, 2016). It is noted that in discharging and exercising their duties, the governing body should be independent and free of conflicting interests or biases. Furthermore, there should be a balance of power between the governing body and governing body committee and management (IoDSA, 2016). The Steinhoff debacle also opened up a discussion around the proper conduct of the auditing profession (Rossouw & Styan, 2019). Steinhoff did not adhere to these practices as prescribed by the King IV report on governing structures and therefore perpetuated the corporate governance failures. The flagrant disregard of corporate governance in Steinhoff resulted in the State Pension Fund losing R20 billion because of the decline in share price and market capitalisation (Rossouw & Styan, 2019).

### 2.3.3 The proponents of good corporate governance

Many lessons have been learned from the corporate scandals and the financial crises outlined above. Poor corporate governance has a detrimental impact on the economy's functioning at the macro and micro level (Sena et al., 2018; Wu, 2005). In response to the corporate governance failures, and bearing in mind the severe detriments and failures caused by poor governance practices, as noted by the corporate scandals, many scholars have determined the proponents of good corporate governance. This section discusses the proponents of good corporate governance.

Within South Africa and the African continent, the King IV Report on Corporate Governance 2016 has received prominence as a catalyst towards guiding good corporate governance (Ferguson, 2019). Ferguson (2019) explains that the King Committee published the King Code in 2016, after three other revisions of the original King Code Report on corporate governance. The King Code provides a seven-part holistic approach to governance for public and private organisations. The core dimensions of corporate governance as outlined in the King Code as adopted and evaluated by the Institute of Internal Auditors South Africa [IIASA] (IIASA, 2021) in the Corporate Governance Index are discussed below and found to be relevant for the purpose of this study:

- i. Ethics – The board of directors (governing body), together with management, is responsible for setting the ethical tone of the organisation. The King Code highlights that the leadership is responsible for ensuring that ethical programmes and practices are embedded in the organisation's operations and strategy. The element of ethics in the organisation is grounded by integrity, responsibility, accountability, transparency and fairness to create an ethical culture.
- ii. Compliance with laws and regulations – The board of directors, in consultation with management, is responsible for ensuring compliance with laws, regulations, legal frameworks, and all the acts and statutes governing organisations doing business in South Africa.
- iii. Leadership – The leadership sits at the top and sets an example and the organisation's ethical tone and strategic direction. The appropriate leadership structures should be put in place for the effective and ethical functioning of the organisation.

- iv. Performance – The leadership team is accountable for setting the performance matrices and measures, and for implementing the processes. Furthermore, integrated thinking is required to ensure that these performance outcomes are reported accurately and adequately.
- v. Risk management (operational and external risk) – Risk governance is critical in the organisation. Oversight and governance of risk should be exercised by the governing body. Risks have to be identified, controlled, managed, and mitigated from the enterprise's point of view. Furthermore, risk management should be integrated with the organisation's strategic imperatives to ensure that achieving the strategic objectives is not hampered.
- vi. Assurance – Assurance functions and services provide assurance on the internal control environment. A risk-based combined assurance process should be in place to ensure that adequate assurance is provided on the internal controls. Furthermore, the assurance dimension encompasses the independent internal and external assurance providers.

The essence of the King Code as a corporate governance framework lies in applying and practising the principles and practices denoted in the Code towards the achievement of the governance outcomes (IoDSA, 2016). The King Code depicts leadership as the primary driver of corporate governance through their roles and responsibilities as set out in the Code. The roles and responsibility of the leadership as drivers of corporate governance include overseeing and monitoring the strategic direction and execution, approving policies and planning in line with the strategy, by observing the principles of corporate governance set out in the Code and ensuring accountability of performance through reporting and disclosure (IoDSA, 2016). A study by Sena et al. (2018) pointed to the leadership's role as being one of monitoring and holding down the position of advisory on the organisation's strategic direction, and guarding against fraudulent and unethical behaviour and corruption. Therefore, the leadership as a governance mechanism is an essential shield against the risk of corruption. At the same time, the leadership has to effectively set the organisation's strategic direction to guarantee good performance (Sena et al., 2018; Shaukat & Trajanowski, 2017).

Many studies have dedicated themselves to determining the proponents of good corporate governance to enable better governance through the board's performance. Many

frameworks have also been developed to address the weaknesses in corporate governance, such as the Sarbanes-Oxley Act of 2002 (Gunz & Thorne, 2019), the UK's Code of Corporate Governance (UK Financial Reporting Council, 2016; Shaukat & Trojanowski, 2018), and the G20/OECD Principles of Corporate Governance (OECD, 2015). A common thread that reflects the composition and structure of the leadership has been observed from the literature and corporate governance frameworks. It reflects the principles of accountability, responsibility, governance of risk, appropriate financial disclosure and reporting, transparency, legitimacy, inclusiveness and ethical practices.

Steckler and Clark (2019) add to the literature by highlighting the association of the board structure in terms of size, composition, and independence to the organisation's financial performance. However, they also record the lack of literature on the role of individual qualities in the practice of corporate governance. The study suggests that authenticity is an essential quality of the board's responsibility, interactions, and performance. Furthermore, Randel et al. (2018) posits that inclusiveness as a positive leader behaviour and individual virtue has been conceptualised by contributing to group work processes to pursue group goals and responsibilities. Against this backdrop, the argument of inclusiveness as a personal virtue of leadership and facilitating corporate governance is explained through employee voice.

Further research by Shaukat and Trojanowski (2018) highlights the role of the board and audit committee's independence and duality. While their study concludes by noting varied evidence linking duality and organisational performance, they also note that the board's governance performance and effectiveness are linked to its quality and independence (Shaukat & Trojanowski, 2018; Adrian et al., 2017). This view is supported by empirical research, which shows that independent boards have a positive impact on effective strategy monitoring, and positively link to company performance (Adrian et al., 2017; Sena et al., 2018). The literature reviewed highlights the importance of adopting the governance structure and practices outlined in the King Code. However, in addition to adopting these principles, the literature notes the importance of individual qualities and characteristics of the leadership in effecting corporate governance and organisational performance.

### **2.2.3 Inclusive leadership, social identity theory, and corporate governance**

Both scholars and practitioners have performed a plethora of studies in leadership theory to determine the appropriate leadership style that will facilitate and enhance operational

performance, corporate governance and ethical practices (Walumbwa & Schaubroeck, 2009; Brown & Treviño, 2014; Hsiung, 2012; Bedi et al., 2016; Steckler & Clark, 2019; van Vuuren & Vorster, 2020; Anderson & Sun, 2017). As noted above, leadership has been emphasised as a critical vessel in setting the ethical tone and observing the highest standards of corporate governance. Recent studies in inclusive leadership have highlighted the benefits of inclusiveness as creating psychological safety and encouraging the employee voice factor. Furthermore, inclusiveness facilitates workplace outcomes, behaviours, and effectiveness through employees' feelings of belongingness and being valued for their uniqueness (Shore et al., 2018; Randel et al., 2018; Ye et al., 2019). Jiang et al. (2020) note the importance of inclusiveness when referring to collectivism, emphasising integrity, ethics, a caring organisation-wide climate, group identification and commitment.

The social identity leadership theory explains the relationship between inclusive leadership and corporate governance (Hogg, 2001). Henry Tajfei introduced the social identity theory in 1972. The concept described individuals' perception of who they are, based on their group memberships and belongingness to a particular group (Tajfei, 1972). According to Hogg (2001), belonging to a specific group gives people a sense of pride, increases their self-worth, and encourages participation and contribution. Hogg (2001) further explained that leaders are responsible for the attitudes, practices, behavioural schemas and dogmas and ethical decisions endemic to the group. Therefore, as people identify more strongly with a group, an ideal inclusive leader can enhance the group's functioning by modelling behaviours and values that create a sense of belongingness and encourage the team and individual voice, social identification, and organisational commitment (Shore et al., 2018).

The leadership research in this context further extends to group processes and achieving group goals, where every individual's contribution is valued (Randel et al., 2018). The social identity theory enforces the belief that the leader is inclusive by creating psychological safety, social acceptance for individuality, uniqueness, and cognitive complexity. This results in the members of the group being free to express their voice to improve the organisational functioning, while also being able to caution against organisational injustices (Randel et al., 2018). Therefore, this study uses the prescripts of the social identity theory to theorise the posited relationship between inclusive leadership and corporate governance. Based on the social identity theory, employees will identify

with the inclusive leader to the point that they feel psychologically safe to voice their concerns when their fundamental need for belongingness and value is being met (Guo et al., 2020). Through the social identity theory, the inclusive leader encourages the formation and expression of the employee voice such that employees are free to voice their concerns, but at the same time also improve the work process towards achieving governance outcomes.

The heightened increase in corporate governance failures has broadened the research realm from the dominant structural elements of governance to extend to an understanding of the calibre and personal virtue required for an effective leader. This has necessitated an extension of the research in leadership to determining the contributions of the different leadership constructs (Walumbwa & Schaubroeck, 2009; Brown & Treviño, 2014; Bedi et al., 2016; Steckler & Clark, 2019) as defined above, towards making an impact on the governance outcomes of an ethical culture, good performance, as well as the organisation's legitimacy and effective control (IoDSA, 2016).

## **2.4 Employee Voice**

### **2.4.1 Defining voice behaviour**

Van Dyne and LePine (1998) provided a foundational basis for defining employee voice in literature and business. In their empirical study, the authors defined employee voice as "promotive behaviour that emphasises the expression of constructive challenge intended to improve rather than merely criticise". Walumbwa and Schaubroeck (2009) expanded the literature by defining employee voice as helping behaviour intended to improve organisational functioning by providing practical feedback and suggestions for modification and recommending ways to achieve organisational effectiveness and performance. In addition, they noted the constructive role of voice in revealing problems and identifying ideas and solutions that can add value to the functioning of a group, and encouraging followers to speak up (Walumbwa & Schaubroeck, 2009). Hsiung (2012) contributed to the literature by explaining that while employee voice benefits the organisation through employees feeling empowered to speak up against work processes and issues that may harm the organisation, this may sometimes come at a risk to the employee. Employee voice is enhanced only to the extent of openness, trust, respect, and honesty in the leader-follower relationship (Hsiung, 2012).

Recent studies have broadened the construct of employee voice. Ye et al. (2019) pivots from the definition of Van Dyne and LePine (1998), by explaining that voice behaviour is characterised by discretionary and risky behaviour. Similar to Van Dyne and LePine (1998), the authors explained that employee voice is influenced by employees having to feel safe and valued for their contributions. Guo et al. (2020), Jiang et al. (2020), and Shore et al. (2018) add a different dimension to the concept of employee voice, where they explain employee voice from the social identity theory and leader-member exchange (LMX). The authors postulate that when employees identify with the leader or group, they feel part of the group processes; they feel they belong and are valued and accepted as unique individuals. This encourages their voice behaviour such that they can speak up without fear.

It should also be noted that employees perceive a low risk in their participation and contribution within the work process when the leader is open, fair, accessible, transparent and approachable (Shore et al., (2018). Thus, the leader's style of leadership and personality is essential in facilitating employee voice. LMX and the social identity theory articulate that when members identify with the leader, they are motivated to use their promotive behaviour, which implies that they feel empowered to share and contribute to the organisational outcomes (Shore et al., 2018; Guo et al., 2020). Under these circumstances and conditions, employees feel psychologically to voice their concerns or contribute to work processes.

Burris, Rockmann, and Kimmons (2017) describe employee voice as the 'voice' enabling employees to speak up about problems and feeling encouraged to suggest improvements to leaders. Employee voice is vital to leadership processes, as leaders often rely on employees to inform them about problems or ideas for improving organisational functioning, and when they are making effective strategic decisions (Burris et al., 2017). While the study concludes by highlighting the role of leaders in facilitating employee voice through their leadership style, personalities and traits, Ward, Ravlin, Klaas, Ployhart, and Buchan, (2016) mention that employee voice is influenced by environmental factors such as psychological safety, the leader's openness, uniqueness, the leader identification and LMX. Therefore, through the social identity theory, there is a high degree of LMX, belongingness and uniqueness which encourages the followers' voice behaviour.

## 2.4.2 The mediating role of employee voice

Many researchers have positively related the different leadership constructs to voice. For example, Walumbwa and Schaubroeck (2009) linked ethical leadership to employees' behaviour by creating an environment of psychological safety. Ethical leaders created psychological safety, enabling group members to engage in social risks through an environment where there was openness, trust, respect, and honesty (Walumbwa & Schaubroeck, 2009) . On the other hand, authentic leadership affects employee voice behaviour through various psychological mechanisms that inspire sincerity among all members, but also trust in the leader (Hsiung, 2012).

Further leadership constructs linked to employee voice behaviour include inclusive leadership. In their study, Ye et al. (2019) found that the relationship between inclusive leadership and innovation was mediated by team voice. They base their findings on the premise that inclusive leaders emphasise transparency and availability in interacting with followers, fostering trust and psychological safety. By perceiving a sense of belongingness in the group, while still maintaining their uniqueness and individuality, followers can freely express their concerns and fully contribute to the group's effectiveness (Randel et al., 2018; Jiang et al., 2020). Jiang et al. (2020) contribute to the literature by concluding that the LMX mediates the relationship between inclusive leadership and employee voice. They hypothesise that inclusive leadership improves the LMX. In their propositions, the followers will be willing to speak up, voice their concerns, and contribute ideas that will enhance the organisation's functioning, as long as they feel they belong and are accepted for their uniqueness and individuality.

The literature reviewed has highlighted the role and importance of employee voice in work processes and organisational outcomes. Moreover, the literature has emphasised the significance of inclusive leadership in helping employee voice. For example, in their empirical study, Guo et al. (2020) state that inclusive leadership is positively associated to employee voice. This relationship is explained by the social identity theory. Members who identify with the leader and or the group feel psychologically safe to participate in the group processes (Jiang et al., 2020; Guo et al., 2020). It should also be noted that when the most critical need of belongingness and being accepted and valued for being unique is met, members tend to associate with the leader, therefore improving the voice behaviour and their organisational commitment (Gou et al., 2020; Shore et al., 2018; Jiang et al., 2020).

The positive benefits of employee voice link to the followers' propensity to speak up freely and share ideas on matters that concern them (Burriss et al., 2017, Ward et al., 2016). The literature showed that the employee voice can benefit the organisation by improving processes and procedures, and addressing social and organisational injustices and unethical business practices (Ward et al., 2016; Burriss et al., 2017; Shore et al., 2018). A common thread to note in the literature is that psychological safety, the leader's openness, transparency, and other individual characteristics such as self-esteem facilitate employee voice (Ward et al., 2016; Randel et al., 2018).

Employee voice will improve work processes and the organisation's functioning through employees' valuable inputs and novel ideas. Furthermore, when employees feel psychologically safe to speak up, they do not perceive a risk of potentially experiencing any organisational detriment by participating in group processes (Burriss et al., 2017; Randel et al., 2018). Inclusive leadership has been shown to facilitate employee voice (Guo et al., 2020; Jiang et al., 2020).

### **2.4.3 Employee voice and corporate governance**

Although section 2.4.1 has shown that many definitions of employee voice exist in the literature, this review has also shown that employee voice is associated with positive work outcomes. Therefore, it can be suggested that employee voice has a positive impact on work processes such as innovation, governance outcomes that include an ethical climate, member identification, organisational performance, and effective leadership (Walumbwa & Schaubroeck, 2009; Brown & Treviño, 2014; Burriss et al., 2017; Ye et al., 2019; Randel et al., 2018; Ward et al., 2019).

This study defined corporate governance as the mechanisms, guidelines, standards and practices according to which organisations are managed, measured and directed to provide value and benefit for all stakeholders. The relationship between employee voice and corporate governance was explored by Mccall (2001), who strongly advocated for the participation of employees in decision-making and work processes around corporate governance policies. Employees contribute and participate in activities where they feel respected, valued, appreciated, free to express themselves, and fairly treated (Mcall, 2001). In addition, it was concluded that highlighting the benefits of employees'

participation in corporate governance policy was addressing the agency problem of corporate governance practice (Mccall, 2001; Furlotti & Mazza, 2020). Evidence was also found that alluded to the fact that substantial employee participation will not have harmful consequences, and that involving employees in corporate decision-making around corporate governance policies will benefit the organisation and the employees in the long run.

Following the argument by Mccall (2001), Furlotti and Mazza (2020) emphasise the need to include the employees as essential drivers of corporate governance to avoid latent problems that could be associated with the agency theory. They also reinforced the role and responsibility of the leadership in communicating with the employees. In their study, the authors postulated that a code of ethics is an important tool that measures the extent of workers' voice related to corporate governance. Thus, such code of ethics, a communication policy intended towards guiding the practice of corporate governance, should be communicated downward and utilise a bottom-up approach to encourage the voice behaviour and commitment of employees (Furlotti & Mazza, 2020). The notion of employees exercising their voice on the policies related to corporate governance is to improve their voice behaviour, so that they feel included and psychologically safe to improve the effective implementation of the policies and thereby achieve governance outcomes.

The King Code highlights accountability, fairness, transparency, responsibility, and ethics as key attributes of a leader required to affect corporate governance and guide employees towards achieving governance outcomes (IoDSA, 2016). This is consistent with the literature on inclusive leadership and employee voice, where it is noted that the leader relies on the employees to provide insights for improving work processes (Burriss et al., 2017). Thus, the exchange facilitated by a leader being inclusive should be conducive to an environment where the employees feel psychologically safe to exercise the promotive voice and report any corporate governance weaknesses (Burriss et al., 2017; Guo et al., 2020).

## **2.5 Conclusion**

The literature review confirmed the importance of the constructs that were studied both in business and academia. However, while the literature review confirmed the relationship

postulated in Chapter 1, it has been noted that published literature in these areas is sparse, especially when one refers to the posited relationship between inclusive leadership and corporate governance. It has also been noted that most of the studies around leadership have associated inclusive leadership with innovative work behaviour (Ye et al., 2019; Randel et al., 2016, 2018; Guo et al., 2020; Shore et al., 2018), but literature around the association of inclusive leadership and corporate governance was found to be limited. Therefore, the research will add to the existing literature and assist organisations in understanding the leadership style required to effect good corporate governance.

The literature reviewed further highlighted that employee voice is positively linked to workplace outcomes. This inferred that the construct employee voice had a mediating role in workplace outcomes by encouraging employees' participation and contribution in using their promotive and prohibitive voice to influence performance, and the generation of new and innovative ideas (Burriss et al., 2017; Jiang et al.; 2020). The literature reviewed further cemented the need for corporate governance by explaining the dire consequences of the absence of corporate governance standards and practices, and the measured and controlled implementation thereof.

Inclusive leadership has been postulated to increase the followers' sense of belongingness and identity within-group processes to pursue group goals (Randel et al., 2016; Ward et al., 2016; Ye et al., 2019). Therefore, the argument that employing an inclusive leadership style in the role and responsibilities of the leadership to facilitate governance outcomes can be explained by employee voice (Furlotti & Mazza, 2020; Mccall, 2001). Therefore, the literature review affirmed the need for this study to determine the influence of inclusive leadership on corporate governance by utilising the employee voice construct as a mediator.

A comparison of the literature review to the research results is provided in Chapter 6. Chapter will outline the results of the tests performed and compound them with the literature review, where disparities and commonalities will be identified. The next chapter will address the research hypotheses.

## **CHAPTER 3: RESEARCH HYPOTHESES**

### **3.1 Introduction**

The purpose of the study was to explore the relationship between inclusive leadership and corporate governance. As discussed in Chapter 2, the literature reviewed showed that inclusive leadership has been linked to innovative behaviour, improved workplace functions and outcomes. Inclusive leadership was related to effective and efficient teams, it improved the performance of teams and individuals, and contributed to organisational commitment through inclusiveness. Different leadership styles such as authentic leadership, ethical leadership, transformational leadership, and servant leadership were investigated (Jiang et al., 2020). It was found that inclusive leadership emphasised employees' perception of their need for belongingness and acceptance (Ye et al., 2019; Randel et al., 2018; Shore et al., 2018; Javed et al., 2019). Therefore, inclusive leadership facilitated the employees' propensity to identify with group processes, and their psychological safety to speak up, thereby enhancing their voice behaviour (Burris et al., 2017; Guo et al., 2020; Jiang et al., 2020; Ye et al., 2019).

The business need for corporate governance was well defined in Chapters 1 and 2. In addition, the various definitions of corporate governance, including the definition adopted for the research purpose, were outlined. Corporate governance was defined as the mechanisms, guidelines, standards, and practices according to which organisations are managed, measured, and directed to provide value and benefit for all stakeholders. As corporate governance provided value and benefit for the organisation's stakeholders, it was proposed that an inclusive leader would be appropriate to facilitate good corporate governance through encouraging followers to exercise their voice behaviour (Furlotti & Mazza, 2020; Shore et al., 2018; Mccall, 2001). Inclusive leaders' characteristics included openness, transparency, fairness, and encouraging an environment to be developed that offered psychological safety (Shore et al., 2018, Ye et al., 2019; Burris et al., 2017; Javed et al., 2019).

The value to business and academia of good corporate governance practices on a micro and macro level, and the detrimental effects of poor corporate governance practices, were explained (Wu, 2005; Sena et al., 2018). Furthermore, the leadership's critical role in facilitating corporate governance in their organisation was outlined by the King Code

(IoDSA, 2016). Other corporate governance frameworks included the Sarbanes-Oxley Act of 2002, the UK's Code of Corporate Governance and the G20/OECD Principles of Corporate Governance. Leading from the learnings provided by the literature review, the study aimed to identify if the inclusive leader can influence the implementation and successful adherence to corporate governance through being inclusive.

Evidence was obtained highlighting the mediating role of the employee voice construct on the other different leadership constructs. Studies conducted by Hsiung (2012) investigated the mediating role of employee voice, whereby a link to authentic leadership was confirmed. Ye et al. (2019), Shore et al. (2018), Randel et al. (2018), and Jiang et al. (2020) further contribute to the literature by highlighting the mediating role of employee voice on inclusive leadership, which contributed positively to job fulfillment, commitment to the organisation, and positive organisational achievements. Furlotti and Mazza (2020), and Mccall (2001) also evaluated the mediating role of employee voice on corporate governance through the communication of the code of ethics as a corporate governance policy. From the literature, a positive relationship was confirmed between employee voice and other leadership constructs. It should be noted that inclusive leadership provided the most substantial relationship.

### **3.2 Research Questions**

The question that remained answered from the literature was whether inclusive leadership had a linked relationship with corporate governance. Since the employee voice construct is closely related to inclusive leadership, does employee voice mediate this relationship? There was no evidence found in the literature to confirm the extent of the relationship. The uncertainties and gaps experienced in the literature around the relationship between inclusive leadership and corporate governance narrowed down the research questions and the hypothesis, which sought to understand if employee voice mediated the relationship between inclusive leadership and corporate governance. Based on the objectives of the research, the extant literature view and the purpose of the research, the ensuing research questions were proposed:

### **3.2.1 Research question 1**

**Does a positive relationship exist between inclusive leadership and corporate governance?**

**H<sub>0</sub>:** There is no significant relationship between inclusive leadership and corporate governance

**H<sub>1</sub>:** There is a significant positive relationship between inclusive leadership and corporate governance

The literature review described inclusive leadership as the leadership construct illustrated by openness, transparency, fairness, and encouraging employees' participation and commitment. In addition, the literature confirmed that inclusive leadership is positively associated to innovative behaviour, effective and efficient team processes, psychological safety to speak up against organisational injustices, and the propensity to generate new and innovative ideas (Shore et al., 2018; Ye et al., 2019; Randel et al., 2016, Randel et al., 2018; Jiang et al., 2020). There were, however, gaps in the literature with regard to the relationship between inclusive leadership and corporate governance. Therefore, research question 1 aimed at gaining an understanding of whether a relationship exists between inclusive leadership and corporate governance.

### **3.2.2 Research question 2**

**Does a significant positive relationship exist between inclusive leadership and employee voice?**

**H<sub>0</sub>:** There is no significant relationship between inclusive leadership and employee voice

**H<sub>2</sub>:** There is a significant positive relationship between inclusive leadership and employee voice

The literature review posited that a relationship existed between inclusive leadership and employee voice. The literature review noted that inclusive leadership is significantly associated to employee voice through the created sense of psychological safety and the leader-member exchange (Jiang et al., 2020; Ye et al., 2019; Randel et al., 2018). Because inclusive leaders are open, transparent, fair, and accessible, greater emphasis

is placed on employees' sense of belongingness and the acceptance for being unique (Shore et al., 2018).

### **3.2.3 Research question 3**

**Does a significant positive relationship exist between employee voice and corporate governance?**

**H<sub>0</sub>:** There is no significant relationship between employee voice and corporate governance

**H<sub>3</sub>:** There is a significant positive relationship between employee voice and corporate governance

The Corporate Governance Index (CGI) provided by the IIASA (2020) was used as a measure of corporate governance. Six dimensions of corporate governance were measured. Multiple regression analysis and correlation analysis were used to test the association.

### **3.2.4 Research question 4**

**Is the relationship between inclusive leadership and corporate governance mediated by employee voice?**

**H<sub>0</sub>:** Employee voice does not have a significant mediating effect on the relationship between inclusive leadership and corporate governance

**H<sub>4</sub>:** Employee voice has a significant mediating effect on the relationship between inclusive leadership and corporate governance

Research question 4 sought to establish if employee voice has a mediating effect on the relationship between inclusive leadership and corporate governance. Literature has confirmed the mediating role of employee voice on leadership constructs (Hsiung, 2012; Ye et al., 2019; Walumbwa & Schaubroeck, 2009; Ward et al., 2016; Burriss et al., 2017; Guo et al., 2020; Jiang et al., 2020). Thus, hypothesis **H<sub>4</sub>** emerged from the literature findings, where the present study aimed to understand how employee voice mediates the relationship between inclusive leadership and corporate governance. A mediated

regression model was adopted to evaluate the mediation model for research question 4. The results are tabled in Chapter 5.

### 3.3 Conclusion

Chapter 3 provided the background to the formulation of the research questions and the relevant hypotheses, based on the conceptual and theoretical framework defined in Chapters 1 and 2 of the study to achieve the objective and purpose of the research. The study aimed to explore the relationship between inclusive leadership and corporate governance, and the mediating role of employee voice in this relationship. Figure 2 below illustrates the study's conceptual model, which was informed by the theoretical framework. In addition, the conceptual framework will inform hypothesis testing of the established constructs.

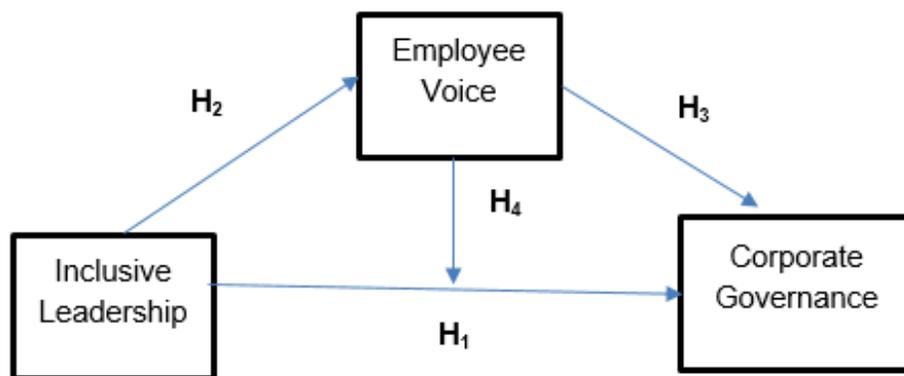


Figure 2: The hypothesised conceptual model of the study

Source: Own compilation

## **CHAPTER 4: RESEARCH METHODOLOGY**

### **4.1 Introduction**

The purpose of the research was to explore inclusive leadership and measure the mediating role of the employee voice construct on corporate governance. In Chapter 2, the researcher posited that inclusive leadership increases followers' sense of belongingness and identity within the group processes to pursue common group goals (Randel et al., 2016, Randel et al., 2018; Ward et al., 2016; Ye et al., 2019). Therefore, it is argued that inclusive leadership increases employee voice such that employees feel psychologically safe to speak up against poor corporate governance practices (Ward et al., 2016; Randel et al., 2018). Chapter 4 of this paper discusses the systematic method that the researcher followed to test the mediating role of employee voice on the relationship between inclusive leadership and corporate governance as hypothesised in Chapter 3 of the study. The research methodology adopted by the researcher was designed to empirically answer the research questions and establish the validity and reliability of the collection, analysis and interpretation of the data (Zikmund, Quinlan, Griffin, Babin, & Carr, 2019).

### **4.2 Research Philosophy**

The research followed a positivism philosophy to study the mediating effect of employee voice on inclusive leadership and corporate governance. According to Frey (2018), the positivist philosophy supports the quantifiable data analysed statistically to test the causal relationship and predict the behaviour or outcomes between the variables. Therefore, using the positivism philosophy, the researcher operated within the constructs of inclusive leadership, corporate governance, and employee voice as measurable variables. Underpinning the positivism philosophy is the notion of cause and effect, where observable inferences can be made about the relationship between variables in a scientific and quantitative study (Frey, 2018). Drawing from the positivism philosophy, the researcher studied the relationship between the established phenomena and statistically analysed the cause and effect.

### **4.3 Approach**

The approach for the research was deductive, because the purpose of the research was to understand and explain the causal relationship between the established variables. The

literature review indicated an empirical theory, detailing the relationship between corporate governance and other leadership constructs, and the mediating role of employee voice (Hsiung, 2012; Steckler & Clark, 2019; Furlotti & Mazza, 2020; Brown & Treviño, 2014). Therefore, the researcher adopted the deductive reasoning approach to measuring the existing concepts to attain new data from participants and statistically analyse the data collected to explain the relationship among the variables as hypothesised in Chapter 3 (Frey, 2018). As indicated in Chapter 2, the literature outlined the theory of leadership constructs and their relationship to good corporate governance practices (Hsiung, 2012; Steckler & Clark, 2019; Furlotti & Mazza, 2020; Brown & Treviño, 2014). Furthermore, the literature identified the mediating role of employee voice behaviour on the relationship (Ward et al., 2016; Randel et al., 2018). Therefore, the hypotheses were tested per the theory determined in the literature review (Bryman & Liao, 2011) to explain the cause and effect between the variables.

#### **4.4 Research Design and Time Horizon**

The study aimed to explore the mediating effect of employee voice on the relationship between inclusive leadership and the outcome variable, and corporate governance, as a result, the study used the explanatory research design. McGregor (2019) explains that studies that adopt the explanatory research design seek to explain the relationship between two or more variables, based on existing theory and past studies. From the literature review in Chapter 2, it was hypothesised that inclusive leadership (**independent variable IV**), mediated by (**mediating variable MV**) has an impact on corporate governance (**dependent variable DV**), based on past studies and existing theory (Randel et al., 2016, Randel et al., 2018; Ward et al., 2016; Ye et al., 2019).

Typical examples of past studies that adopted the explanatory research design to explain the relationship between two or more phenomena include Ye et al. (2019), when examining the relationship between inclusive leadership and team innovation; and Walumbwa and Schaubroeck (2009), in understanding the relationship between ethical leadership and employee voice. A similar research design was adopted by Hsiung (2012), when exploring the relationship between authentic leadership and employee voice. However, while leadership constructs such as ethical leadership, authentic leadership, and transformational leadership, and their association with ethical behaviour have been

broadly studied in business and theory, there is limited knowledge on the influence of inclusive leadership and corporate governance.

#### **4.5 Method and Strategy**

A mono-quantitative research method was utilised for this study. First, an online survey/questionnaire was used to collect data to test the defined hypothesis (the mediating effect of employee voice on the relationship between inclusive leadership and the outcome variables of corporate governance), as adapted and replicated from previous studies. Additionally, the research was cross-sectional. Allen (2018) shares that an analysis is cross-sectional if it is performed at a particular time. Therefore, the “snapshot” of the analysed data was collected at a specific time. This approach was selected because of the time constraints.

As Frey (2018) notes, the quantitative research method is appropriate when studying the relationship between variables and testing an established theory. The quantitative methodology was also appropriate, because the researcher aimed to quantify, compare and correlate the established constructs to test the hypothesis (Zikmund et al., 2019). Furthermore, the chosen method is in line with previous research to measure the established constructs (Ye et al., 2019; Walumbwa & Schaubroeck, 2009).

#### **4.6 Population and Unit of Analysis**

Zikmund et al. (2019) explain that a research population is a fundamental element of the methodological framework (p. 174). The authors define a research population as a complete set of objects with specific and similar characteristics. For example, a population can include people, things, or places that share common characteristics. Zikmund et al. (2019) further highlight that the target population has to be defined and identified in the research. The specific characteristics are identified to ensure that the correct individuals answer the research questions in defining the population.

The study examined the relationship between inclusive leadership and the outcome variable of corporate governance, by utilising employee voice as a mediator. The researcher, therefore, deemed it relevant that the population include management (junior, middle and executives) of companies listed on the JSE. Although applying the corporate

governance principles contained in the King IV Report on Corporate Governance is voluntary, it is mandatory for companies listed on the JSE to adopt these principles (IoDSA, 2016; JSE, 2019). It was, therefore, assumed to be highly probable that corporate governance was mature and had been adopted in these companies. Accordingly, the managers/executive with guidance from the board of directors are responsible for ensuring that the organisation maintains the highest standards of corporate governance. Furthermore, limiting the population to managers/executives made the population group more homogenous; it provided a minimum variation in data collection methods, and ensured consistency and like-mindedness, making the responses more reliable and comparable with minor differences.

For the purpose of the study, the researcher sought to understand the mediating effect of employee voice, and the relationship between inclusive leadership and the outcome variable of corporate governance. Therefore, the unit of analysis for this study was the managers/executives responsible for corporate governance in the organisations. According to Akremi (2020), the unit of analysis identifies the object of the research. Therefore, the responses from the managers/executives provided insights into the extent of the relationship between the identified variables.

#### **4.7 Sampling Method and Size**

Kumar (2019) describes a sample as a group of people, objects, or organisation obtained as a sub-set of the entire population. Sampling is appropriate and practical in research, as the researcher might not be able or wishing to access the entire population. For this reason, the researcher opted to use a non-probability sampling technique, which was based on the inability to obtain a complete list. According to Galloway (2004), purposive sampling refers to a sampling method where the researcher selects relevant participants for the study, based on predetermined criteria. For this research, the participants were selected by following the set criteria (demographics, seniority, socialisation, JSE listing, and industry) appropriate for the research, the set objectives, and the questions by using judgement to identify the suitable participants. In this instance, the researcher sent questionnaires to the managers/executives working for companies listed on the JSE, and within six industries: mining, telecommunications, energy and utilities, education, health services, and financial services. However, to obtain a representative sample, other industries listed on the JSE were also considered.

First, in selecting the sample, a list of the suitable participants within the researcher's immediate network and identified industries was compiled through the researcher's judgement and an understanding of the phenomena being studied. After that, suitable candidates were targeted on LinkedIn, and participants who qualified with the selection criteria were approached and asked to participate. The selection criteria used to obtain a representative and diverse sample is detailed as follows:

- a) Management (junior, middle and senior) and executives listed on the JSE across six industries: mining, telecommunications, health services, education, energy and utilities, and financial services. However, participants were not only limited to these industries. Other industries within JSE listed companies were invited to participate to avoid any sampling errors.
- b) Participants were required to have at least five years of experience in the field of corporate governance.
- c) The participants were required to have a leader/follower relationship.
- d) Demographics – The researcher considered balancing gender, race, qualifications, and age to select a representative sample.

In addition to the purposive non-probability sampling, the researcher used the snowball method as a secondary method to increase the number of participants. As a non-probability sampling method, the snowball method allows the purposively selected participants to recommend participants who meet the selection criteria, and thereby enriching the study by providing access to the participants who the researcher cannot meet through their networks (Galloway, 2004). Furthermore, the snowball techniques also provided access to various participants through references and networks. The selected participants were requested to share the survey with individuals eligible to participate in their networks to respond to the research questions.

Daniel (2014) cautions that it is important to have an appropriate sample size to satisfy the research objectives. The sample size should not be too big or too small (Daniel, 2014), and should be well suited for the study. The study's objective was to gain an understanding of the mediating role of employee voice on the relationship between inclusive leadership and corporate governance. As argued in Chapter 1 of the study, the phenomena studied had been defended to have a business and theoretical benefit; therefore, the study was categorised as necessary (Daniel, 2014). Furthermore, the study aimed to explain the

relationship between the phenomena. Therefore, as Daniel (2014) explained, a larger sample size was required in line with the quantitative research design.

The study followed a non-probability sampling technique. Therefore, the 'rules of thumb' and non-statistical sampling techniques were used to select the sample size to enable a rigorous data analysis through statistical techniques, and to minimise distortions in the research results caused by sampling error (Daniel, 2014). As a result, the researcher sought to obtain a sample size of 200 participants in line with Harlow (2020), who mentions that a sample of 200 is proposed to perform the confirmatory factor analysis (CFA) to determine the model fit and to test the statistical significance of the mediated regression model (Ye et al., 2019). After considering sampling errors such as non-response, incident rate and ineligibility, only 220 surveys were collected from participants. Nevertheless, the sampling size of 220 was aligned with Ye et al. (2019), who achieved a sample size of 230 participants, and Guo et al. (2020), who consequently achieved a sample size of 232.

## **4.8 Measurement Instrument and Questionnaire Design**

### **4.8.1 Measurement instrument**

The measurement instrument of this study was a survey questionnaire that was administered online via Google Forms. The survey questionnaire was appropriate to answer the research questions, enable data collection, analysis and interpretation as motivated by Zikmund et al. (2019), and Kumar (2019). The link to the survey was forwarded to the suitable managers and executives identified through purposeful and snowball sampling. It was explained that by completing the survey, the participants consent to the data collection process to answer the research questions. Therefore, the measurement instrument was aligned with prior research and existing literature when testing the hypothesised constructs (Furlotti & Mazza, 2020; Randel et al., 2016, Randel et al., 2018; Steckler & Clark, 2019; Ye et al., 2019). As discussed in section 4.5 above, the survey followed a cross-sectional time horizon. Therefore, it was administered only once as a single data collection tool, because of the limited resources such as time and cost.

The Likert scale was appropriate to measure the attitude and perceptions of the participants in a quantitative survey questionnaire (Kumar, 2019). The Likert scale is the

most commonly used measurement scale in quantitative survey research and measures the attitudes of participants through assigning numerical values to their responses (Allen, 2018;). Additionally, interval data was obtained from the participants and was analysed statistically.

The scales used to measure the attitudes or perception of the participants were per scales used in previous research (Ye et al., 2019; Hsiung, 2012; Steckler & Clark, 2019; Furlotti & Mazza, 2020; Brown & Treviño, 2014), which had all been found to provide acceptable levels of reliability and validity. The five-point Likert scale as adapted from existing literature and prior research is shown in Table 1 below:

Table 1: Five-point Likert scale

1	Strongly disagree
2	Disagree
3	Neutral/Do not know
4	Agree
5	Strongly agree

Allen (2018) advocates for the use of a Likert scale. Likert scales are characterised by providing a more accurate and reliable measure of a concept based on the fact that they use multiple items. Furthermore, Likert scales are straightforward, easy to understand and interpret, and they can be constructed to suit the purpose and desired outcome of the research. This view is supported by Kumar (2019), who notes that the Likert scale is the easiest scale to construct compared to other scales such as the Thurstone scale and the Guttman scale.

The Likert scale measures the attitude of individuals, based on the premise that every item that is being measured has an equal attitudinal 'value', 'weight' or 'importance'. This, according to Kumar (2019), is a limitation of this scale, as it seldom has equal attitudinal values. In addition to this, although the Likert scale is easy to interpret and is convenient, it is not possible to provide deeper insights on the responses being provided. The Likert scale is also fraught with bias, as explained by Allen (2018). These biases relate first, to acquiescence bias, which means that people often agree to declarative statements without applying themselves to the content. Second, Likert scales are subjected to central tendency bias. This reflects the participants' tendency to avoid extreme responses. Finally, the Likert scale is subject to socially desirability bias, where participants respond

favourability to portray themselves as socially significant. To counter against these disadvantages, the questions in the survey were adapted from the previous research and had high levels of validity and reliability. Furthermore, the questions in the measurement instrument were designed to include both positively and negatively worded questions in the Likert scale.

The online questionnaires were subsequently forwarded to the participants via email and instant messaging platforms such as WhatsApp and Telegram. Thereafter, the online questionnaire was shared on LinkedIn, where the suitable candidates were selected by following the set criteria. Finally, the study's objective was explained to the participants, and they were asked to participate in the research on a voluntary basis.

#### **4.8.2 Questionnaire design**

Given that the study's objective was to explore the relationship between inclusive leadership and corporate governance, utilising employee voice as a mediator, three distinct constructs were assessed. First, as noted by Zikmund et al. (2019), the questionnaire had to be well designed to be easy to complete and follow for the participants. Second, the authors highlight that the questionnaire must be valid and reliable to provide the data needed from the research questions. Third, they further explain that the researcher should adopt questionnaires from previous studies and key literature to ensure validity and reliability (Zikmund et al., 2019). It is from this premise that the questionnaire for this study was adapted from previous research to maintain the validity and reliability in answering the research questions (Ye et al., 2019; Walumbwa & Schaubroeck, 2009; Van Dyne & LePine, 1998, IoDSA, 2016; IIASA, 2021).

Zikmund et al. (2019) suggest that the questions' structure, content, order, and the presentation should be considered when designing the questionnaire. Therefore, in designing the questionnaire, the researcher focused on the conceptual framework, which included the three constructs to answer the research questions. An example of the questionnaire used in this research can be found in Appendix A. The questionnaire was divided into five sections per below.

1. The preamble section introduced the researcher, explained the purpose and benefits of the research, estimated completion time, and consent to data collection by highlighting that the participants consent to data collection by completing the

questionnaire. Furthermore, the participants were notified that their participation was voluntary, and anonymity and confidentiality were assured.

2. Section A of the questionnaire included the demographic section and aimed to collect background information and assess the suitability of the participants.
3. Section B of the survey focused on the perception of the participants' leader or manager's leadership style as an inclusive leader.
4. Section C of the survey requested the participants to reflect on their own voice behaviour.
5. Section D of the questionnaire was adapted from the King IV principles (IoDSA, 2016) and the Corporate Governance Index 2020 (IIASA, 2021).

To enable the participants to answer the questions in the questionnaire, one measurement scale was used, as discussed in section 4.8.1 above. The scale measured the attitude and perception on the issues based on the five-point Likert scale adapted from previous research. The different sections are discussed below:

#### **4.8.2.1 Demographics (Section A)**

Per Allen (2018), the survey's demographic section allowed the researcher to contextualise and better analyse the data collected to answer the research questions by generalising the sample to a greater population. In this section, the participants were requested to provide background information relevant to the study, such as age, gender, industry, management level, education and tenure within their current organisation. The questions also allowed for determining the suitability of the participants for the study.

#### **4.8.2.2 Inclusive leadership (Section B)**

The questions in this section were adapted from Ye et al.'s (2019) study. They defined inclusive leaders as supportive, open, accessible, cultivating freedom, independence and psychological safety for their followers to perform tasks at work and speak up against organisational injustices. Chapter 3 of the study hypothesised a relationship between inclusive leadership and corporate governance mediated by employee voice. Ye et al. (2019) studied the relationship between inclusive leadership and team innovation, also mediated by employee voice. A positive relationship was found with a coefficient alpha exceeding the threshold of 0.70 for the inclusive leadership construct, therefore, indicating

internal consistency and reliance for the measurement scale. As a result, the questions were adapted in their entirety to those posed by Ye et al. (2019). They used the same measurement scale, based on a five-point Likert scale, with 1 representing 'strongly agree', and 5 representing 'strongly disagree'. Ten items were measured in this section and per Ye et al. (2019), based on a study by Carmelli, Reiter-Palmon, and Ziv (2010). Minor adjustments were made to the questions to align them with the current study.

#### **4.8.2.3 Employee voice (Section C)**

Section C of the survey requested the participants to reflect on their own voice behaviour. In this section, the participants responded to questions that showed their openness and propensity to voice concerns and improvement opportunities. The questions in this section also assessed the voice behaviour of the participants in a work environment. The questions in this section were adapted from Walumbwa and Schaubroeck (2009), Van Dyne and LePine (1998), and Ye et al. (2019) to understand the mediating role of the employee voice construct. The questions reflected the degree to which the participants were willing to speak up against organisational injustices or improve work processes, provide upward feedback, and feel psychologically safe to speak up. Nine items were assessed in this section by using a five-point Likert scale per previous research and literature, with 1 representing 'strongly disagree' and 5 representing 'strongly agree'.

#### **4.8.2.4 Corporate governance (Section D)**

Corporate governance is a universal practice, and many benchmarks have been established to measure the concept of sound corporate governance. As discussed in Chapter 2 of this study, international institutions such as the OECD, and the UK Financial Reporting Council, which publishes the UK's corporate governance code, have been instrumental in developing measures for sound and quality corporate governance. The study was based on South African companies registered in South Africa and listed on the JSE. Therefore, it was deemed appropriate to measure the corporate governance construct through the King IV Report on Corporate Governance 2016 (IoDSA, 2016).

As a result, section D of the questionnaire was adapted from the King IV principles (IoDSA, 2016) and the Corporate Governance Index 2020 (IIASA, 2021). This section demonstrated the participant's perception of corporate governance in their organisations.

The CGI survey is facilitated by the Institute of Internal Auditors annually (IIASA, 2021). The survey targeted Chief Audit Executives and measured seven dimensions of corporate governance per the King IV Report on Corporate Governance, 2016, to understand their insights on the current state of combined assurance in their organisations. Minor adjustments were made to the questions, and only six dimensions comprising ethics, compliance, leadership, performance, risk management, and assurance were measured. A total of 20 questions were measured in this section by using a five-point Likert scale, with 1 representing 'strongly disagree' and 5 representing 'strongly agree'.

#### **4.8.3 Pre-testing of the questionnaire**

A pre-test of the instrument was conducted with ten individuals who qualified according to the selection criteria that had been selected conveniently. The purpose of the pre-test was to ensure clarity and validity of the questions, verify that the participants understood the questions, and correct any misunderstanding before sending the questionnaire to a larger population (Zikmund et al., 2019). In addition, the ten individuals who were part of the pre-test were asked to provide feedback on their experience in completing the questionnaire in cases where any questions were not straightforward, and asked to report any duplications, or wording issues. Furthermore, the individuals were encouraged to provide any comments to enhance the questionnaire and ensure that the research questions were answered. Lastly, during the pre-test, the individuals were also asked to confirm the time it took to complete the questionnaire and whether it would answer the research questions.

Detailed feedback was received from the pre-test, and this included duplicating one question and minor wording adjustments needing to be made to the preamble and questions to make the tone clearer. Further feedback included that otherwise, all questions were easy to understand and well-formulated, were not too long or repetitive. Participants also stated that the flow and connection of the questions from one section to another were good, and the questions enabled reflections on the management styles, policies and processes in the organisation. In addition, the individuals felt that the questions would answer the research questions and were appropriate for the topic. Participants of the pre-test also stated that the topic was interesting and relevant, and would create a lot of interest among the participants of the actual research. Lastly, the individuals noted that there were no technical issues with the questionnaire. For example,

the questionnaire was well designed so that the participants could not select more than one response to the questions, thereby avoiding any errors.

The pre-test affirmed that it took 10 minutes to complete the questionnaire instead of the 15 minutes that the researcher had indicated. Thus, the pre-testing was helpful in the study. After receiving the feedbacks, the researcher reviewed and revised the questionnaire, where it was further identified that two questions in the corporate governance section were missing. The findings in the pre-test were a testament to its importance in a research study.

#### **4.9 Data Collection Process**

Following a deductive and positivist approach for quantitative research, the data was collected using a structured quantitative online survey questionnaire distributed via Google Forms (Zikmund et al., 2019; Kumar, 2019). Creswell (2014) highlights that online survey questionnaires are appropriate for non-experimental quantitative studies. The study's purpose was to examine the relationship between three variables, namely inclusive leadership as the independent variable, corporate governance as the dependent variable, and employee voice as the MV per the mediation model established in Chapter 3. The questionnaire was administered on the Google Forms platform. It was distributed by using email, social media platforms such as LinkedIn, and the instant messaging platforms such as Telegram and WhatsApp to the suitable participants. First, purposive non-probability sampling was used to select the participants by using the sample selection criteria. After that, the participants were asked to forward the questionnaire to suitable participants within their networks through snowball sampling.

Because of the time constraints, the survey questionnaire provided a snapshot of the data collected at a given period (Allen, 2018). The data collection commenced on Thursday, 29 July 2021 and closed on Tuesday, 14 September 2021. The benefit of a quantitative survey questionnaire is that it can reach a large population over-dispersed geographical locations. Therefore, there was no limit to the geographic location. The survey was administered online and could be completed anywhere at the most convenient time and place for the participants (Zikmund et al., 2019), thus reaching widespread representation of the participants.

Furthermore, the quantitative survey questionnaire as the primary data collection tool for this study was anonymous, flexible, voluntary and therefore encouraged honest feedback, which enriched the data collected. Although the quantitative survey questionnaire was appropriate for this study, Zikmund et al. (2019) cautioned against prevalent survey research errors. These can include systematic and random errors from the measurement instrument's preliminary design, resulting in the participants misinterpreting the questions and, therefore, providing incorrect responses. Additionally, quantitative survey questionnaires are synonymous with low response rates (Zikmund et al., 2019). This was most rampant during the data collection period, where participants were not always available to complete the questionnaire, because of the Covid-19 pandemic's implemented regulations and restrictions, or other personal or work obligations.

The researcher targeted 300 responses to complete the survey questionnaire, using the rules of thumb and non-statistical method that Allen (2018) describes. Because the researcher did not have a complete list of the population, it was deemed appropriate that a sample of 200 was appropriate for the study. Due to the sampling technique and methods used to encourage the participants to complete the surveys, 220 participants completed the survey. The participants included managers and executives from the JSE listed companies and encompassed all the responses, including incomplete or invalid ones. Wegner (2016) mentions that a sample size has to be appropriate to reduce misrepresentations for quantitative research outcome. Therefore, a suitable sample size should not be less than 30 for quantitative research (Wegner, 2016). However, Zikmund et al. (2019) note that the higher the response rate, the more confident the researchers can be that they have a complete set of data and can therefore achieve generalisability. Furthermore, the confidence interval becomes narrower as the sample size increases.

To address the errors presented by the quantitative survey data collection tool as explained above, the following actions were undertaken:

- The survey questionnaire was pre-tested with ten individuals before reaching a more prominent population per section 4.8.3 above. The questionnaire was reviewed, revised, and finalised with updated feedback to ensure that the questions were straightforward, free from ambiguity, and appropriate to answer the research questions.
- The participants were thanked in advance and notified that their participation would be appreciated and valued. Where possible, a personal touch was implored where

face-to-face, video calls or phone calls were arranged to engage with the participants to explain the purpose of the research and the benefits of their participation.

- The researcher reinforced confidentiality and anonymity, and encouraged the participants to reach out should they have any additional questions or problems with completing the survey.
- The researcher agreed on a due date for completion with the participants, where the due date had not been adhered to. Follow up procedures were undertaken.
- The participants were also encouraged to forward the survey to suitable participants in their networks.
- The link to the survey questionnaire was shared on LinkedIn. Furthermore, suitable participants were targeted on LinkedIn to increase the response rate. Finally, the researcher approached the LinkedIn participants by sending a direct message to them, introducing the researcher and explaining the purpose and the benefits of the research. Where consent was received, the link to the survey was sent to the participants.
- The time of the data collection was extended by two weeks to increase the response rate.

#### **4.10 Data Analysis Approach**

As mentioned in section 4.8.1, the online survey was administered via Google Forms commencing on 29 July and was closed on 14 September 2021. As soon as the survey was closed, the raw data was exported to Microsoft Excel format from the Google Forms platform. According to Zikmund et al. (2019) and Kumar (2019), the first step in data analysis in a quantitative study is to ensure that the data is clean and free from incompleteness or inconsistencies. Therefore, the researcher first coded the data by linking a numeric value to the responses. This meant that the researcher converted the worded responses to numeric Likert scales (see section 4.8.1). Coding is described as assigning numerical values to values to enable data analysis (Kumar, 2019). Following the methods described by Zikmund et al. (2019), data imputation would then be employed by the researcher for any participants who failed to complete 100% of the survey, but at minimum completed 50% of the survey questions (Zikmund et al., 2019).

Once the data was coded and cleaned, the researcher conducted descriptive statistics on the demographic questions by evaluating the frequencies of responses against each question. After that, the researcher conducted preliminary tests for the inferential statistics, as detailed in the following sections. After the data was cleaned and coded, the IBM SPSS version 26 and AMOS were used to analyse the data.

#### **4.10.1 Measuring reliability**

Kumar (2019) notes that the researcher should establish reliability and validity throughout the research process. As described in section 4.6 of this study, quantitative measures can be fraught with systematic and random errors that affect the research measure's reliability and validity. Random errors relate to the unpredictability from one measurement to another, affecting a measurement scale's reliability and internal consistency (Zikmund et al., 2019). On the other hand, systematic errors are predictable and are concerned with the research instrument's design. Therefore, they establish the validity of the research measure to the extent that it accurately measures the constructs (Zikmund et al., 2019). Please refer to section 4.10.2 for a detailed discussion on validity.

Reliability refers to the consistency and dependability of the research instrument to the extent that it produces results that are free of error and consistent when the same or similar constructs are measured (Kumar, 2019; Zikmund et al., 2019). Allen (2018) notes that reliability is concerned with the measurement error that randomly differs from individuals in a measuring process. Therefore, individuals responding to questions measuring similar constructs or variables on a measurement scale should have similar scores (Allen, 2018). The Cronbach's alpha, a "reliability coefficient, demonstrates whether the test designer was accurate and correct" in yielding interpretable and consistent statements about a research instrument (Cronbach, 1951) that was used to test the reliability of the responses to the questions measuring the variables on a measuring scale. Furthermore, it was noted that the research instrument cannot be deemed valid if it has not met the reliability test (Cronbach, 1951).

Consequently, many scholars have debated the acceptable lower limit of the Cronbach's alpha as an accurate measure of reliability. Bonet and Wright (2015) note that there is no generally accepted measure of the Cronbach's alpha. However, Zikmund et al. (2019) and Kumar (2019) explain that a Cronbach's alpha ranges between 0 and 1, with results closer to 1 indicating high internal consistency and reliability. Allen (2018) suggests that a

Cronbach's alpha above 0.70 is a good indicator for high reliability, while Hair, Black, Babin, and Anderson (2010) suggested an acceptable Cronbach's alpha of 0.60 at the lower limit. For the purpose of this study, a lower limit of 0.70 was deemed acceptable, in line with previous research. The lower limit of 0.70 for the Cronbach's alpha was consistent with Ye et al. (2019), who indicated that the lower limit of 0.70 was an appropriate threshold for advanced research. Furthermore, this was supported by Jiang et al. (2020) and Guo et al. (2020), who also used the lower limit of 0.70 for their research. All measurement scales in this study were adapted from previous research, whereby the reliability and internal consistency had been confirmed for the measured variables (Ye et al., 2019; Jiang et al., 2020; Guo et al., 2020).

#### **4.10.2 Measuring validity**

Validity is the extent to which the measurement instrument is relevant, acceptable, essential, valuable, and contemplative of the theoretical framework to measure the constructs/phenomena under investigation (Zikmund et al., 2019; Kumar, 2019). The researcher assessed the construct's validity through convergent and discriminant validity as described by Zikmund et al., 2019. Convergent validity "measures the extent to which variables are correlated between the same construct" (Zikmund et al., 2019). Therefore, convergent validity measures the degree at which measured variables of a specific construct theoretically converge towards a common share of a variable within similar constructs (Kapp, Mostert, & de Beer, 2020). High levels of convergence are indicated by the association or factor loadings between the measured variables, and when a construct is more significant than 0.7 and the Average Variance Extracted (AVE) is greater or equal to 0.5, as explained by Zikmund et al. (2019).

Conversely, discriminative validity is a measure that states that constructs that should not theoretically be related to one another are not related (Kapp et al., 2020). Discriminative validity, therefore, measures the exclusivity within a measure (Zikmund et al., 2019). High levels of discriminant validity exist where a measure does not share a strong association with a measure of another construct. To assess the level of discriminant validity, the researcher evaluated cross-loadings between measured variables and other constructs that they were associated with. High cross-loadings between measured variables and other constructs imply that discriminant validity was not achieved (Zikmund et al., 2019). Thus, the lower the cross-loadings, the better to support discriminant validity. Zikmund et

al. (2019) note that by providing evidence of both convergent and discriminant validity, the researcher provides evidence of the construct validity. The Pearson's correlation coefficient was used to evaluate convergent and discriminant validity. All factors loaded higher on their own higher-order variables.

#### **4.10.3 Model fit**

The number of participants in the study was more significant than the 200 observations per construct. Therefore, the sample size was appropriate for the CFA to determine the model fit (Harlow, 2020). According to Harlow (2020), confirmatory factor analysis is a theory-driven advanced statistical technique that measures the extent of the hypothesised relationship between the constructs and latent variables. It determines whether the model applied to makes inferences about the presence of latent variables from the observed variable is fit for purpose. As Allen (2018) explained, the Chi-Square tests are included in the tests for model fit, which determines the congruency and correlation of the theoretical model with the data. A significant Chi-Square indicates that the model is a good fit. The second test for conducting the CFA is the root mean square approximation error (RMSEA), which indicates the approximation error. An RMSEA lower than 0.8 or 0.6 indicates model fit (Allen, 2018). The third test to be conducted under the CFA is the comparative fit index (CFI). The CFI provides confirmation that the theoretical model and the baseline model are not interrelated; a CFI higher than 0.90 or 0.95 is an indicator of good model fit. Lastly, Allen (2018) notes that the standardised root means square residual (SRMSR) is the most common test to perform on the CFA. The SRMSR is a comparison of the covariance of factors within the observed structure and predicted structure. A value of less than 0.10 shows that the model is accurate.

Chapter 3 of the research hypothesised a relationship between three different variables, and a measurement instrument was developed as discussed in section 4.6 to assess the interrelatedness of these variables. To determine the extent to which the measurement scale accurately measured the constructs and was valid and free of significant error, the Principal Component Analysis (PCA), was used to understand the interdependencies among variable through statistical data reduction techniques (Salkind, 2012). Similarly, the exploratory factor analysis (EFA) was conducted to determine the interrelationship among the observable variables by calculating factors from the correlation matrix.

Furthermore, the Kaiser-Meyer-Olkin (KMO) test, a measure of sampling adequacy used to determine the strength of relationships among variables in a correlation matrix, was conducted to validate that the factor analysis and PCA were suitable for the study. According to Vogt (2005), a KMO measure ranging from 0 to 1 is often considered appropriate for conducting the factor analysis as a data reduction tool. Additionally, Bartlett's Test for Sphericity was conducted, a statistical measure indicating whether the variables in a correlation matrix are identity matrices. Therefore, both the KMO and Bartlett's Tests were conducted to determine the suitability of the factor analysis (Yong & Pearce, 2013). The Bartlett's Test is also used to indicate the appropriateness of the factor analysis. A significance value of  $p < 0.05$  for Bartlett's Test and KMO indices greater than 0.05 represents suitability to perform the factor analysis. The tests performed verified that the PCA was appropriate for the study. The PCA was then conducted and is detailed in Chapter 5 of the results section.

#### **4.10.4 Descriptive statistics**

According to Zikmund et al. (2019) and Wegner (2016), descriptive statistics describe the sample data to enable the researcher to understand and interpret the quantitative data. Furthermore, descriptive statistics organise the data into profiles, categories, and relationships, and establish trends within the data (Wegner, 2016). This study used descriptive statistics such as gender, age, management level, educational background, industry, and tenure to create profiles for the sample population. To understand and get an overview of the profiles of the random samples, the categorical data were summarised into a frequency table and a cross-tabulation table.

Wegner (2016) argues that while categorical descriptive statistics are essential for understanding the profile of a random variable, specific numerical measures are required to provide insights into the behaviour and characteristics of the random variable. Wegner (2016) introduces three measures to describe the data profile of a random variable, location, spread, and shape. In measuring location, it is essential to distinguish between a central location and a non-central location. Wegner (2016) explains that location refers to a point where the values are concentrated, whereas central location uses a single measure of the mean and median to provide the centrality of the data. On the other hand, non-central location measures use quartiles to identify the data's point.

Wegner (2016) further elaborates on the measure of spread (dispersion), which measures the extent to which data in a random variable is dispersed around the central location. Measures such as variance, range, standard deviation and coefficient of variation describe such data. Lastly, the measure of skewness, which looks at the shape of a histogram, was introduced by Wegner (2016). After reliability and validity were confirmed as discussed in sections 4.10.1 and 4.10.2, descriptive statistics such as the mean scores, minimum, maximum, standard deviation, skewness and kurtosis were calculated for each observable question. The results were used to understand, interpret and create trends for the responses.

#### **4.10.5 Inferential statistics**

According to Allen (2018), applying inferential statistics refers to making inferences or predictions for unobserved data by using the data observed by the researcher. For example, the study made inferences about the mediating role of employee voice on the relationship between inclusive leadership and the outcome variable corporate governance, based on the results of the statistical tests performed on each construct to generalise the results to the entire population (Pyrzczak, 2018). Pyrczak (2018) further elaborates that inferential statistics are used to compare the study results to a probability distribution to determine if differences are prevalent. Therefore, statistical significance was established at a 95% confidence interval that there were differences in the results (Pyrzczak, 2018).

To test the hypothesis, a multivariate statistical technique was adopted to test against the theory defined. As Wegner (2016) explains, a multivariate statistical technique is an advanced statistical technique used to simultaneously study the relationship between multiple variables. Therefore, the multivariate statistical technique evaluated the relationship between inclusive leadership and the outcome variable of corporate governance mediated by employee voice. However, Wegner (2016) explains that before performing inferential statistics, the researcher must determine if the data is normally distributed, as a guide to whether parametric or non-parametric tests should be undertaken. If data is normally distributed, this will enable the researcher to make assumptions on the data, and if not, non-parametric tests will be adopted.

As the sample size was less than 1000, a Shapiro- Wilk Test was performed to ascertain whether the data was normally distributed. The Shapiro-Wilk Test is a variance analysis test that measures the data for normality. According to Shapiro and Wilk (1965), a  $p > 0.05$  indicates that the data is normally distributed, and therefore, parametric tests should be used, as assumptions can be made on the data. However, where the  $p < 0.05$ , the data is not normally distributed, and non-parametric tests will be used, which imply that assumptions cannot be made to the data. Since the sample was less than 1000, the Kolgomorov-Smirnov Test was not appropriate to assess the normality of the distribution.

#### **4.10.6 Testing the hypothesis: Regression and correlation tests for association**

To answer research questions 1 to 3, two tests were performed concerning the correlational analysis: Pearson's correlation coefficient represented by the symbol  $r$  and the Spearman's rank-order test. Pearson's correlation coefficient technique is a primary test of the strength and direction of a linear relationship between two or more continuous variables (Wegner, 2016). However, it is noted that for Pearson's correlation coefficient test to be performed, the following five assumptions have to be met:

1. A continuous measurement scale measuring the variables should be in place;
2. The continuous variables being measured have to be paired, meaning that each variable has to be measured;
3. There has to be a linear relationship between the variables;
4. There should be no substantial deviations; and
5. The data should be normally distributed.

According to Sullivan and Fein (2012), the correlation effect sizes based on Cohen's D are small at (+- 0.2), medium at (+- 0.5) and large at (+- 0.8). For Pearson's correlation coefficient to be perfectly correlated, the coefficient lies between -1 and +1 and shows the direction and strength, and therefore, is represented by the equation  $-1 \leq r \leq +1$ .

Since the data was not normally distributed, Spearman's rank-order test was conducted. For Spearman's rank-order test to be performed, three assumptions have to be met. The first and second assumption relates to the continuous measurement scale, and each variable being measured, similar to Pearson's correlation coefficient assumptions. The third assumption for Spearman's rank-order test relates to the fact that a monotonic relationship has to exist between the variables (Salkind, 2012). The Spearman's rank-

order test represented by the symbol ( $r_s$ ) is adjusted for ordinal ranked data rather than interval or ratio. Thus, a Spearman's rank-order test of between +1 or -1 indicates a strong association between the variables (Salkind, 2012). Alternatively, no association exists between the variables, if the Spearman's rank-order test is equal or near zero.

A multiple linear regression analysis was performed to demonstrate the relationship between the independent (predictor) and dependent (outcome) variables. In this instance, the linear regression analysis found the straight line representing the relationship between the two variables (Wegner, 2016). Wegner (2016) notes that the key difference between correlation and multiple linear regression analysis lies in the concept of dependence, wherein a correlation analysis technique does not take into account the concept of dependence. Wegner (2016) also notes that the success of a multiple regression analysis is dependent on five assumptions, namely; 1) There should be a linear relationship between the independent and dependent variable; 2) The variables should be constant, meaning that there should be no unequal variances or heteroscedasticity; 3) There should be independence between the variables, where the predicated values from the model is independent and unrelated to other predications; 4) The independent and dependent variables should be normally distributed, and 5) The independent variables should not be interrelated to each other (multicollinearity).

In establishing the regression mediation model, two methods can be used as explained by Hayes (2012). The moderation and mediation models are methods that can be used to obtain a deeper understanding of the phenomenon being studied. Hayes (2012) defines a mediation model as an analysis where the relationship between X and Y is explained by one or more variables (M). Therefore, a mediating model answers the question of 'how' and explains the extent to which the independent OR predictor variable (X) influences the dependent outcome variable (Y) through the mediator (M) (Baron & Kenny, 1986). Furthermore, a mediation analysis evaluates the causal relationship, whereby M influences X and, therefore, influences Y (Demming, Boztug, & Jahn, 2017). This is known as the indirect effect and determines if the mediation exists. However, it is noted that to understand the full extent of the mediation on X and Y, the direct effect that explains the extent to which X Influences Y should be considered. Contrary to the mediation model, Hayes (2012) explains that a moderation model "determines whether the size or sign of the effect of some putative causal variable X on outcome Y depends in one way or another on (meaning it interacts with) a moderator variable or variables". Therefore, a moderation

model tests for the influence of a third variable. It determines the condition under which the influence happens between variables.

Chapter 3 of this study hypothesised that there is a relationship between three constructs; inclusive leadership (independent variable) and the outcome variable of corporate governance (dependent variable), and that this relationship is mediated by the employee voice construct (MV). The literature review also confirmed that the relationship between inclusive leadership and corporate governance is mediated by the employee voice construct in such a way that when employees are empowered to speak up and voice their worries, they support good corporate governance (Mccall, 2001; Furlotti & Mazza, 2020). The study, therefore, sought to establish whether inclusive leadership has an impact on corporate governance. If there is a positive relationship between inclusive leadership and corporate governance; and if the relationship is mediated by employee voice, employees feel empowered to speak up against unethical behaviour and organisational injustices because the leader is practising inclusive leadership.

According to Demming et al. (2017), the mediation model is true if a significant relationship exists between the independent variable (predictor: inclusive leadership) and the mediator (employee voice) as explained in the **path a** of the model (Figure 3). In addition, there must be a significant relationship between the mediator and the outcome variable, as shown by **path b**. Lastly, the relationship between the independent and outcome variable (**path c**) has to be insignificant. Furthermore, from the inferences of Baron and Kenny (1986), if path c is zero, the relationship between the independent variable and the outcome variable is fully mediated. Alternatively, the relationship between the independent and outcome variable is not mediated if path c is zero. Demming et al. (2017) note that where the relationship is not mediated or is only partially mediated, it could result from a missing mediator or the absence of a moderator, which could enforce mediation. The mediation model is shown graphically in Figure 3.

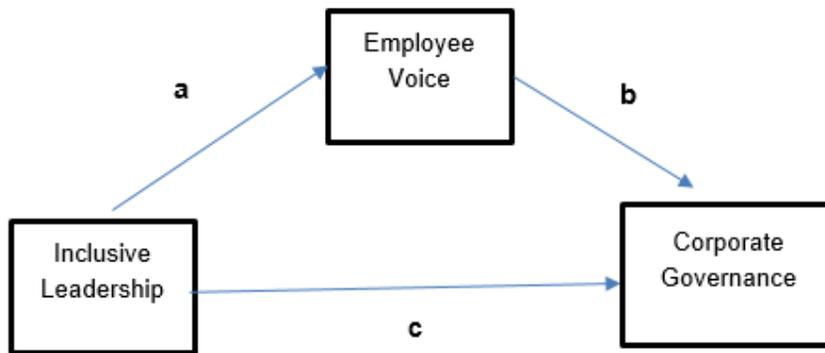


Figure 3: The mediation model

To test the mediation model in this study and understand the mediating effect of the employee voice construct on inclusive leadership and the outcome variable of corporate governance, the regression-based bootstrapping approach as introduced by Preacher and Hayes (2004, 2008), the PROCESS Model 4 was performed on SPSS. The regression-based bootstrapping approach provides a more accurate test of the indirect effect than the traditional based approaches (Demming et al., 2017). In addition, the bootstrapping approach uses a 95% confidence interval.

#### 4.11 Limitations

The limitations of the research methodology included that the sampling technique used was not random. According to Kumar (2019), random sampling is a technique where each sample in the population has an equal chance of being selected. Because of the inability to obtain a complete list of the population, the purposive non-probability sampling technique was used to select the sample for this research. According to Zikmund et al. (2019), purposive non-probability sampling, a sampling technique based on judgement, is limited in that part of the population does not stand a chance of being selected because of the selection being based on judgement and the researcher not having a complete list of the population. However, the researcher counteracted this limitation by using snowball sampling as an additional sampling technique. Zikmund et al. (2019) note that the sample might not be representative and could be biased. This is because the snowball sampling method depends on referrals from primary participants. The primary participants are likely to refer individuals from their networks who are similar to them. There is, therefore, a risk that the responses might be similar and skewed, representing a sampling bias.

Furthermore, there was no direct contact with the participants, which could have aided the researcher ensuring a good response and completion date by the relevant participants.

Furthermore, data collection was conducted at a specific time, when questionnaire completion took place between 29 July 2021 and 14 September 2021. Therefore, the data collected was a 'snapshot' of the attitudes and perceptions of the participants at a particular time. Kumar (2019) mentions that a cross-sectional study is limited in that the data collected at a specific time is dependent on the internal and external factors affecting the participants at the time of completion or participation. For example, the results could have been different if the data had been collected at a different time. In addition, data collected at a specific time is dependent on the participants' feelings, emotions, moods, and conditions at the time of completion of the survey. This might have an impact on participants' responses.

Moreover, the study assessed the leader/follower relationship. If the followers had been discontented with their leaders during the time of completing the survey, this could have distorted the view of their leaders' style of leadership. This limitation could have been addressed by a longitudinal study, which would have been performed over a long period. However, this approach was not feasible because of time constraints.

Another potential limitation in the research methodology was that the measurement instrument was an online survey. Although Zikmund et al. (2019) note that a disadvantage of administering an online survey in a quantitative study is that the questions in an online survey are structured closed-ended questions, the limitation is that the responses are not detailed enough to provide explanations or variations in the answers. Furthermore, this limitation could be countered by an additional qualitative study being conducted, which could have provided the researcher with opportunities to obtain more insights and explanations or variations in responses (Zikmund et al., 2019).

Furthermore, the questionnaire must be structured in such a manner that it can ensure comprehensive answers and addresses all the constructs understandably. The researcher sought to mitigate the risk that the participants might misinterpret or misunderstand the questions by pre-testing the questionnaire as explained in section 4.8.3. In addition to the risk of the participants misunderstanding the questions, the questionnaire was written in English, which posed a risk that non-English speaking individuals could misunderstand

the questions. The researcher mitigated this by purposely selecting the target population and the sample.

## CHAPTER 5: RESEARCH RESULTS

### 5.1 Introduction

The main objective of this chapter is to provide the results of the preliminary tests and the research questions discussed in Chapter 3 of this research thesis. This chapter describes the sample size obtained, and the sample population's descriptive statistics. The chapter outlines the reliability and validity measurements, followed by the results of the inferential statistics, which aim to understand the relationship between inclusive leadership and corporate governance. The results of the inferential statistics aim to understand if any mediating effect exists from the employee voice construct on the relationship between inclusive leadership and the outcome variable of corporate governance.

### 5.2 Descriptive Characteristics of the Sample

#### 5.2.1 Research sample

As discussed in section 4.9 above, the researcher sought to obtain a minimum sample size of 200. Table 2 provides a summary of the sample size reported for this research. Through the purposive non-probability sampling technique and the snowballing technique, the research attracted a raw sample of 220. After the data cleaning process, four participants' responses were removed, because they contained incomplete answers to the questions. Thus, effectively, the sample size was  $n = 216$ . This was seen to be valid and adequate in comparison with the studies conducted by Ye et al. (2019), Gou et al. (2020), and Randel et al. (2018), who obtained a sample size of 230, 232, and 226, respectively. In addition, the sample size was deemed adequate for the statistical analysis techniques adopted, as discussed in Chapter 4.

Table 2: Sample descriptive characteristics

<b>Sample size attribute</b>	<b>Total</b>
Raw sample size	220
Removed responses	4
Participants with 100% completion	216
<b>Final sample size</b>	<b>216</b>

## 5.2.2 Participants

The unit of analysis for this research was identified as junior/middle managers, senior management, executives or part of the leadership team, and working for companies listed on the JSE, across six industries that the researcher chose. The King IV Report on Corporate Governance (IoDSA, 2016) places management and leadership teams at the forefront of driving corporate governance agenda. Therefore, the researcher believed that employees at this job level will be well-positioned to interact with corporate governance in these organisations. Furthermore, since the adoption and application of the King IV Report on Corporate Governance is mandatory for all companies listed on the JSE, the researcher's expectation was that corporate governance was mature in these organisations (JSE, 2019).

In line with previous research on inclusive leadership, the participants were required to have a leader/follower relationship; therefore, another critical requirement of the selection criteria was that the participants are permanent employees at their organisations (Ye et al., 2019; Guo et al., 2020; Randel et al., 2016, Randel et al., 2018). Therefore, the results as shown in Figure 4 indicate that 18% are part of the leadership team or executives in their organisations; 31% are senior managers; 43% fall under the junior or middle manager category; while 8% represent other job levels. The researcher believed that this was a fair representation of the job levels. The responses were obtained from the relevant individuals with the necessary experience and educational level.

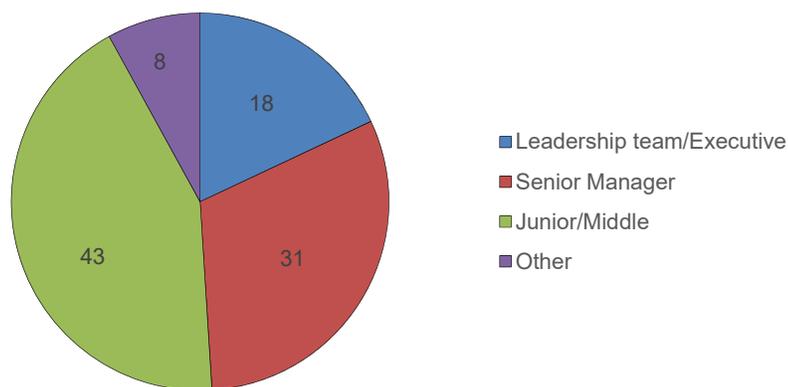


Figure 4: Percentage of participants based on job levels

Based on the expected level of corporate governance maturity, the researcher deemed it appropriate to select industries for companies listed on the JSE. The list of the six industries as shown in Figure 5 below was selected purposively and included healthcare, telecommunications, mining, energy and utilities, education, and financial services. However, the industries were selected based on the researcher's judgement, a known limitation of the purposive sampling technique. Other industries, which accounted for 23% of the responses, were noted through the snowball sampling technique. The mining industry contributed the highest responses at 29%, while the healthcare industry contributed at least 2% of total responses. The research was representative of the South African business environment. Therefore, the researcher was satisfied that the data collected was relevant and generalisable to the South African context. This also implied that the researcher did not believe that the composition of the industry sectors in this research would lead to any bias. Figure 5 shows the percentage of participants based on industries.

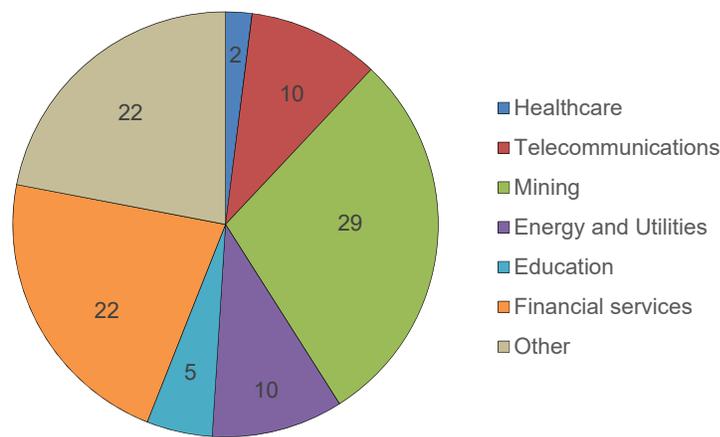


Figure 5: Percentage of participants based on industries

There was an even split between the gender statistics, with 52% of the responses representing females and 48% representing males. Figure 6 shows that in terms of the age categories, 86% of the participants reported being between 30 – 49 years old. This was valid with the researcher's judgement that this age group represented the middle and senior management and the executives or leadership in South African organisations. Individuals who belong to this age group are people who would have more experience and progress in their career paths, and be promoted to management level. The age group

that featured the lowest were the ages between 21 – 29 years. At this age, many people have entered the job market, and are entering the junior management category.

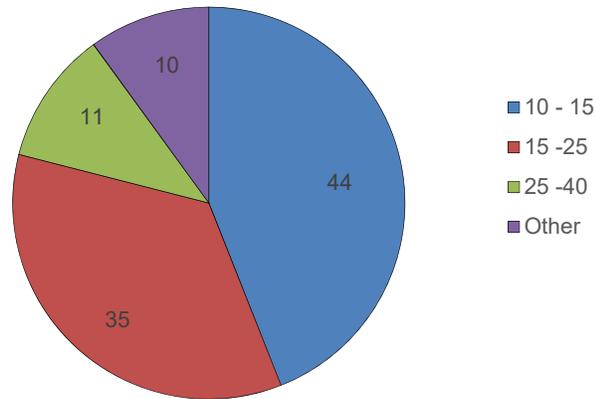


Figure 6: Percentage of participants based on age

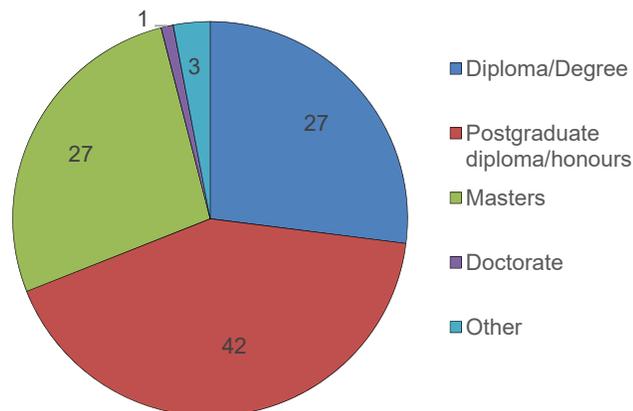


Figure 7: Percentage of participants based on educational level

The educational status indicates that most participants had a postgraduate qualification, indicating a 70% split between postgraduate diploma, honours degree or a master's qualification. This is evidence that this study targeted management-level employees who would have completed their professional qualifications and education. A further 27% reported having a level of education at a degree/diploma level, while 1% reported their education level at a Doctorate level. It was noted that the majority (90%) of the participants scored between 10 - 40 years of experience. As the study targeted managers, executives

and the leadership team, it was deemed appropriate that most participants scored in this category. Figure 7 shows the percentage of participants based on educational level.

From the review of the demographics, the researcher was confident that the sample was appropriate and was representative of the population. Therefore, the findings could be generalised to the South African context. There were no potential sampling biases observed, and any limitations of sampling techniques were addressed. The sample was, therefore, appropriate to answer the research questions.

### 5.3 Reliability

Table 3: Alpha scores for constructs

Factor	Number of items after to Cronbach's alpha	Number of items prior to Cronbach's alpha	Cronbach's Alpha
Inclusive leadership	10	10	0.95
Employee Voice	9	9	0.91
Corporate Governance	21	21	0.97

As discussed in section 4.10.2, the reliability of the research variables was assessed by evaluating the Cronbach's alpha scores, which is a measure of internal reliability consistency. All research factors report an alpha score above 0.7 per Table 3 above, as discussed in Chapter 4. Appendix B shows that removing any items used to measure the constructs will not improve the Cronbach's alpha. As a result, all the questions for inclusive leadership were used to test the construct. Thus, the results show that the measurement instrument is reliable. The Cronbach's alpha scores for each construct are shown in the following sections.

#### 5.3.1 Inclusive leadership Cronbach's alpha results

The inclusive leadership construct was measured using ten items. The Cronbach's alpha indicates an acceptable score of 0.95. The questions for inclusive leadership were adapted from Ye et al. (2019).

The results of the Cronbach's alpha for inclusive leadership are consistent with the study by Ye et al. (2019), with the factor loading ranging between 0.88 to 0.94 for inclusive leadership. The results for the Cronbach's alpha for inclusive leadership are shown in Table 4.

Table 4: Cronbach's alpha for inclusive leadership

<b>Reliability Statistics</b>		
Cronbach's alpha	Cronbach's alpha based on standardised items	N of Items
0,954	0,955	10

### 5.3.2 Employee voice Cronbach's alpha results

Reliability for the employee voice construct is high at a Cronbach's alpha of 0.91, with nine items used to measure the construct. Therefore, it is concluded that all the questions are reliable and consistent. The results for Cronbach's alpha for the employee voice construct are shown in Table 5.

Table 5: Cronbach's alpha for Employee voice

<b>Reliability Statistics</b>		
Cronbach's alpha	Cronbach's alpha based on standardised items	N of Items
0,910	0,911	9

### 5.3.3 Corporate governance Cronbach's alpha results

Corporate governance was measured using the six dimensions of the King IV Code as established by the Institute of Internal Auditors' Corporate Governance Index of 2020 (IIASA, 2021). For the purpose of this research, corporate governance was measured using 21 questions adapted from the King Code.

Reliability for the corporate governance construct is high at a score of 0.97. In addition, the researcher verified that removing any indicators that measured corporate governance will not improve the Cronbach's alpha. Therefore, all the questions are reliable to measure the construct. The results of Cronbach's alpha for corporate governance are shown in Table 6.

Table 6: Cronbach alpha for corporate governance

<b>Reliability Statistics</b>		
Cronbach's alpha	Cronbach's alpha based on standardised items	N of Items
0,970	0,970	21

#### **5.4 Validity**

Discriminant and convergent validity were evaluated using Pearson's correlation test (see Appendix C). All variables belonging to a specific construct report higher relationships with their respective factor variables versus the other. All measured variables that link to a construct (example; employee voice) show inter item correlations that are high (average > 0.5). The inter item variable, for example, employee voice does not correlate high with inclusive leadership. This shows that the variables that link to a construct converge on one construct and they do not correlate high with other construct variables, therefore, no discriminant validity issues. The researcher thereby confirms that there were no validity issues.

#### **5.5 Model Fit**

As discussed in Chapter 4, the researcher conducted a CFA analysis to evaluate the overall model fit for the research model. The CFA model indices provide mixed results as shown in Table 7, probably because the sample data was approximately not normally distributed. Although the SRMR reports good model fit values (SRMR < 0.08), the RMSEA values are above the minimum threshold of 0.08. Both inclusive leadership and employee voice report CFI scores > 0.9, while corporate governance reports a CFI score of 0.89. The Chi-Square probability for all the construct first-order variables is < 0.05, which is unacceptable, as this indicates that the departure of the data from the model is significant. Based on these results, the researcher conducted a PCA analysis as an alternative to evaluate model fit.

Table 7: Confirmatory factor analysis

<b>CFA</b>				
<b>Scale</b>	<b>SRMR</b>	<b>RMSEA</b>	<b>CFI</b>	<b>Chi-Square</b>
Inclusive Leadership	0.04	0.14	0.93	0
Employee Voice	0.05	0.12	0.92	0
Corporate Governance	0.05	0.11	0.89	0

In addition, the researcher conducted a PCA analysis as discussed in Chapter 4.

All KMO scores are > 0.5, indicating good sampling adequacy for the research factors. All factors report KMO scores > 0.9 and are categorised as ‘marvellous’. Furthermore, Bartlett’s Test for Sphericity reports significance levels < 0.05 for all three research factors as summarised in Table 8, indicating that the PCA is suitable for conducting. Finally, all three research factors (inclusive leadership, employee voice and corporate governance) extract one component each, respectively. The researcher interprets these results as a good model fit.

Table 8: PCA Analysis

<b>EFA</b>					
<b>Construct</b>	<b>KMO</b>		<b>Bartlett's Test of Sphericity</b>	<b>Number of components extracted</b>	<b>Cumulative %</b>
Inclusive Leadership	0.94	Marvellous	0.00	1	71.08
Employee Voice	0.91	Marvellous	0.00	1	58.66
Corporate Governance	0.95	Marvellous	0.00	1	63.13

## 5.6 Descriptive Statistics for Observable Variables and Constructs

This section outlines the descriptive statistics for each of the research variables used to measure the constructs. The descriptive statistics calculates the mean scores, which were calculated for each latent variable, based on the measured variables. Further to this, an average score was calculated per construct. It should also be noted that the descriptive statistics were only calculated on the valid responses, representing the sample that was confirmed as 216. N = 216. Table 9 provides a summary of the descriptive statistics for

each of the research constructs. All means are reported at the high end of the scale, with corporate governance having the highest mean of 4.23, followed by inclusive leadership (4.06), and then employee voice (3.95). Tables 10 -12 shows the descriptive statistics for all questions that were used to measure the three constructs which indicates that all the mean scores were at the high end, indicating the positive association of the participants with the measured variables.

Table 9: Summary of descriptive statistics

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
ILT	216	1,00	5,00	<b>4,0579</b>	0,99170
EVT	216	1,00	5,00	<b>3,9542</b>	0,87115
EthicsT	216	1,00	5,00	4,3457	0,94328
ComplianceT	216	1,00	5,00	4,3611	1,02135
LeadershipT	216	1,00	5,00	4,2222	0,96559
PerformanceT	216	1,00	5,00	3,9977	0,95965
RMT	216	1,00	5,00	4,2940	0,97904
AssuranceT	216	1,00	5,00	4,1370	1,01547
CG	216	1,00	5,00	<b>4,2263</b>	0,87969
Valid N	216				

Table 10: Descriptive statistics for inclusive leadership

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
IL1	216	1	5	4,17	1,105
IL2	216	1	5	4,16	1,118
IL3	216	1	5	4,08	1,196
IL4	216	1	5	4,15	1,153
IL5	216	1	5	3,85	1,322
IL6	216	1	5	4,06	1,219
IL7	216	1	5	4,03	1,175
IL8	216	1	5	4,11	1,102
IL9	216	1	5	4,12	1,089
IL10	216	1	5	3,85	1,289
<b>The average score for construct</b>	216	1,00	5,00	<b>4,0579</b>	0,99170
<b>Valid N (listwise)</b>	<b>216</b>				

Table 11: Descriptive statistics for employee voice

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
EV1	216	1	5	4,23	0,941
EV2	216	1	5	4,09	1,066
EV3	216	1	5	3,85	1,282
EV4	216	1	5	4,29	1,053
EV5	216	1	5	3,64	1,257
EV6	216	1	5	4,02	1,139
EV7	216	1	5	3,78	1,281
EV8	216	1	5	3,55	1,215
EV9	216	1	5	4,13	0,984
<b>Average score per construct</b>	EVT	216	1,00	5,00	<b>3,9542</b>
<b>Valid N</b>	216				

Table 12: Descriptive statistics for corporate governance

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
Ethics1	216	1	5	4,30	1,054
Ethics2	216	1	5	4,57	0,986
Ethics3	216	1	5	4,17	1,288
Compliance1	216	1	5	4,52	1,052
Compliance2	216	1	5	4,25	1,158
Compliance3	216	1	5	4,31	1,146
Leadership1	216	1	5	4,21	1,166
Leadership2	216	1	5	4,06	1,144
Leadership3	216	1	5	4,40	0,960
Leadership4	216	1	5	4,22	1,071
Performance1	216	1	5	3,94	1,136
Performance2	216	1	5	3,96	1,134
Performance3	216	1	5	4,21	1,064
Performance4	216	1	5	3,88	1,139
RM1	216	1	5	4,36	1,002
RM2	216	1	5	4,23	1,034
Assurance1	216	1	5	4,06	1,041

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
Assurance2	216	1	5	4,01	1,061
Assurance3	216	1	5	4,14	1,259
Assurance4	216	1	5	4,22	1,252
Assurance5	216	1	5	4,25	1,186
<b>Average score per construct</b>	<b>216</b>	<b>1</b>	<b>5</b>	<b>4,23</b>	<b>0,879</b>
Valid N (listwise)	216				

Given that the constructs display a skewness, the researcher conducted tests for normality to assess the state of normal distribution (Table 13). The Kolmogorov-Smirnov and Shapiro-Wilk Tests for normality report significance levels  $< 0.05$ , which indicates that the data is approximately not normally distributed.

Table 13: Test of normality

<b>Tests of Normality</b>						
Construct	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Inclusive Leadership	0.17	216	0.00	0.85	216	0.00
Employee Voice	0.12	216	0.00	0.91	216	0.00
Ethics	0.26	216	0.00	0.71	216	0.00
Compliance	0.27	216	0.00	0.67	216	0.00
Leadership	0.21	216	0.00	0.78	216	0.00
Performance	0.15	216	0.00	0.88	216	0.00
Risk Management	0.24	216	0.00	0.72	216	0.00
Assurance	0.20	216	0.00	0.80	216	0.00
Corporate Governance	0.19	216	0.00	0.77	216	0.00

## 5.7 Research Question Analysis

Research questions 1 to 3 were evaluated using Spearman's rank-order test as the data is reported as not being approximately normally distributed, as discussed in Chapter 4.

### 5.7.1 Research question 1

The research posits that there is a positive relationship between inclusive leadership and corporate governance:

**H<sub>0</sub>: There is no significant relationship between inclusive leadership and corporate governance**

**H<sub>1</sub>: There is a significant positive relationship between inclusive leadership and corporate governance**

From Table 14 below, the Spearman's rank-order test reports a positive correlation coefficient of 0.50, as shown in Table statistically significant at the 95% confidence level between inclusive leadership and corporate governance.

The correlation coefficient is further classified as a significant effect ( $r > 0.5$ ). Therefore, the researcher rejects the null hypothesis for research question 1, as there is a statistically significant positive relationship between inclusive leadership and corporate governance.

Table 14: Correlation test: inclusive leadership and corporate governance

<b>Spearman's Rank-Order Test</b>			
<b>Hypothesis 1</b>		<b>Inclusive Leadership</b>	<b>Corporate Governance</b>
<b>Inclusive Leadership</b>	Correlation Coefficient	1	<b>0.50</b>
	Sig. (2-tailed)		<b>0.05</b>
	N	216	216

### 5.7.2 Research question 2

The research posits that there is a positive relationship between inclusive leadership and employee voice:

**H<sub>0</sub>: There is no significant relationship between inclusive leadership and employee voice**

**H<sub>2</sub>: There is a significant positive relationship between inclusive leadership and employee voice**

The Spearman's rank-order test reported a positive correlation coefficient of 0.72 as shown in Table 15 below, statistically significant at the 95% confidence level between inclusive leadership and employee voice.

The correlation coefficient is further classified as a large effect ( $r > 0.5$ ). Therefore, the researcher rejects the null hypothesis for research question 2, as there is a statistically significant positive relationship between inclusive leadership and employee voice.

Table 15: Correlation test: inclusive leadership and employee voice

<b>Spearman's Rank-Order Test</b>			
<b>Hypothesis 2</b>		<b>Inclusive Leadership</b>	<b>Employee Voice</b>
<b>Inclusive Leadership</b>	Correlation Coefficient	1	<b>0.72</b>
	Sig. (2-tailed)		<b>0.05</b>
	N	216	216

### 5.7.3 Research question 3

The research posits that there is a positive relationship between employee voice and corporate governance:

**H<sub>0</sub>: There is no significant relationship between employee voice and corporate governance**

**H<sub>3</sub>: There is a significant positive relationship between employee voice and corporate governance**

The Spearman's rank-order test reported a positive correlation coefficient of 0.60 as shown in Table 16 below, statistically significant at the 95% confidence level between employee voice and corporate governance.

The correlation coefficient is further classified as a large effect ( $r > 0.5$ ). Therefore, the researcher rejects the null hypothesis for research question 3, as there is a statistically significant positive relationship between employee voice and corporate governance.

Table 16: Correlation test: employee voice and corporate governance

<b>Spearman's Rank-Order Test</b>			
<b>Hypothesis 2</b>		<b>Employee Voice</b>	<b>Corporate Governance</b>
<b>Employee Voice</b>	Correlation Coefficient	1	<b>0.60</b>
	Sig. (2-tailed)		<b>0.05</b>
	N	216	216

#### 5.7.4 Research question 4

Research question 4 sought to establish if the employee voice construct has a mediating effect on the relationship between inclusive leadership and corporate governance:

**H<sub>0</sub>: Employee Voice does not have a significant mediating effect on the relationship between inclusive leadership and corporate governance**

**H<sub>4</sub>: Employee Voice has a significant mediating effect on the relationship between inclusive leadership and corporate governance**

As discussed in Chapter 4, the researcher adopted a mediated regression model to evaluate the mediation model for research question 4. The conceptual model is detailed below.

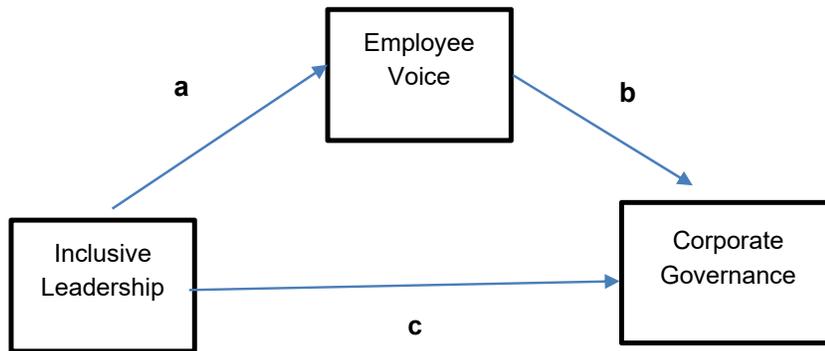


Figure 8: The conceptual model

The indirect effect of inclusive leadership on corporate governance through employee voice is computed as  $ab$ , and the direct effect of inclusive leadership on corporate governance is computed as  $c'$  as shown in Figure 8 above.

Regression analysis, using the Hayes Process Model 4 in SPSS, was used to evaluate research question 3. The researcher aimed to determine if mediation exists by interpreting the indirect effect of inclusive leadership on corporate governance through employee voice using two approaches as described in Chapter 4.

First, the output from the Hayes Process model reports the bootstrap confidence interval (CI) as 0.15 to 0.42 as summarised in Tables 17 - 20. As the CI does not include zero, the researcher infers a significant mediation effect at the 95% confidence level. Second, the importance of the mediation was evaluated by interpreting the path coefficient as detailed

in the conceptual figure above. As reported in Table 20, the direct effect reports a  $p$ -value = 0.01, which is significant. Therefore, the mediation is interpreted as complementary partial mediation. As discussed in Chapter 4, the percentage mediation was calculated by computing the indirect effect ( $ab$ ) over the total effect ( $c$ ) – 60.6% as shown in Figure 9 below.

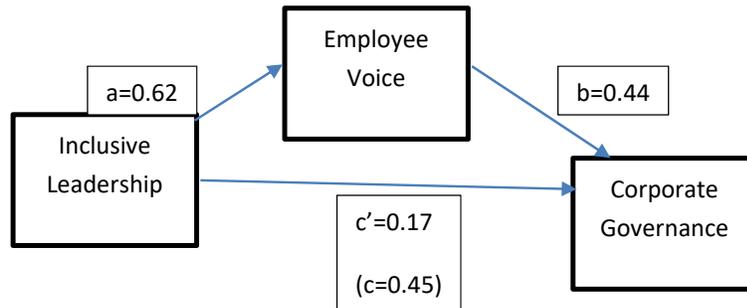


Figure 9: Computation of the mediation

Table 17: Mediated regression: Employee voice

OUTCOME VARIABLE (1)						
Employee Voice						
Model Summary						
R	R-sq	MSE	F	df1	df2	$p$
0.71	0.50	0.38	212.84	1	214	0.00
Model						
	Coeff	se	T	$P$	LLCI	ULCI
constant	1.44	0.18	8.09	0.00	1.09	1.79
Inclusive Leadership	0.62	0.04	14.59	0.00	0.54	0.70

Table 18: Mediated regression: Corporate governance

<b>OUTCOME VARIABLE (2)</b>						
Corporate Governance						
<b>Model Summary</b>						
R	R-sq	MSE	F	df1	df2	P
0.59	0.35	0.51	56.29	2	213	0.00
<b>Model</b>						
	coeff	Se	t	p	LLCI	ULCI
Constant	1.79	0.23	7.64	0.00	1.33	2.25
Inclusive Leadership	0.17	0.07	2.51	0.01	0.04	0.31
Employee Voice	0.44	0.08	5.53	0.00	0.28	0.59

Table 19: Mediated regression: Total effect model

<b>Total effect model (3)</b>						
Corporate Governance						
<b>Model Summary</b>						
R	R-sq	MSE	F	df1	df2	P
0.50	0.25	0.58	72.05	1	214	0.00
<b>Model</b>						
	coeff	Se	t	P	LLCI	ULCI
Constant	2.42	0.22	11.05	0.00	1.99	2.85
Inclusive Leadership	0.45	0.05	8.49	0.00	0.34	0.55

Table 20: Mediated regression: Total direct and indirect effects

<b>Total, direct and indirect effects (4)</b>					
<b>Total effects of Inclusive leadership on Corporate Governance</b>					
Effect	se	T	p	LLCI	ULCI
0.45	0.05	8.49	0.00	0.34	0.55
<b>Direct effect of Inclusive leadership on Corporate Governance</b>					
Effect	se	T	p	LLCI	ULCI
0.17	0.07	2.51	0.01	0.04	0.31
<b>Indirect effect of Inclusive leadership on Corporate Governance</b>					
Effect			Boot SE	Boot LLCI	Boot ULCI
0.27			0.07	0.15	0.42

The researcher, therefore, rejects the null hypothesis as there is a significant indirect effect of inclusive leadership on corporate governance through employee voice, AB = 0.27, CI (0.15, 0.42) as shown in Table 20 above. The mediator (employee voice) accounts for 60.6% of the total effect of inclusive leadership on corporate governance.

## 5.8 Conclusion

The core objective of this research was to explore inclusive leadership and the impact of the employee voice construct on corporate governance. Research questions 1 to 3 were evaluated using Spearman's rank-order test, as the data was assessed as approximately not normally distributed. Through the correlational analysis, inclusive leadership reports a significant positive relationship with corporate governance ( $r = 0.50, p < 0.05$ ), and a significant positive relationship with employee voice ( $r = 0.72, p > 0.05$ ). Furthermore, employee voice reports a significant positive relationship with corporate governance ( $r = 0.60, p < 0.05$ ). Finally, inclusive leadership reports a significant indirect effect on corporate governance through the employee voice construct, meaning that employee voice is a complementary partial mediator.

## **CHAPTER 6: DISCUSSION**

### **6.1 Introduction**

The research aimed to demonstrate the relationship between inclusive leadership and corporate governance, using employee voice as a mediator. Chapter 6 presents the statistical results from Chapter 5 by conceptualising the results and using the theoretical framework presented in Chapter 2. In Chapter 3, a model was hypothesised (Figure 2) to answer the research questions. Drawing from the literature reviewed in chapter 2, inclusive leadership was defined as a leadership construct in which the leader is open, transparent, fair, accessible and always available for followers (Ye et al., 2019; Burris et al., 2017; Shore et al., 2018; Guo et al., 2020; Jiang et al., 2020) The researcher proposed that inclusive leadership emphasised employee voice such that when a leader is inclusive, this leads to followers feeling a sense of belongingness and being valued for uniqueness (Ward et al., 2016; Randel et al., 2018; Burris et al., 2017; Guo et al., 2020). Thus the follower feels psychologically safe to use their promotive and prohibitive voice to raise concerns and improve work processes (Burris et al., 2017; Guo et al., 2020; Jiang et al., 2020). Employee voice, a construct closely linked to leadership constructs, demonstrated the relationship between inclusive leadership and corporate governance via a mediation model.

This chapter will draw from the statistical tests performed in Chapter 5 and outline the results in line with the literature review. With no concerns raised from the sample, and the sample deemed appropriate to answer the research questions, the following sections will analyse the findings from the hypothesis testing, and be reconciled with the literature review outlined in Chapter 2. Specific focus will be on whether the results support, oppose, or supplement the existing literature's body.

The results of each construct are discussed in the following section.

### **6.2 Descriptive Statistics**

#### **6.2.1 Inclusive leadership**

The data collected in this research showed that employees viewed their leader/manager as inclusive. It was also noteworthy that only 3% 'strongly disagreed' (rating 1 on the Likert

scale) with the statement that their leaders were inclusive. At the same time, less than 7% of the participants viewed their manager/leader as being partially inclusive and rated 'disagreed' (rating 2 of the Likert scale). Thus, the analysis showed that inclusive leadership was a fitting leadership construct in South African listed organisations. The theoretical framework in Chapter 2 posited inclusive leadership as effective in facilitating workplace outcomes such as promoting innovation by the team and individuals; organisational performance, group identification, organisational commitment, creating an inclusive and ethical climate, and supporting the employee voice (Ye et al., 2016; Shore et al., 2018). Therefore, the study aimed to demonstrate the relationship between inclusive leadership and corporate governance (Ye et al., 2019; Shore et al., 2018; Randel et al., 2016, Randel et al., 2018; Guo et al., 2020).

The study posited that there was a positive relationship between inclusive leadership and corporate governance, with the notion that inclusive leadership positively influenced corporate governance. Therefore, the researcher deemed it appropriate to target leaders working for companies listed on the JSE. This was based on the assumption that adopting the corporate governance principles that were published in the King Code, was mandatory for JSE listed companies (IoDSA, 2016; JSE, 2019). Furthermore, the researcher assumed that corporate governance in these organisations was mature and therefore influenced by their inclusive leader. As discussed in Chapter 4, the research variables that measured inclusive leadership were adopted from previous research (Ye et al., 2019). Therefore, the research instrument was valid, reliable, and the proper fit to measure inclusive leadership.

The research results confirmed that leaders working for the JSE listed companies were inclusive, as was purported in the literature and hypothesis development. Furthermore, the research findings support the literature in that they state that inclusive leaders are open, transparent, fair, approachable, enhance respect and value their followers' contributions and ideas, they encourage participation, endorse psychological safety and high leader-member exchange (LMX) (Jiang et al., 2020; Ye et al., 2019; Randel et al., 2016, Randel et al., 2018; Shore et al., 2018; Burris et al., 2017).

As outlined in section 5.7, both the Kolmogorov-Smirnov and Shapiro-Wilk tests for normality reported significance levels  $< 0.05$  for all constructs, which indicated that the data was not normally distributed. Given that the data was not normally distributed, the researcher concluded that the sample and the population selected were appropriate for

testing all the constructs. The review of the data also indicated that the distribution was asymmetrical with a positive skew. This indicated a positive and consistent association of the results. As shown in Table 10, the highest mean score for inclusive leadership as calculated on the measured variable was  $M = 4.17$ . The sample item was “*My leader/manager is open to hearing new ideas*”. This finding aligned with Ye et al. (2019); Burris et al. (2017) who confirmed a high mean score for the measured variable.

Furthermore, the finding also confirmed other literature on the inclusive leader variable as referring to a leader who is open, a willing listener, fair, approachable and valuing the contributions and participation provided by their followers (Shore et al., 2018, Guo et al., 2020; Randel et al., 2016, Randel et al., 2018; Jiang et al., 2020; Burris et al., 2017). The lowest mean score was observed at  $M = 3.85$ . The sample items measure was “*My leader is an ongoing presence in his team and is someone who is readily available*” and “*My leader is open to practical feedback*”. The means were in the high end, further confirming the perception of the participants’ leaders as being inclusive leaders. This further confirmed the literature that had noted that an inclusive leader was accessible, transparent, approachable and willing to listen to new ideas (Burris et al., 2017; Javed et al., 2019; Shore et al., 2018).

### **6.2.2 Employee voice**

The first-order mean score for the employee voice construct was observed at  $M = 3.95$ , also in the high values, and in line with the findings obtained from previous research (Walumbwa & Schaubroeck, 2009; Ye et al., 2019; Burris et al., 2017). The high values of the mean scores indicated that participants perceived themselves to have an assertive voice behaviour in their current role within the organisations they worked for. Only 8% of these participants perceived their voice behaviour as weak, with 2% in the extreme of ‘strongly disagree’ category, and 6% rated ‘disagree’, respectively. Effectively, 31% of the participants ‘strongly agreed’ that their voice behaviour was strong, whilst 43% ‘agreed’ to having a strong voice. The data distribution was asymmetric, with a positive skew, indicating that the mean was more significant than the median. Therefore, most participants reflected a higher association with the employee voice construct than the number of participants who did not view their employee voice as being strong. The most popular item in the data as selected by the participants, was option 4, which was represented by ‘Agree’ on the Likert Scale. The mode showed that a large number of the participants perceived themselves to have an assertive voice behaviour.

It was also noteworthy that the results aligned with the first construct, which measured leader inclusiveness and confirmed that inclusive leadership resulted in employee voice and confirmed the assertions that were made in literature (Ye et al., 2019; Jiang et al., 2020; Guo et al., 2020; Burris et al., 2017). This finding allowed the researcher to make more inferences about the variables that were measured. The descriptive statistics for the employee voice construct showed a high mean score for the first-order variables for inclusive leadership and consequently, a high score for employee voice. Therefore, the deduction was supported by the findings that inclusive leadership facilitates and improves employee voice as purported in the literature (Burris et al, 2017; Guo et al., 2020; Jiang et al., 2020).

Table 11 in section 5.7 of the research results showed the average mean score per measured variable. The highest mean score for employee voice was calculated as  $M = 4.29$ , with the sample item being *"I can speak up to my leader with new ideas for projects or changes in procedures"*. This finding aligned to the literature reviewed in chapter 2 where it was highlighted that inclusive leadership encourages employees to use their promotive voice behaviour to improve work processes (Jiang et al., 2020; Burris et al., 2017). Conversely, the lowest mean score per measured variable for employee voice was  $M = 3.55$ , with the measured sample item as *"I can persuade my leader to change organisational rules or non-productive or counterproductive policies"*. This implied that although the participants perceived their voice behaviour to be strong, this item scored less than other items that were measured such as *"I speak up and influence my leader regarding issues that affect my organisation, even if my opinion is different and my leader/manager disagrees with it"*. These findings indicated employees' positive association with employee voice and psychological safety to use their promotive and prohibitive voice to improve organisational outcomes (Guo et al., 2020; Burris et al, 2017; Jiang et al., 2020), which also was aligned with the findings by Walumbwa and Schaubroeck (2009), and Van Dyne and LePine (1998). It also confirmed that the employee voice construct encourages employees to contribute with new ideas and areas of improvement suggested to be made for the common benefit of the organisation, as it was suggested in the literature (Ye et al., 2019; Guo et al., 2020, Burris et al., 2017).

### 6.2.3 Corporate governance

The measured variables for corporate governance were adopted from the Corporate Governance Index 2020 (IIASA, 2021) and included 21 questions, encompassing six dimensions from the King IV Report of Corporate Governance 2016 (IoDSA, 2016). The average mean score for corporate governance was calculated as  $M = 4.23$ , indicating that participants perceived the level of corporate governance practice in their organisation as good. Table 12 in section 5.7 showed that the ethics and compliance dimensions rated the highest according to the average mean score, which indicates that ethics and compliance were *the strongest among the dimensions*. Based on the overall construct frequency and the measurement scale, 49.1% of the participants 'strongly agreed' (5 – highest level), and 37% rated 'agree' (4 – second-highest level), with the ethics and compliance dimensions rating the strongest in the frequency. The sample questions with the highest means included *"Our organisation has a documented code of conduct that outlines the ethical conduct and standards"* for the ethics dimension, and *"Internal policies incorporate guidelines on anti-bribery, fraud and corruption in the day-to-day operations"*.

A review of the data reflected that the data was evenly dispersed around the average mean, with a positively skewed distribution. Therefore, this implied the positive perception of the participants' organisations when corporate governance was reviewed. Furthermore, both the Kolmogorov-Smirnov (**0.190**) and Shapiro-Wilk tests (**0.773**) for normality reported significance levels of  $< 0.05$ , respectively for corporate governance, which indicated that the data was closely distributed around the mean. Since the data was not normally distributed, the researcher concluded that the sample and population selected were appropriate for testing all the constructs. Furthermore, the review of the data indicated that the distribution was asymmetrical with a positive skew.

### 6.3 The Relationship between Inclusive Leadership and Corporate Governance

The purpose of this study was to demonstrate the relationship between inclusive leadership and corporate governance, and further to examine if this relationship was mediated by the employee voice construct. Research question 1 investigated a significant relationship between inclusive leadership and corporate governance, as the literature purported.

## **H<sub>1</sub>: There is a significant positive relationship between inclusive leadership and corporate governance**

According to the study's conceptual model as shown in Figure 8 and the hypothesis presented in Chapter 3, inclusive leadership was established as the independent variable and corporate governance as the dependent variable. The literature on inclusive leadership mentioned the benefits of inclusive leadership, and cited factors such as feelings of belongingness and acceptance and value for uniqueness (Ye et al., 2019; Shore et al., 2018) being facilitated by inclusive leaders. Inclusive leadership was also linked to the social identity theory and leader-member exchange, where it was mentioned that employees have an affinity to identity with the leader or group to the extent that they feel psychologically safe to contribute to the work process, and to speak up against organisational injustices (Shore et al., 2018; Randel et al., 2018). They also feel encouraged to suggest improvement opportunities for the organisation in such an environment where they feel safe (Shore et al., 2018; Guo et al., 2020).

In addition to psychological safety, inclusive leadership was linked to organisational commitment such that followers identified with the inclusive leader and the group through feelings of belongingness. In addition, being accepted and valued for their uniqueness creates and endorses an assertive employee voice behaviour and, therefore, creates the perception among the employees that they are free to express themselves on problems that might be detrimental to the organisation (Randel et al., 2016, Randel et al., 2018). Randel et al. (2018) explain that an additional positive attribute associated with inclusive leadership refers to psychological empowerment and behavioural outcomes. It is posited by these authors that inclusive leadership results in improved creativity, reduced turnover, improved organisational performance and an enhanced commitment to organisational goals and objectives (Randel et al., 2018).

Several studies have identified that leadership has the role of a driver to enhance inclusion through adopting and supporting best practices around inclusion in the organisation (Shore et al., 2018; Ye et al., 2019; Jiang et al., 2020). Shore et al. (2018) also explain that best practices in creating inclusive organisations encompass information sharing, collaborative work arrangements, group connections, and networking to reinforce social identity, and tolerance of different points of view. The literature reviewed confirmed the benefits of inclusive leadership on workplace outcomes related to employees' innovative behaviour, as well as the presence of organisational justice, organisational commitment,

and the achievement of organisational goals and objectives (Ye et al., 2019; Guo et al., 2020; Burriss et al., 2017; Shore et al., 2018). However, there were gaps in the literature regarding the influence of inclusive leadership as a leadership construct on corporate governance, leading to a positive outcome for organisations.

The ambitions of the King IV Report on Corporate Governance suggested that an ethical corporate culture, organisational performance, legitimacy, and adequate and effective control (IoDSA, 2016) were vital for inclusive leaders to have to abide by. The King Code characterises the role and responsibility of the effective and ethical leader through the essential personal traits of transparency, integrity, accountability, fairness, and competency. While previous research on corporate governance has identified leaders as being paramount in organisations' effective and ethical management, literature is sparse around the specific attributes and personality traits of the type of leader who is able to facilitate the practice of good corporate governance in organisations (Steckler & Clark, 2019). Steckler and Clark (2019) mention authenticity as an essential leader attribute for facilitating corporate governance. Brown and Treviño (2014) suggest that leaders who exhibit high ethical and moral values are the antecedents for good corporate governance. Adegbite (2015); Furlotti and Mazza (2020) highlight that leaders are inclusive in their leadership style if they adopt the stakeholder theory and, therefore, will be able to affect good corporate governance practices by including the employees in the communication and execution of the King Code regarding ethics and ethical policies. Mccall (2001) advocated for the inclusion of employees in decision-making, so that they would buy into such decisions, adopt and endorse them, and help to improve the governance outcomes through the exercise of voice behaviour.

There had been limited literature that irrefutably identifies the specific leadership style for the adoption of and the consistent adherence to corporate governance and ethical corporate behaviour. Literature had identified that different leadership styles are effective based on different organisational contexts. Therefore, in response to the literature review and the benefits of inclusive leadership on workplace processes and workplace outcomes, challenges and opportunities, the researcher hypothesised that there was a significant relationship between inclusive leadership and corporate governance, and corporate governance was identified as a favourable workplace outcome.

As discussed in section 5.8.1, the hypothesis 1 was tested using Spearman's rank-order correlation coefficient test. The Spearman's rank-order test was identified as an appropriate and relevant test. Its main objective is to measure the strength and direction

between variables on ordinal ranked data in a linear relationship. The Spearman's rank-order test reported a positive correlation coefficient of 0.50, statistically significant at the 95% confidence level between inclusive leadership and corporate governance. Thus, hypothesis 1 was accepted and affirmed the literature review that inclusive leadership influences workplace outcomes such as corporate governance and therefore a significant relationship exists between inclusive leadership and corporate governance. The literature indicated that inclusive leadership was positively related to work outcomes and work objectives (Ye et al., 2019; Shore et al., 2018; Guo et al., 2020). Therefore, when leaders are inclusive, employees feel psychologically safe to voice their concerns and speak up if there are any decisions taken in the company that are in conflict with corporate governance (Ye et al., 2019; Shore et al., 2018; Jiang et al., 2020).

The findings also highlighted the role and responsibility of the leader in adopting and implementing effective good corporate governance measures as described in the King IV Report on Corporate Governance (IoDSA, 2016) and the G20/OECD Principles of Corporate Governance (OECD, 2015). This highlights the imperative role of leadership not only to create an effective and ethical culture, and motivate employees to accomplish of governance outcomes, but also to be a consistent role model and set an example to all employees at all times (IoDSA, 2016). The role of the leader in corporate governance is thus achieved through inclusive leadership, including the employees in decision-making regarding corporate governance, the measures that will be taken to ensure the whole organisation abides by the rules, and the decisions of what measures will be taken if individuals or groups do not adhere to the rules (Burris et al., 2017; Shore et al., 2018; Randel et al., 2016).

These findings support the positive influence and associations of inclusive leadership on workplace outcomes such as innovative behaviour, which supported the findings by Ye et al. (2019) and Jiang et al. (2020), where it was noted that inclusive leadership is related to employee's innovative work behaviour and an ethical climate. Furthermore, the findings are consistent with Shore et al. (2018), as they highlighted the positive outcomes of organisational justice, an ethical climate, resulting organisational performance and achievement of governance outcomes. The results add to the literature on the effect of leadership constructs on corporate governance, thereby confirming the findings that an inclusive leader, through being open, fair, transparent, willing to listen to new ideas and improvements, encouraging psychological safety, and creating a sense of belongingness and freedom among employees, has a significant influence on corporate governance and

thus the performance of the organisation. By rejecting the null hypothesis, the researcher believes this relationship will be especially beneficial in JSE listed companies, where corporate governance is mandatory.

#### **6.4 The Relationship between Inclusive Leadership and Employee Voice**

The literature reviewed posited a relationship between inclusive leadership and employee voice. Previous studies confirmed that inclusive leadership influenced the employee voice construct. When leaders are inclusive, this inspires a sense of belongingness and reception between employees, who also feel valued for their uniqueness (Shore et al., 2011; Shore et al., 2018, Randel et al., 2016; Randel et al., 2018). Therefore, an inclusive leader will encourage employees to speak up against organisational injustices or a lack of adherence to corporate governance rules; employees will feel encouraged to share new ideas and find ways to improve the work processes (Ye et al., 2019; Burris et al., 2017; Guo et al., 2019).

The literature also highlighted that employees who identify with the leader and the group process tend to have a higher voice behaviour through their organisational commitment and the leader-member exchange (Walumbwa & Schaubroek, 2009; Jiang et al., 2020; Shore et al., 2018). The social identity theory was also used to explain the relationship between inclusive leadership and employee voice (Guo et al., 2020; Jiang et al., 2020; Shore et al., 2018; Burris et al., 2017; Ward et al., 2016). The authors highlight that employees identify with the leader or group when their most important needs of identification, acceptance and freedom of association and expression are met (Burris et al., 2017; Shore et al., 2018; Randel et al., 2018). Furthermore, leaders rely on followers on information and to learn about concerns and areas of improvement that aid the leaders in effective decision making (Burris et al., 2017). By encouraging employee voice, the inclusive leader benefits the organisation by improving processes, addressing concerns or problems that may cause harm to the organisation and positions the organisation for the achievement of governance outcomes through the employees' participation and contribution (Burris et al., 2017; Furlotti & Mazza, 2020; Randel et al., 2018).

## **H<sub>2</sub>: There is a significant positive relationship between inclusive leadership and employee voice**

The Spearman's rank-order correlation coefficient test was conducted to understand the relationship between inclusive leadership and employee voice, as explained in section 5.8.1. The test highlighted a significant correlation coefficient of 0.72, indicating a significant relationship between the two measured variables. The association of the measured variables was further confirmed by the responses in the descriptive, where it was noted that the majority of the participants perceived their leader to be inclusive and perceived their own voice behaviour to be high. The findings were consistent with previous studies conducted by Inclusive leadership and employee voice were positively correlated through employees experiencing psychological safety, a positive leader-member exchange, social identity, and an encouragement for their promotive and prohibitive voice regarding injustices at work or non-adherence to corporate governance rules (Burriss et al., 2017; Shore et al., 2018; Guo et al., 2020; Jiang et al., 2020).

In addition, the findings from Guo et al. (2020) confirmed that inclusive leadership was positively related to all factors of the employee voice construct. For example, inclusive leadership was positively correlated with employee promotive voice ( $b = 0.32, p < 0.001$ ), leader identification ( $b = 0.30, p < 0.001$ ) and prohibitive voice ( $b = 0.27, p < 0.001$ ). The results supported the assertions by Jiang et al. (2020), who confirmed the relationship between inclusive leadership and the employee voice construct, with a correlation coefficient of ( $r = .27, p < .01$ ) and Shore et al. (2018), who also confirmed that a significant relationship existed between inclusive leadership and the employee voice construct.

This research adds to the existing literature and thus confirms that inclusive leadership is associated with employee voice. The discussion on employee voice has posited that voice encourages employees to speak up in an environment where they feel psychologically safe, and they identify with the leader or group, while remaining true to themselves, and where they have a beneficial leader-member exchange (Ye et al., 2019; Burriss et al., Jiang et al.; 2020; Guo et al., 2020).

Furthermore, because inclusive leaders in their nature accentuate employees' sense of belongingness and value them for their uniqueness, they might be more inclined to fairness and openness, which allows employees to exercise their voice behaviour. Thus

by rejecting the null hypothesis, the research has demonstrated that a significant positive relationship exists between inclusive leadership and employee voice. More importantly, the research will add to the existing literature and body of knowledge.

## **6.5 The Relationship between Employee Voice and Corporate Governance**

### **H<sub>3</sub>: There is a significant positive relationship between employee voice and corporate governance**

At the 95% confidence level, the correlation between the employee voice construct and corporate governance yielded a statistically significant association of 0.60 between the two variables. The correlation coefficient was further classified as having a large effect. The significant association was aligned with the findings of previous studies on corporate governance, which identified the role and responsibility of the leadership in having to effectively lead their organisations by upholding the corporate governance in the organisation, and by setting an example through their own ethical and moral behaviour (IIASA, 2021; Bedi et al., 2016; Furlotti & Mazza, 2020; Steckler & Clark, 2019).

Therefore, the leader-member exchange enforced by employee voice explained the relationship between the two measured variables (Furlotti & Mazza, 2020; Steckler & Clark 2019; Bedi et al., 2016). Employees, including managers/leaders, are paramount to the adoption and implementation of effective corporate governance (Mccall, 2001; IoDSA, 2016; OECD, 2015). In a truly ethical environment, employees are empowered to exercise their voice behaviour and speak up against organisational injustices, or non-adherence to corporate governance rules. They also feel encouraged to propose new ideas and ways to improve work processes, including achieving corporate governance outcomes (Guo et al., 2020; Jiang et al., 2020; Burriss et al., 2017).

While the findings add to the sparse literature on the relationship between the employee voice construct and corporate governance by rejecting the null hypotheses, they demonstrate that a positive significant relationship. By exercising their promotive and prohibitive voice, the employees add and improve work processes enabling the achievement governance outcomes (IoDSA, 2016; Burriss et al., 2017).

## **6.6 The Mediating Role of Employee Voice on the Relationship between Inclusive Leadership and Corporate Governance**

The mediating model aimed to determine if employee voice mediated the relationship between inclusive leadership and corporate governance, as discussed in Chapter 4. Therefore, a multiple regression analysis was performed to answer research question 4 regarding whether the employee voice construct had a mediating effect on inclusive leadership and corporate governance, as was purported by the literature review chapter. The results of the multiple regression analysis are shown below.

### **H<sub>4</sub>: Employee voice has a significant mediating effect on the relationship between inclusive leadership and corporate governance**

Previous studies have linked the employee voice construct to many leadership constructs and other workplace outcomes. For example, Hsiung (2012) alludes to how employee voice is related to authentic leadership. While Ye et al. (2019) suggested that employee voice mediated the relationship between inclusive leadership and innovative behaviour, Guo et al. (2020) explain the relationship between inclusive leadership and employee voice being mediated by power distance. Jiang et al. (2020) also touch on the subject of employee voice and inclusive leadership, by suggesting that inclusive leadership is a precondition for employee voice and that employee voice is facilitated by inclusive leadership. Further studies that ascertain the mediating effect of employee voice included a study by Walumbwa and Schaubroeck (2009), which confirmed the relationship between ethical leadership and employee voice mediated by psychological safety. The researcher hypothesised that while employee voice is paramount in effecting workplace improvements through the different leadership styles, it mediated the existing relationship between inclusive leadership and corporate governance. Empowered and psychologically safe employees feel free to speak up against any detrimental or damaging factors in their organisation or areas where there should be improvements made to achieve organisational objectives and goals, and especially the governance outcomes proposed by the King IV Report on Corporate Governance.

The multiple regression analysis used the Hayes Process Model 4 in SPSS to evaluate the mediating effect of employee voice. First, as shown in Table 20, the bootstrap CI was calculated as ranging between 0.15 to 0.42, indicating a significant mediation effect at the 95% confidence level, confirming that the employee voice construct mediated the relationship between inclusive leadership and corporate leadership governance, a finding

that was in line with the literature. The findings also supported a study by Ye et al. (2019), whereby voice mediated the relationship between inclusive leadership and innovative work behaviour. They noted a full mediation model of team voice on innovative behaviour at bootstrap confidence between 0.1 and 0.49 without including zero, thus confirming an indirect effect.

The findings were also consistent with the study by Jiang et al. (2020), who also hypothesised that there was a relationship between inclusive leadership and employee voice. Thus, the results confirmed that the relationship between inclusive leadership and corporate governance can indeed be indirectly explained by employee voice. When leaders are inclusive, they encourage employee voice to the extent that employees can speak up without fear of any negative repercussions for them, and also suggest improvements for work processes, leading to good corporate governance practice and a better performing organisation (Furlotti & Mazza, 2020; Guo et al., 2020; Randel et al., 2018).

Second, the mediation model sought to determine the mediating model's direct effect, which determined the importance of employee voice as a mediating variable. By interpreting the path coefficient, the direct effect was significant with a  $p$ -value = 0.01. This indicated that the employee voice construct was a partial mediator. This was in conflict with previous literature, which mentioned full direct mediation of the employee voice construct on workplace outcomes such as innovation (Ye et al., 2019; Jiang et al., 2020; Guo et al., 2020). However, the researcher made inferences that since the direct effect was significant, a partial mediator for inclusive leadership and corporate governance could be caused by possible demographic factors such as age, job level, or educational status that directly mediate the relationship fully. Nevertheless, with the significant indirect effect, the total effect was calculated at 61%. This further confirmed that the relationship between inclusive leadership and corporate governance was partially explained by employee voice.

## **6.7 Conclusion**

The results presented above provided answers to the hypotheses developed in Chapter 3 of the study. The findings were positively related to the literature and theory that determined the hypotheses. The relationships that were hypothesised were confirmed to be statistically significant. Furthermore, the mediating model of the employee voice construct, which was proposed in the chapter had been confirmed to be true. Therefore,

the researcher is confident that the research objectives have been met and will add valuable knowledge to business and academia, as presented in Chapter 1.

## **CHAPTER 7: CONCLUSION**

### **7.1 Introduction**

The purpose of the research was to demonstrate the relationship between inclusive leadership and corporate governance such that the relationship is mediated by employee voice. As a result, the research provided insights into the relationship between inclusive leadership and the outcome variable of corporate governance. Furthermore, the research provided evidence that employee voice mediated the relationship such that when employees feel included, they also feel free to speak up and participate in work processes (Ye et al., 2019; Jiang et al., 2020; Guo et al., 2020; Randel et al., 2018).

At the onset of the study, a relationship that is explained by employee voice was proposed to exist between inclusive leadership and corporate governance. The literature review posited inclusive leadership as a leadership construct that influenced work objectives and work outcomes by instilling a sense of belongingness, employees feeling recognised and acknowledged for being unique individuals and employees (Ye et al., 2019; Guo et al., 2020; Randel et al., 2016, 2018). It was further mentioned that an inclusive leader is open, accessible, approachable, fair, and encourages organisational commitment, employees' participation and contribution (Jiang et al., 2020; Shore et al., 2018). Guo et al. (2020), Burris et al. (2017), and Jiang et al. (2020) further explain that inclusive leadership is related to the employee voice construct. The authors explain the relationship through the social identity theory and LMX. It was noted that when employees identify with a leader or a group, they are psychologically safe to raise concerns or develop new or novel ideas to improve the work processes for the benefit of the organisation (Guo et al., 2020, Jiang et al., 2020; Burris et al., 2017). Therefore, by being inclusive, the leader influences organisational outcomes and enhances the employees' voice behaviour.

It was also established that employee voice, defined widely in the literature as the freedom for employees to speak up against organisational detriment or raise areas for improvement, was related to organisational outcomes and organisational commitment (Ye et al., 2019; Jiang et al., 2020). Burris et al. (2017) explain that employee voice was a vital

leadership process, as leaders often rely on the employees to provide information for improvement. Ward et al. (2016) mention that the employee voice construct is influenced by environmental factors such as psychological safety, the leader's openness and transparency, the perceived uniqueness of all employees, their identification with the leader, and LMX.

Corporate governance was described as seen through the lens of the King IV Report on Corporate Governance. Corporate governance was defined as the organisation of processes, practices, policies, and standards. The King IV Report on Corporate Governance was used as a measure for the corporate governance constructs (IoDSA, 2016), once the appropriateness of the King IV Code was deemed appropriate for South African organisations.

Chapter 7 of this study consolidates the statistical tests performed in Chapter 5 with the analysis from Chapter 6 and makes inferences and conclusions based on the conceptual and theoretical framework proposed in Chapters 1 and 2. Finally, the chapter will conclude by providing areas for future research and the limitations of the study.

## **7.2 Principal Findings**

The results from this study provide evidence of the relationship between **inclusive leadership and the outcome variable of corporate governance** explained by **employee voice** (Furlotti & Mazza, 2020; Guo et al., 2020; Jiang et al., 2020). It also provides evidence especially regarding the fact that employee voice encourages psychological safety, such that the employees can exercise their prohibitive and promotive voices to improve work processes associated with governance outcomes. The discussion on the role and responsibility of the leader in effecting governance outcomes is exhaustive (IoDSA, 2016; Sena et al., 2018; Gunz & Thorne, 2019; UK Financial Reporting Council, 2016; OECD, 2015). The King IV Report of Corporate Governance highlights that corporate governance requires an ethical and effective leader, who will motivate employees and encourage their participation in all steps and strategies applied towards achieving corporate governance outcomes (IoDSA 2016).

Additionally, the leader is identified as a catalyst for the corporate governance process. Burris et al. (2017) state that leaders rely on the employees for providing information to

improve work processes. This information includes any new or novel ideas, which will improve and enhance organisational functioning (Shore et al., 2018), concerns or problems that the employees might have, and their participation and contributions towards organisational goals and objectives (Randel et al., 2016, Randel et al., 2018; Guo et al., 2020). Inclusive leadership was identified and tested as the relevant leadership style that will facilitate employees' participation and contributions towards the organisation's overall objectives, especially when it is related to the outcome variable of corporate governance (Ye et al., 2019; Shore et al., 2018; Jiang et al., 2020).

Inclusive leadership was defined as a leadership construct where the leaders influence the work objectives and work outcomes by instilling a sense of belongingness and a feeling that employees are valued and accepted for being unique (Ye et al., 2019; Guo et al., 2020; Randel et al., 2016, Randel et al., 2018). Although the authors highly advocated for inclusive leadership to positively influence work outcomes, their studies primarily focused on innovative work behaviour, organisational justice, employee motivation, organisational performance, and organisational commitment. Therefore, the extent to which inclusive leadership influences corporate governance was limited. An inclusive leader was further described as being open and willing to listen, fair, accessible, and encouraging employees' participation and contribution towards broader organisational goals, and especially those associated with corporate governance outcomes (Mccall, 2001; Furlotti & Mazza, 2020). A statistically significant relationship was demonstrated between inclusive leadership and corporate governance, based on the data collected in answering research question 1. In addition, this relationship was found to be positive. Thus, the findings from the hypothesis testing contribute to inclusive leadership literature via the corporate governance construct outcomes.

Based on the data collected, employees who perceived their leaders as being inclusive also perceived their voice behaviour as high. This finding corresponded with the literature, where inclusive leadership was positively linked to the employee voice construct (Ye et al., 2019; Jiang et al., 2020; Guo et al., 2020; Burriss et al., 2017; Randel et al., 2016). The authors argue that through inclusive leadership, the employees feel a sense of belonging and acceptance. Ye et al. (2019) notes that employees who have a sense of belongingness and acceptance also experience a sense of high psychological safety. They feel free to express themselves on distresses or new ideas without fearing reprisal. Guo et al. (2020) and Jiang et al. (2020) explain that inclusive leadership emphasises

employees' voice through the social identity theory, LMX and organisational commitment (Shore et al. 2018). It was explained that when the followers can identify with the leader of the group, they become part of the group and feel free to participate and exercise their promotive and prohibitive voice (Burriss et al., 2017; Guo et al., 2020; Jiang et al., 2020). The findings from research question 2 contribute directly to the existing literature on the relationship between inclusive leadership and employee voice, such that a statistically significant positive relationship was found. The study did not test for mediation as proposed by Guo et al. (2020), who argued that the relationship between inclusive leadership and the employee voice construct was mediated by LMX, leader identification, promotive and prohibitive voice.

Research question 3 tested the relationship between employee voice and corporate governance. A statistically significant relationship was observed between the two variables. Moreover, the relationship was positive. This outcome confirmed assertions made by Furlotti and Mazza (2020). They alluded to the relationship between employee voice and corporate governance by highlighting that communication for corporate governance policies such as the Code of Ethics should be implemented through a downward as well as a bottom-up approach to give voice to employees (Furlotti & Mazza, 2020). Furthermore, a positive association between employee voice and corporate governance was inferred by Mccall (2001) who advocated for the participation and inclusion of employees in activating their voice behaviour. Evidence show that employee's involvement and contribution enhances the achievement of governance outcomes (Mccall, 2001)

It should be noted that literature on the relationship between employee voice and corporate governance was limited. Therefore, the researcher relied on the prescripts of corporate governance outlined by the King IV Report on Corporate Governance by using 21 questions adapted from the Corporate Governance Index 2020 (IIASA, 2021). Corporate governance was measured through the six dimensions as identified by the IIASA. Based on the data collected, there is empirical evidence that a relationship exists between employee voice and corporate governance. The findings from the hypothesis testing will add new insights to the limited literature on corporate governance.

Research question 4 tested for mediation. From the literature, it emerged that employee voice mediated the relationship between inclusive leadership and positive organisational

outcomes such as corporate governance, innovation, LMX, behavioural outcomes, psychological empowerment and social identification (Randel et al., 2016; Randel et al., 2018; Ye et al., 2019). The study used a nine-item scale adapted from Walumbwa and Schaubroeck (2009), and Van Dyne and LePine (1998) to measure employee voice when aiming to view the followers' perception of their voice behaviour. The hypothesis testing in research questions 1 – 3 confirmed a significant positive relationship between the three constructs in that inclusive leadership was related to corporate governance; inclusive leadership was associated with employee voice; and employee voice was positively and significantly related to corporate governance. The relationships were explained through social theory, where inclusive leadership was introduced, it leads to encouraging employees' participation and their contribution through employee's feelings of belongingness, and feeling accepted for being an individual (Ye et al., 2019; Randel et al., 2016, Randel et al., 2018; Guo et al., 2020; Burriss et al., 2017; Jiang et al., 2020). Inclusive leadership was associated with employee voice, because when an employee has a sense of belonging and acceptance, they are encouraged to exercise their voice behaviour (Guo et al., 2020; Jiang et al., 2020; Burriss et al., 2017). In such enviro, employees are free to speak up against any organisational detriment or non-adherence to corporate governance rules and regulation, and they will actively look for improvements in organisational processes. Employee voice was therefore identified as a mediating variable, since it is associated with both the independent variable (inclusive leadership) and the outcome variable of corporate governance (Baron & Kenny, 1986).

The employee voice construct, however, provided only a **partial mediation of the relationship between inclusive leadership and corporate governance**. The result is discussed in section 6.6 and the graphical model is shown in Figure 5 above.

The partial mediation confirmed in hypothesis 4 explains that employee voice mediates 61% of the relationship between inclusive leadership and corporate governance. It further suggests that multiple variables might exist to mediate the relationship fully (Baron & Kenny, 1986; Zhao et al., 2010). The sample of participants consisted of management working for JSE listed organisations. Most of the participants alluded to their leaders as being inclusive. The perception of employees own voice behaviour was rated high. The practice of corporate governance was also rated high, as it was an expected behaviour and practice, as corporate governance measures and their implementation level was

matured in these organisations. The existence of a partial mediation could imply that the relationship could be mediated by other variables.

In summary, the results of the research and the literature review were successful in confirming the relationship between the identified variables and meeting the objectives of the research as follows:

- a) There is a positive statistically significant relationship between inclusive leadership and corporate governance.
- b) There is a positive statistically significant relationship between inclusive leadership and employee voice.
- c) There is a positive statistically significant relationship between employee voice and corporate governance.
- d) Employee voice partially mediates the relationship between inclusive leadership and corporate governance.

### **7.3 Recommendations and Implications**

The business and academic need for the research was outlined in Chapter 1. It was noted that it was important to understand if inclusive leadership influences corporate governance to safeguard organisations against the detrimental effects of poor corporate governance practices (van Vuuren & Vorster, 2020; Wu, 2005; Public Protector South Africa, 2016; Andrews 2018; Rossouw & Styan, 2019). Therefore, it is deemed beneficial to recommend that organisations adopt inclusive leadership to facilitate work processes, especially in influencing the governance outcomes of an ethical culture, organisational performance, legitimacy and effective internal control (IoDSA, 2016). Although employee voice partially mediated the relationship between inclusive leadership and corporate governance with 61% of the relationship explained by employee behaviour, it was noted that this mediation should not be ignored. Therefore, the results of the study were expected to be beneficial for both academia and businesses. The research also provides an opportunity for leaders in organisations and academia to reflect on the significant findings of this study and endeavour to incorporate inclusionary practices in the management of people towards achieving a common goal. The sections that follow provide the implications of this research to business and academia.

### **7.3.1 For business**

Many studies on leadership constructs have alluded to the different leadership styles to affect the required work outcomes (Bedi et al., 2016; Steckler & Clark, 2019, Walumbwa & Schaubroeck, 2009; Burris et al., 2017). While it should be taken into account that there is no universally acceptable leadership style for all types of businesses and all situations, leadership is based on the context that leaders are faced with, and what they are trying to achieve. Organisations operating today are faced with many challenges associated with unethical behaviours, fraud and corruption, but also technological advances and challenges of remaining sustainable while returning investor value (Burris et al., 2017; Abdel-khalik, 2019). Studies around corporate governance have moved away from the agency theory of corporate governance towards a more inclusive stakeholder approach (Adegbite, 2015; Furtlotti & Mazza, 2020). This calls for a more inclusive leader, as an impactful leader to facilitate work processes among different stakeholders is needed (Ye et al., 2019; Shore et al., 2018; Guo et al., 2020). An important outcome of this study is that it highlighted the benefits of inclusive leadership in the organisational outcome of performance, innovation, organisations commitment and governance outcomes (IoDSA, 2016).

In light of the findings of this research, organisations should evaluate the type of leader they have and assess if the leadership style facilitates and motivates employees towards the highest level of corporate governance. Furthermore, the workplace climate should be assessed to determine if workplace processes meet employees' requirements to feel a sense of belonging and a sense of pride for being accepted for their uniqueness and individuality (Guo et al., 2020; Jiang et al., 2020; Burris et al., 2017). Furthermore, organisations should assess the employees' voice behaviour and create mechanisms to enable employees to support the organisation's efforts towards becoming a truly ethical organisation, and thus report detrimental actions or decisions freely with fear, and thus support enhanced voice behaviour. As it has been noted, employee voice has significant benefits of improving an employees' organisational commitment, thereby reducing turnover, enhancing employees' contributions and participation, which could help protect the organisation against harmful and detrimental effects.

### **7.3.2 For academia**

The research findings will add to the growing body of literature on inclusive leadership and corporate governance, as it found that literature on these two constructs was limited. The findings are important, as the research provides insights and understanding regarding the relationship of constructs that had not been fully understood. Although literature on inclusive leadership and workplace outcomes and employee voice informed the purpose of the research, it is noted that prior research relating specifically to the constructs that were studied, such as the direct relationship between inclusive leadership and corporate governance, was sparse (Guo et al., 2020; Jiang et al., 2020; Burris et al., 2017). Therefore, the study provides a foundation on which other scholars can provide more depth and close the knowledge gap between inclusive leadership and corporate governance, and employee voice and corporate governance.

Inclusive leadership is a leadership style that has been extensively studied in academia. Many scholars have linked inclusive leadership to outcomes of innovation, organisational performance, organisational commitment, reduced turnover and general workplace well-being (Guo et al., 2020; Jiang et al., 2020; Burris et al., 2017; Randel et al., 2016, Randel et al., 2018; Shore et al., 2018). However, inclusive leadership has not been studied in its relationship with corporate governance. Therefore, this study provides a theoretical basis on which to add to the body of knowledge.

Furthermore, it is noted that although employee voice has received prominence over the years in its relationship to the leadership theories such as authentic leadership (Stecker & Clark, 2016), ethical leadership (Walumbwa & Schaubroeck, 2009), and inclusive leadership (Guo et al., 2020; Jiang et al., 2020; Burris et al., 2017; Randel et al., 2016, Randel et al., 2018; Shore et al., 2018), literature on the relationship between the employee voice construct and corporate governance is limited. The researcher, therefore, believes that the new insights in this research will add to the literature and body of knowledge. Furthermore, the study will provide a business case for business schools to include more inclusive leadership studies in their programmes.

## 7.4 Research Limitations

As indicated in Chapter 4 of the study, one of the key limitations of selecting a quantitative study is in using an online survey as a measurement instrument. Zikmund et al. (2019), and Kumar (2019) explain that because of the predetermined and structured closed-ended questions, the responses are not in-depth and therefore, the researcher misses out on an opportunity to explore and obtain insights and explanations on the responses. For example, most of the participants perceived their employee voice behaviour to be strong. As much as this insight was relevant to the current study, the researcher could have gained more insights in terms of the nature and extent of their voice behaviour. As the researcher did not interact with the participants, follow up questions such as how these leaders and employees use their voice, what do they speak up about, how is their voice behaviour rewarded, and so forth, could not be asked. The researcher strongly believes that the variations in responses could have provided deeper insights in a qualitative study.

The purposive non-probability sampling technique was also another limitation that was identified in Chapter 4. The sampling techniques was limited in that sampling was based on judgement and caused by the researcher not having a complete list of the population. Other potential qualifying participants who could have enriched the data collection did not stand a chance of being selected (Kumar, 2019). Although the researcher used the snowball sampling method as a secondary sampling technique, there was a risk that the sample could be biased, because of the fact that the snowball technique is dependent on referrals from primary participants. Therefore, the primary participants are likely to refer individuals from their own networks, who are similar to them and that could increase a sampling bias.

Data collection was conducted at a specific time (29 July 2021 to 14 September 2021). Therefore, the data collected was a 'snapshot' of the attitudes and perceptions of the participants at a particular time. Kumar (2019) mentions that a cross-sectional study is limited in that the data collected at a specific time is dependent on the internal and external factors affecting the participants at the time of completion or participation. For example, the results could have been different if the data had been collected at a different time. In addition, data collected at a specific time is dependent on the participants' feelings, emotions, moods, and conditions at the time of completion of the survey. This might also have an impact on the participants' responses.

The study assessed the leader/follower relationship. If the followers had been discontented with their leader during the time of completing the survey, this could have distorted the view of their leader's style of leadership. This limitation could have been addressed by a longitudinal study, which could have been performed over a long period, although this was not feasible because of time constraints.

Another potential limitation in the research methodology was that the measurement instrument was an online survey. Although, Zikmund et al. (2019) note that a disadvantage of administering an online survey in a quantitative study is that the questions in an online survey are structured closed-ended questions, the limitation is that the responses are not detailed enough to provide explanations or variations in the answers. This limitation could be countered by a qualitative study that could have provided the researcher with opportunities to obtain more insights and explanations or variations in responses (Zikmund et al., 2019). Furthermore, if the questionnaire is not well structured, the participants will not understand it. This could further distort the data collection and affect the outcome of the research. To mitigate against this risk, the questionnaire was pre-tested as explained in section 4.8.3. Additionally, there was a risk that since the questionnaire was in English, the questions might be misunderstood by non-English speaking individuals. However, this was mitigated by purposely selecting the sample, many of whom were established managers working for large organisations listed on the JSE.

As noted in Chapter 4, a cross-sectional study was conducted. Kumar (2019) explains that a cross-sectional study obtains a 'snapshot' of the data at a particular time. Therefore, there is a risk that the 'snapshot' could not be a true reflection of the participants' attitude and perception, but could be signalling a depressed relationship between the participants and the leader. For this limitation, a longitudinal study, which studies constructs for longer periods, with set objectives would have mitigated the limitation.

The Protection of Personal Information Act (PoPIA) was enacted into law in 2013 and effectively fully implemented by 01 July 2021, which limited access to further participants such as those on industry databases. For example, lists of participants could not be obtained from the Institute of Internal Auditors South Africa, Institute of Risk Management South Africa (IRMSA), and the South African Institute of Chartered Accountants (SAICA). Furthermore, the PoPIA had an impact on the data collection process, where personal

demographic questions were asked. However, the researcher mitigated this limitation by explaining that anonymity of the participants will be maintained and personal details, should they become known to the researcher, will be protected. Over and above the sampling techniques implored in this study, the researcher used public social networking platforms such as LinkedIn to source qualifying participants.

## **7.5 Suggestions for future research**

The study focused on demonstrating the relationship between inclusive leadership and corporate governance, and the extent to which employee voice explained the relationship. The findings of the research have revealed that employee voice only partially mediated the relationship between inclusive leadership and corporate governance. Therefore, an opportunity exists to evaluate whether other variables or the existence of multiple mediating variables could be a full mediator of the relationship. Other potential variables such as LMX, leader power distance, psychological safety, leader identification and organisational climate (Guo et al., 2020; Jiang et al., 2020; Ye et al., 2019; Randel et al., 2018) could mediate the relationship. In their study, the authors found that LMX, leader power distance, leader identification and psychological safety could potentially mediate the relationship between inclusive leadership and positive work outcomes. Furthermore, since the proposed mediation model only partially mediated the relationship, future research can focus on replicating the study by adding a potential moderating variable to explain the strength and extent of the relationship.

Another suggestion for future researchers is to study the relationship between inclusive leadership and corporate governance at a team level to determine the encompassing impact of inclusive leadership on employee voice behaviour and corporate governance (Guo et al., 2020;). The current study studied the relationship at an individual level. Data was collected from individuals and therefore, the results reflect the perceptions of the individuals and not of the teams. Inclusive leadership positively affects multidisciplinary teams, who connect through diverse capabilities ranging from gender, age, cultural heritage to effect organisational outcomes (Ye et al., 2019; Bourke & Espedido, 2019). This study did not use controlling variables. Future research can replicate the study by controlling for the potential impact of demographics variables such as management levels, tenure at the organisation or education level or differences in age groups. This might lead to new insights with regard to the constructs.

Additionally, a longitudinal study can be explored to obtain a deeper understanding of the relationship between inclusive leadership, corporate governance and employee voice. Such longitudinal study could observe and study the interactions between inclusive leaders and followers in teams over a longer period, with the objective of evaluating the long-term benefits and the impact on the governance outcomes of corporate governance. Furthermore, employee voice can be studied by assessing how followers use their promotive and prohibitive voice, what they speak up about and what actions are being taken by the leaders to effect positive change once they receive the voice. It is also recommended that future researchers explore alternative research methodologies such as qualitative research, where semi-structured and structured questions are conducted with the participants to enrich the existing literature and knowledge.

Furlotti and Mazza (2020) argue that the communication of the King Code of Ethics provided an opportunity for employees to express their voice. It will be fascinating for future researchers to investigate the role and effect of whistleblowing processes and procedures on voice behaviour, and further understand how inclusive leaders affect employee voice as far as whistleblowing is concerned.

Lastly, the current study was performed in South African organisations. Future research can replicate the study in other jurisdictions such as the UK, and the US, where corporate governance reforms have matured. The current study adopted the Corporate Governance Index of the IIASA to measure corporate governance per the King IV Report on Corporate Governance. It will be worthwhile to note the insights in terms of similarities or variances with regard to other corporate governance benchmarks established from the G20/OECD Principles of Corporate Governance, the UK Corporate Governance Code or the Sarbanes-Oxley Act of 2002.

## **7.6 Conclusion**

Corporate governance and inclusive leadership are topics that have been gaining prominence in business and academia. Employee voice, which has been identified as an enabler towards positive organisational outcomes, has been receiving increasing relevance. It was therefore imperative to demonstrate how these constructs are related. The findings in this research revealed that significant positive relationships existed between the constructs interchangeably. Though employee voice only partially mediated

the relationship between corporate governance and inclusive leadership, the association of employee voice with corporate governance and inclusive leadership was positive and statistically significant. The mediated model provided significant insights and areas for future research, based on the potential of the existence of other mediating variables. The findings in this research answered the research objectives and contribute to literature and knowledge on the relationships between corporate governance, inclusive leadership and employee voice.

## REFERENCES

- Abdel-khalik, A. R. (2019). How Enron Used Accounting for Prepaid Commodity Swaps to Delay Bankruptcy for One Decade: The Shadowy Relationships With Big Banks. *Journal of Accounting, Auditing and Finance*, 34(2), 309–328. <https://doi.org/10.1177/0148558X17724249>
- Abid, G., & Ahmed, A. (2014). Failing in corporate governance and warning signs of a corporate collapse. *Pakistan Journal of Commerce and Social Sciences (PJCSS)*, 8(3), 846-866.
- Adegbite, E. (2015). Good corporate governance in Nigeria: Antecedents, propositions and peculiarities. *International Business Review*, 24(2), 319–330. <https://doi.org/10.1016/j.ibusrev.2014.08.004>
- Adrian, C., Wright, S., & Kilgore, A. (2017). Adaptive conjoint analysis: A new approach to defining corporate governance. *Corporate Governance: An International Review*, 25(6), 428–439. <https://doi.org/10.1111/corg.12169>
- Aguilera, R. V., Filatotchev, I., Gospel, H., & Jackson, G. (2008). An organizational approach to comparative corporate governance: Costs, contingencies, and complementarities. *Organization science*, 19(3), 475-492.
- Aguilera, R., Marano, V., & Haxhi, I. (2019). International corporate governance: A review and opportunities for future research. *Journal of International Business Studies*, 50(4), 457–498. <https://doi.org/10.1057/s41267-019-00232-w>
- Akreml, L. (2020). *Unit of Analysis*. SAGE Research Methods Foundations. Retrieved from <https://www-doi-org.uplib.idm.oclc.org/10.4135/9781526421036940716>
- Allen, M. (Ed.) (2018). *The sage encyclopedia of communication research methods*. (Vols. 1- 4). SAGE Publications, Inc, <https://www.doi.org/10.4135/978148338141>

- Anderson, M., & Sun, P. Y. T. (2017). Reviewing Leadership Styles: Overlaps and the Need for a New 'Full-Range' Theory. *International Journal of Management Reviews*, 19(1), 76–96. <https://doi.org/10.1111/ijmr.12082>
- Andrews, P. (2018, 16 November). Why the NPA must act now on revelations to Zondo commission. News 24. Retrieved from <https://www.news24.com/news24/columnists/guestcolumn/why-the-npa-must-act-now-onrevelations-to-zondo-commission-20181115>
- Babalola, M. T., Stouten, J., Camps, J., & Euwema, M. (2019). When Do Ethical Leaders Become Less Effective? The Moderating Role of Perceived Leader Ethical Conviction on Employee Discretionary Reactions to Ethical Leadership. *Journal of Business Ethics*, 154(1), 85–102. <https://doi.org/10.1007/s10551-017-3472-z>
- Barak, G. (2013), "The flickering desires for white-collar studies in the post-financial crisis: will they ever shine brightly?", *Western Criminology Review*, Vol. 13 No. 3, pp. 61-71.
- Barkow, R.E. (2014), "The new policing of business crime", *Seattle University Law Review*, Vol. 37 No.
- Bedi, A., Alpaslan, C. M., & Green, S. (2016). A Meta-analytic Review of Ethical Leadership Outcomes and Moderators. *Journal of Business Ethics*, 139(3), 517–536. <https://doi.org/10.1007/s10551-015-2625-1>
- Bonett, D. G., & Wright, T. A. (2015). Cronbach's alpha reliability: Interval estimation, hypothesis testing, and sample size planning. *Journal of organizational behavior*, 36(1), 3-15.
- Bourke, J., & Espedido, A. (2019). Why inclusive leaders are good for organizations, and how to become one. *Harvard Business Review*, 2–7. <https://hbr.org/2019/03/why-inclusive-leaders-are-good-for-organizations-and-how-to-become-one>
- Brown, M. E., & Treviño, L. K. (2014). Do role models matter? An investigation of role modeling as an antecedent of perceived ethical leadership. *Journal of Business*

*Ethics*, 122(4), 587–598. <https://doi.org/10.1007/s10551-013-1769-0>

Bryman, A., & Liao, T. F. (2011). In: *The SAGE Encyclopedia of Social Science Research Methods*. 243–244.

Burris, E. R., Rockmann, K. W., & Kimmons, Y. S. (2017). The value of voice to managers: Employee identification and the content of voice. *Academy of Management Journal*, 60(6), 2099–2125. <https://doi.org/10.5465/amj.2014.0320>

Button, M. (2011), "Editorial: fraud, corruption, and the financial crisis", *International Journal of Law, Crime, and Justice*, Vol. 29, pp. 137-139.

Carmeli, A., Reiter-Palmon, R. and Ziv, E. (2010), "Inclusive leadership and employee involvement in creative tasks in the workplace: the mediating role of psychological safety", *Creativity Research Journal*, Vol. 22 No. 3, pp. 250-260.

Chanda, S., Burton, B., & Dunne, T. (2017). The nature and potential of corporate governance in developing countries: Zambian perceptions. *Accounting, Auditing and Accountability Journal*, 30(6), 1257–1287. <https://doi.org/10.1108/AAAJ-08-2015-2208>

Creswell, J. W. (2014). *Research Design, 4th Edition*. Thousand Oaks, CA: Sage Publication Inc.

Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3), 297–334. <https://doi.org/10.1007/BF02310555>

Daniel, J. (2014). Choosing the Size of the Sample. *Sampling Essentials: Practical Guidelines for Making Sampling Choices*, 236–253. <https://doi.org/10.4135/9781452272047.n7>

Deloitte. (2017). *King IV | Ethical leadership and the governance of ethics*. Retrieved from [https://www2.deloitte.com/za/en/pages/africa-centre-for-corporate-governance/articles/kingiv\\_ethical\\_leadership.html](https://www2.deloitte.com/za/en/pages/africa-centre-for-corporate-governance/articles/kingiv_ethical_leadership.html)

- Demming, C. L., Jahn, S., & Boztug, Y. (2017). Conducting Mediation Analysis in Marketing Research. *Marketing ZFP*, 39(3), 76–98. <https://doi.org/10.15358/0344-1369-2017-3-76>
- Diamond, G., & Price, G. (2012). The political economy of corporate governance reform in South Africa. *South African Journal of Business Management*, 43(1), 57–67. <https://doi.org/10.4102/sajbm.v43i1.176>
- Edelman (2020). 2020 Edelman trust barometer annual global report. Retrieved October 6, 2020, from <https://www.edelman.com/global-reports/>.
- Ferguson, C. S. (2019). Assessing the King IV Corporate Governance Report in relation to business continuity and resilience. *Journal of Business Continuity & Emergency Planning*, 13(2), 174–185.
- Frey, B. (2018). *The SAGE encyclopedia of educational research, measurement, and evaluation* (Vols. 1-4). Thousand Oaks, CA: SAGE Publications, Inc. doi: 10.4135/9781506326139
- Furlotti, K., & Mazza, T. (2020). Code of ethics and workers' communication policies: The role of corporate governance. *Corporate Social Responsibility and Environmental Management*, 27(6), 3060–3072. <https://doi.org/10.1002/csr.2024>
- Galloway, A. (2004). *Non-Probability Sampling*. Encyclopedia of Social Measurement, 859–864. <https://doi.org/10.1016/B0-12-369398-5/00382-0>
- Gates, S., Prachyl, C.L., Sullivan, C. (2016). Using Report to the Nation on Occupations Fraud and Abuse to Stimulate Discussion of Fraud in Accounting and Business Classes. *Journal of Business and Behavioural Science*, 28 (1), 106 - 115
- Gunz, S., & Thorne, L. (2019). Thematic Symposium: Accounting Ethics and Regulation: SOX 15 Years Later. *Journal of Business Ethics*, 158(2), 293–296. <https://doi.org/10.1007/s10551-018-3845-y>
- Guo, Y., Zhu, Y., & Zhang, L. (2020). Inclusive leadership, leader identification and

- employee voice behavior: The moderating role of power distance. *Current Psychology*. <https://doi.org/10.1007/s12144-020-00647-x>
- Hair, J., Black, B., Babin, B., & Anderson, R. (2010). *Multivariate data analysis 7th* Pearson prentice hall. *Upper Saddle River, NJ*.
- Harlow, L. L. (2020). Confirmatory Factor Analysis. *The Essence of Multivariate Thinking*, 318–350. <https://doi.org/10.4324/9781315832746-25>
- Hayes, A. F. (2012). PROCESS: A versatile computational tool for observed variable mediation, moderation, and conditional process modelling. Retrieved from <http://www.afhayes.com/public/process2012.pdf>
- Helfen, M., Schüßler, E., & Sydow, J. (2018). How can employment relations in global value networks be managed towards social responsibility? *Human Relations*, 71(12), 1640–1665. <https://doi.org/10.1177/0018726718757060>
- Hollander, E. P. (2009). *Inclusive leadership: The essential leader-follower relationship*. *New York: Routledge*.
- Hogg, M. A. (2001). hogg social id theory ldrship JPSP. *Personality and Social Psychology Review*, 5(3), 184–200.
- Hsiung, H. H. (2012). Authentic Leadership and Employee Voice Behavior: A Multi-Level Psychological Process. *Journal of Business Ethics*, 107(3), 349–361. <https://doi.org/10.1007/s10551-011-1043-2>
- Institute of Directors Southern Africa. (2016). *King Report on governance for South Africa 2016*. Johannesburg, South Africa: Publisher.
- Institute of Directors Southern Africa. (2021). Retrieved from <https://www.iodsa.co.za/page/king-iv>
- Institute of Internal Auditors South Africa (2021). *Corporate Governance Index 2020*. Retrieved July 12, 2021, from

- Javed, B., Naqvi, S. M. M. R., Khan, A. K., Arjoon, S., & Tayyeb, H. H. (2019). Impact of inclusive leadership on innovative work behavior: The role of psychological safety. *Journal of Management and Organization*, 25(1), 117–136. <https://doi.org/10.1017/jmo.2017.3>
- Jensen, M. C. (2001). Value maximization, stakeholder theory, and the corporate objective function. *Journal of applied corporate finance*, 14(3), 8-21.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics*, 3(4), 305-360.
- Jiang, J., Ding, W., Wang, R., & Li, S. (2020). Inclusive leadership and employees' voice behavior: A moderated mediation model. *Current Psychology*. <https://doi.org/10.1007/s12144-020-01139-8>
- Johannesburg Stock Exchange. (2019). JSE Limited Listings Requirements. Johannesburg, South Africa: Publisher.
- Kana, S. (2020). Corporate governance practice in the context of the political situation in South Africa over the last 25 years. *Journal of Global Responsibility*. 11(2), 127–137. <https://doi.org/10.1108/JGR-10-2019-0100>
- Kapp, A., Mostert, K., & de Beer, L. (2020). Investigating the Appropriateness and Validity of the Academic Motivation Scale-College Version for South African First-Year University Students. *Journal of Student Affairs in Africa*, 8(2), 45-58.
- Kumar, R. (2019). *Research methodology: A step-by-step guide for beginners*.
- Mccall, J. J. (2001). *Employee voice in corporate governance: a defense of strong participation rights*. 11(1), 195–213.
- McGregor, S. L. T. (2019). *Reporting Quantitative Methods and Mixed Methods Research*. In *Understanding and Evaluating Research: A Critical Guide*.

<https://doi.org/10.4135/9781071802656.n10>

Mor Barak, M. E., & Cherin, D. A. (1998). A tool to expand organizational understanding of workforce diversity. *Administration in Social Work*, 47-64.

Nembhard, I. M., & Edomson, 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*, 941-966.

Ntim, C. G. (2013). An integrated corporate governance framework and financial performance in South African-Listed Corporations. *South African Journal of Economics*, 81(3), 373-392.

OECD. (2015). G20/OECD Principles of Corporate Governance, OECD Publishing, Paris. Retrieved October 01, 2021, from [OECD iLibrary | G20/OECD Principles of Corporate Governance \(oecd-ilibrary.org\)](https://oecd-ilibrary.org/governance/g20-oecd-principles-of-corporate-governance)

OECD. (2014). Risk Management and Corporate Governance. Retrieved October 01 2021 from [Risk Management and Corporate Governance \(oecd.org\)](https://www.oecd.org/risk-management/)

Ospina S. Leadership, Diversity and inclusion: Insights from scholarship. Graduate School of Public Service. 2011; 3(1): 3–30.

Preacher, K. J., & Hayes, A. F. (2004). SPSS and SAS procedures for estimating indirect effects in simple mediation models. *Behavior research methods, instruments, & computers*, 36(4), 717-731.

Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior research methods*, 40(3), 879-891.

Public Protector South Africa. (2016). State of Capture Report. Retrieved from <http://www.saflii.org/images/329756472-State-of-Capture.pdf>

Pyrczak, F. (2018). Inferential Statistics. *Making Sense of Statistics*, 105–118.

<https://doi.org/10.4324/9781315179803-24>

Randel, A. E., Dean, M. A., Ehrhart, K. H., Chung, B., & Shore, L. (2016). Leader inclusiveness, psychological diversity climate, and helping behaviors. *Journal of Managerial Psychology*, 31(1), 216–234. <https://doi.org/10.1108/JMP-04-2013-0123>

Randel, A. E., Galvin, B. M., Shore, L. M., Ehrhart, K. H., Chung, B. G., Dean, M. A., & Kedharnath, U. (2018). Inclusive leadership: Realizing positive outcomes through belongingness and being valued for uniqueness. *Human Resource Management Review*, 28(2), 190–203. <https://doi.org/10.1016/j.hrmr.2017.07.002>

Rossouw, J., & Styan, J. (2019). Steinhoff collapse: a failure of corporate governance. *International Review of Applied Economics*, 33(1), 163–170. <https://doi.org/10.1080/02692171.2019.1524043>

Salkind, N. (2012). Spearman Rank Order Correlation. *Encyclopedia of Research Design*, 1405–1407. <https://doi.org/10.4135/9781412961288.n428>

Scharff, M. M. (2005). Understanding WorldCom's Accounting Fraud: Did Groupthink Play a Role? *Journal of Leadership & Organizational Studies*, 11(3), 109–118. <https://doi.org/10.1177/107179190501100309>

Sena, V., Duygun, M., Lubrano, G., Marra, M., & Shaban, M. (2018). Board independence, corruption and innovation. Some evidence on UK subsidiaries. *Journal of Corporate Finance*, 50, 22–43. <https://doi.org/10.1016/j.jcorpfin.2017.12.028>

Shaukat, A., & Trojanowski, G. (2018). Board governance and corporate performance. *Journal of Business Finance and Accounting*, 45(1–2), 184–208. <https://doi.org/10.1111/jbfa.12271>

Shapiro, S., & Wilk, M. (1965). An analysis of variance test for normality. *Biometrika*, 52(3), 591–611.

Shore, L. M., Cleveland, J. N., & Sanchez, D. (2018). Inclusive workplaces: A review and model. *Human Resource Management Review*, 28(2), 176–189.

<https://doi.org/10.1016/j.hrmr.2017.07.003>

Shore, L. M., Randel, A. E., Chung, B. G., & Dean, M. A. (2011). *Inclusion and Diversity in Work Groups: A Review and Model for Future Research*. 37(4), 1262–1289. <https://doi.org/10.1177/0149206310385943>

StatsSA. (2020). Quarterly labour force survey Q2:2020. Quarterly Labour Force Survey, PO211 (May), Retrieved from <http://www.statssa.gov.za/publications/P0211/P02111stQuarter2020.pdf>

Steckler, E., & Clark, C. (2019). Authenticity and Corporate Governance. *Journal of Business Ethics*, 155(4), 951–963. <https://doi.org/10.1007/s10551-018-3903-5>

Sullivan, G. M., & Feinn, R. (2012). Using effect size—Or why the P value is not enough. *Journal of Graduate Medical Education*, 4(3), 279–282. doi:10.4300/JGME-D-12-00156.1

I

Tajfel, H. (1972) Social Categorisation. English manuscript of 'La categorisation sociale.' In S. Moscovici (Ed.), *Introduction a la Psychologie Sociale* (Vol. 1, pp. 272 -302). Paris: Larouse.

Tett, G. (2019). Climate Change Could Cause a New Mortgage Default Crisis. *Financial Times*, 26.

Transparency International. (2020). Global corruption report. Berlin: Transparency International

Thompson, H., & Matkin, G. (2019). The Evolution of Inclusive Leadership Studies: A literature review. *Journal of Leadership Education*, 19(3). <https://doi.org/10.12806/v19/i3/r2>

UK Financial Reporting Council, (2016). The UK Corporate Governance Code. Retrieved October 31, 2021, from <https://frc.org.uk/directors/corporate-governance-and-stewardship>

- Van Dyne, L., & LePine, J. A. (1998). Helping and voice extra-role behaviors: Evidence of construct and predictive validity. *Academy of Management Journal*, 41, 108–119.
- van Vuuren, L., & Vorster, P. (2020). *The main culprits of weak ethical cultures*. Retrieved from <https://www.tei.org.za/2020/03/23/the-main-culprits-of-weak-ethical-cultures/>
- Vaughn, M., & Ryan, L. V. (2006). *Corporate Governance in South Africa : a bellwether for the continent ?* 14(5), 504–513.
- Vogt, P. W. (2005). KMO test. *Dictionary of Statistics & Methodology*,, 167-168.
- Walumbwa, F. O., & Schaubroeck, J. (2009). Leader Personality Traits and Employee Voice Behavior: Mediating Roles of Ethical Leadership and Work Group Psychological Safety. *Journal of Applied Psychology*, 94(5), 1275–1286. <https://doi.org/10.1037/a0015848>
- Ward, A., Ravlin, E. C., Klaas, B. S., Ployhart, R. E., & Buchan, N. R. (2016). *When Do High-Context Communicators Speak Up ? Exploring Contextual Communication Orientation and Employee Voice*. 101(10), 1498–1511.
- Wegner, T. (2016). *Applied business statistics- Methods and Excel based Applications*, 4th edition. Juta and Company Limited.
- World Economic Forum (2019). *The global competitiveness report*. Geneva: World Economic Forum.
- Wu, X. (2005). Corporate governance and corruption: A cross-country analysis. *Governance*, 18(2), 151–170. <https://doi.org/10.1111/j.1468-0491.2005.00271.x>
- Ye, Q., Wang, D., & Guo, W. (2019). Inclusive leadership and team innovation: The role of team voice and performance pressure. *European Management Journal*, 37(4), 468–480. <https://doi.org/10.1016/j.emj.2019.01.006>
- Yeoh, P. (2016). Corporate governance failures and the road to crime. *Journal of Financial Crime*, 23(1), 216–230. <https://doi.org/10.1108/JFC-10-2014-0044>

Yong, A. G., & Pearce, S. (2013). A beginner's guide to factor analysis: Focusing on exploratory factor analysis. *Tutorials in quantitative methods for psychology*, 9(2), 79-94.

Zikmund, W.G., Griffin, C. Q., Babin, M., Carr, B. J. (2019). *Business Research Methods*: Vol. Second edition. Cengage Learning

## APPENDICES

### Appendix A: Measurement instrument

#### Preamble

Dear Participant

I am conducting research on the influence of inclusive leadership on corporate governance, utilising employee voice as a mediator. This research will add to how business can use inclusive leadership through encouraging employee voice behaviour to operate with and maintain the highest corporate governance standards. Furthermore, the study will close the gap in the literature by determining the benefit of inclusive leadership as a leadership construct and its impact on corporate governance.

The survey will take no more than 10 minutes to complete. Your participation is voluntary, and you may withdraw at any time from the study. By completing this survey, you voluntarily agree to participate in this research. Data will be described in aggregate to ascertain that the personal information of the participants is protected. All data collected from the survey will be stored in a password protected file and kept confidential.

Should you have any queries, please note that you may either contact the researcher or supervisor. The contact details are provided below:

Corresponding Researcher: Kgomotso Modise Email: 25207432@mygibs.co.za Tel: 076 982 9548	Supervisor: Professor Gavin Price Email: priceg@mygibs.co.za Tel: 011 771 4153
--	--

#### Section A

##### Demographics

Please select the answer that best describes you:

1. Please select the gender you identify with
  - a) Female
  - b) Male

- c) Non-binary
2. What is your age in years?
- a) 21 - 29
  - b) 30 - 39
  - c) 40 - 49
  - d) 50 – 69
  - e) Other
3. Which industry do you work in?
- a) Healthcare
  - b) Telecommunications
  - c) Mining
  - d) Energy and utilities
  - e) Education
  - f) Financial services
  - g) Other
4. What is your current role?
- a) Executive director
  - b) Non-executive director
  - c) Chief Executive Officer
  - d) Chief Financial Officer
  - e) Company Secretary
  - f) Other
5. What are your years of experience?
- a) 10 – 15
  - b) 15 – 25
  - c) 25 -40
  - d) Other
6. What is your highest level of qualification?
- a) Diploma/Degree
  - b) Postgraduate diploma/honours

- c) Masters
- d) Doctorate
- e) Other

**Session B**

**Inclusive leadership** (Ye et al., 2019)

This section aims to understand your direct leader's/manager's leadership style by measuring their inclusiveness as a leader.

This section uses a scale from 1 -5:

- 1 Strongly disagree
- 2 Slightly disagree
- 3 Neither disagree/agree (Not known)
- 4 Somewhat agree
- 5 Strongly agree

*Adapted from Ye et al. (2019)*

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	My leader is open to hearing new ideas.					
2	My leader is attentive to new opportunities to improve work processes.					
3	My leader is open to discuss the desired goals and ways to achieve them.					
4	My leader is available for consultation on problems.					
5	My leader is an ongoing 'presence' in this team – someone who is readily available.					
6	My leader is available for professional questions I would like to consult with them.					
7	My leader is ready to listen to my requests.					
8	My leader encourages me to access them on emerging issues.					

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
9	My leader is accessible for discussing emerging problems.					
10	My leader is open to practical feedback.					

### **Section C**

**Employee voice** (Walumbwa & Schaubroeck, 2009; Ye et al., 2019; Van Dyne & LePine, 1998)

In this section, you are asked to rate your own voice behaviour in your current position within the organisation.

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
11	I develop and make recommendations to my leader concerning issues that affect my organisation.					
12	I speak up and influence my leader regarding issues that affect my organisation, even if my opinion is different and my leader/manager disagrees with it.					
13	I feel psychologically safe to speak up against unethical behavior.					
14	I can speak up to my leader with new ideas for projects or changes in procedures.					
15	I can give constructive feedback to improve my leader's work.					
16	I can point out to my leader to eliminate redundant or unnecessary procedures.					
17	If my leader made mistakes in their work, I would point them out and help them correct them.					
18	I can persuade my leader to change organisational rules or nonproductive or counterproductive policies.					
19	I suggest that my leader introduce new structures, technologies, or approaches to improve efficiency.					

### **Section D: Corporate governance**

This section aims to understand the level of the practice of the corporate governance principles within the organisation

Adapted from *King IV principles (Institute of Directors Southern Africa, 2016)*

*Corporate Governance Index 2020 (Institute of Internal Auditors South Africa, 2021)*

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Ethics</b>						
20	Ethics is an integral part of our organisational culture and day to day operations.					
21	Our organisation has a documented code of conduct that outlines the ethical conduct and standards.					
22	Our organisation has a social and ethics committee or similar structure in place that reports on organisational ethics, corporate responsibility and sustainable development.					
<b>Compliance</b>						
23	Internal policies incorporate guidelines on anti-bribery, fraud and corruption in the day to day operations					
24	Our organisation ensures a deep understanding of and commitment to implementing the principles and philosophy of good governance.					
25	Our organisation monitors compliance with corporate policies and external country laws and regulations.					
<b>Leadership</b>						
26	The leadership team sets a clear tone of zero tolerance for unethical behaviour, including fraud and corruption in our organisation.					
27	The leadership team provides clear strategic direction with the focus on long-term sustainability rather than short-term thinking to achieve the desired outcomes of our organisation.					

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
28	The leadership team is responsible for internal controls, risk management, governance and assurance for our organisation.					
29	The leadership team steers corporate governance issues such as transparency, ethical behaviour and conflict of interest.					
<b>Performance</b>						
30	Our organisation's executive team is functioning optimally in delivering against the strategy of the organisation.					
31	The leadership team has adequate processes in place to measure and improve its own performance and adherence to governance principles.					
32	The leadership team has accountability for our organisation's performance parameters.					
33	The leadership ensures that integrated thinking is integral in the structures and processes that our organisation utilises in delivering on its strategy.					
<b>Risk Management</b>						
34	A risk management process that includes the identification and management of risk has been established for our organisation.					
35	The risk management process is aligned to our organisation's strategic objectives.					
<b>Assurance</b>						
36	Our organisation uses a combined assurance model to provide a coordinated approach to assurance activities.					
37	The combined assurance model effectively covers our organisation's significant risks, material matters and ensures an effective and adequate control environment.					

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
38	Our organisation has an independent internal audit function that is free from undue influence and interference					
39	An independent audit committee which is separate from the finance function is in place					
40	The audit committees responsibilities include internal controls, operational, fraud and information technology risks and governance					

## Appendix B: Reliability

<b>Employee Voice</b>					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
EV1	31,36	51,579	0,666	0,545	0,902
EV2	31,50	50,763	0,630	0,496	0,904
EV3	31,74	47,730	0,683	0,532	0,901
EV4	31,30	49,560	0,729	0,564	0,898
EV5	31,95	46,542	0,778	0,643	0,893
EV6	31,56	48,163	0,760	0,606	0,895
EV7	31,81	47,488	0,699	0,546	0,900
EV8	32,04	48,287	0,693	0,521	0,900
EV9	31,46	51,924	0,605	0,430	0,906

<b>Employee Voice</b>					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
EV1	31,36	51,579	0,666	0,545	0,902
EV2	31,50	50,763	0,630	0,496	0,904
EV3	31,74	47,730	0,683	0,532	0,901
EV4	31,30	49,560	0,729	0,564	0,898
EV5	31,95	46,542	0,778	0,643	0,893
EV6	31,56	48,163	0,760	0,606	0,895
EV7	31,81	47,488	0,699	0,546	0,900
EV8	32,04	48,287	0,693	0,521	0,900
EV9	31,46	51,924	0,605	0,430	0,906

<b>Corporate Governance</b>					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Ethics1	83,98	315,223	0,684	0,542	0,969
Ethics2	83,70	315,344	0,732	0,734	0,969
Ethics3	84,10	306,650	0,746	0,677	0,969
Compliance1	83,75	311,358	0,794	0,802	0,968
Compliance2	84,02	306,060	0,853	0,802	0,968
Compliance3	83,96	307,184	0,833	0,762	0,968

Leadership1	84,06	306,466	0,836	0,792	0,968
Leadership2	84,22	309,362	0,778	0,713	0,968
Leadership3	83,87	313,965	0,796	0,720	0,968
Leadership4	84,06	309,727	0,824	0,786	0,968
Performance1	84,33	313,105	0,686	0,625	0,969
Performance2	84,31	309,789	0,773	0,785	0,968
Performance3	84,06	313,605	0,722	0,674	0,969
Performance4	84,39	314,091	0,658	0,634	0,970
RM1	83,91	313,141	0,784	0,786	0,968
RM2	84,05	309,486	0,863	0,850	0,968
Assurance1	84,21	312,342	0,775	0,806	0,968
Assurance2	84,26	312,335	0,760	0,803	0,969
Assurance3	84,13	306,067	0,779	0,763	0,968
Assurance4	84,06	308,713	0,720	0,775	0,969
Assurance5	84,02	309,269	0,750	0,738	0,969

## Appendix C: Convergent and Discriminant Validity

### Inclusive Leadership

	IL1	IL2	IL3	IL4	IL5	IL6	IL7	IL8	IL9	IL10
IL1	1	0,739	0,718	0,607	0,540	0,566	0,673	0,587	0,574	0,645
IL2	<b>0,739</b>	1	0,735	0,555	0,573	0,615	0,648	0,627	0,646	0,620
IL3	<b>0,718</b>	<b>0,735</b>	1	0,692	0,684	0,692	0,730	0,628	0,707	0,686
IL4	<b>0,607</b>	<b>0,555</b>	<b>0,692</b>	1	0,723	0,742	0,762	0,663	0,782	0,657
IL5	<b>0,540</b>	<b>0,573</b>	<b>0,684</b>	<b>0,723</b>	1	0,695	0,692	0,615	0,694	0,672
IL6	<b>0,566</b>	<b>0,615</b>	<b>0,692</b>	<b>0,742</b>	<b>0,695</b>	1	0,788	0,698	0,780	0,716
IL7	<b>0,673</b>	<b>0,648</b>	<b>0,730</b>	<b>0,762</b>	<b>0,692</b>	<b>0,788</b>	1	0,758	0,731	0,743
IL8	<b>0,587</b>	<b>0,627</b>	<b>0,628</b>	<b>0,663</b>	<b>0,615</b>	<b>0,698</b>	<b>0,758</b>	1	0,779	0,627
IL9	<b>0,574</b>	<b>0,646</b>	<b>0,707</b>	<b>0,782</b>	<b>0,694</b>	<b>0,780</b>	<b>0,731</b>	<b>0,779</b>	1	0,682
IL10	<b>0,645</b>	<b>0,620</b>	<b>0,686</b>	<b>0,657</b>	<b>0,672</b>	<b>0,716</b>	<b>0,743</b>	<b>0,627</b>	<b>0,682</b>	1
EV1	0,337	0,416	0,459	0,392	0,346	0,423	0,422	0,401	0,436	0,442
EV2	0,255	0,296	0,418	0,291	0,238	0,293	0,321	0,268	0,323	0,322
EV3	0,533	0,487	0,554	0,512	0,472	0,511	0,547	0,522	0,559	0,530
EV4	0,641	0,574	0,628	0,619	0,506	0,579	0,658	0,618	0,607	0,556
EV5	0,497	0,431	0,483	0,487	0,487	0,475	0,521	0,452	0,463	0,524
EV6	0,466	0,527	0,514	0,532	0,450	0,488	0,524	0,465	0,534	0,512
EV7	0,414	0,414	0,433	0,451	0,403	0,380	0,471	0,435	0,409	0,465
EV8	0,497	0,515	0,517	0,421	0,458	0,381	0,470	0,412	0,428	0,492
EV9	0,441	0,421	0,414	0,359	0,355	0,292	0,398	0,432	0,402	0,352
Ethics1	0,331	0,311	0,394	0,399	0,303	0,360	0,431	0,476	0,394	0,306
Ethics2	0,183	0,252	0,309	0,271	0,217	0,295	0,309	0,331	0,343	0,242
Ethics3	0,309	0,301	0,332	0,274	0,253	0,249	0,337	0,317	0,274	0,273
Compliance1	0,287	0,282	0,337	0,287	0,224	0,311	0,408	0,391	0,339	0,280
Compliance2	0,351	0,375	0,372	0,299	0,262	0,293	0,349	0,412	0,367	0,293
Compliance3	0,310	0,360	0,341	0,241	0,247	0,247	0,376	0,392	0,316	0,309
Leadership1	0,408	0,417	0,378	0,363	0,299	0,345	0,447	0,481	0,441	0,374
Leadership2	0,364	0,401	0,347	0,272	0,242	0,301	0,365	0,371	0,316	0,334
Leadership3	0,395	0,374	0,398	0,427	0,375	0,406	0,496	0,503	0,448	0,383
Leadership4	0,404	0,418	0,375	0,338	0,273	0,354	0,419	0,491	0,428	0,367
Performance1	0,378	0,436	0,421	0,323	0,254	0,338	0,364	0,384	0,404	0,379
Performance2	0,447	0,486	0,472	0,403	0,343	0,352	0,462	0,469	0,430	0,381
Performance3	0,416	0,437	0,440	0,406	0,393	0,350	0,459	0,523	0,420	0,355
Performance4	0,345	0,446	0,383	0,280	0,290	0,313	0,323	0,363	0,353	0,333
RM1	0,334	0,427	0,388	0,383	0,305	0,357	0,397	0,444	0,437	0,380
RM2	0,377	0,408	0,373	0,337	0,294	0,322	0,411	0,480	0,380	0,343
Assurance1	0,334	0,295	0,295	0,182	0,173	0,199	0,272	0,342	0,231	0,226
Assurance2	0,328	0,281	0,263	0,208	0,160	0,233	0,298	0,337	0,245	0,225
Assurance3	0,333	0,275	0,289	0,308	0,256	0,316	0,387	0,418	0,357	0,317
Assurance4	0,272	0,208	0,249	0,209	0,178	0,209	0,277	0,299	0,230	0,202
Assurance5	0,290	0,195	0,245	0,220	0,214	0,177	0,291	0,285	0,229	0,189

## Employee voice

	EV1	EV2	EV3	EV4	EV5	EV6	EV7	EV8	EV9
IL1	0,337	0,255	0,533	0,641	0,497	0,466	0,414	0,497	0,441
IL2	0,416	0,296	0,487	0,574	0,431	0,527	0,414	0,515	0,421
IL3	0,459	0,418	0,554	0,628	0,483	0,514	0,433	0,517	0,414
IL4	0,392	0,291	0,512	0,619	0,487	0,532	0,451	0,421	0,359
IL5	0,346	0,238	0,472	0,506	0,487	0,450	0,403	0,458	0,355
IL6	0,423	0,293	0,511	0,579	0,475	0,488	0,380	0,381	0,292
IL7	0,422	0,321	0,547	0,658	0,521	0,524	0,471	0,470	0,398
IL8	0,401	0,268	0,522	0,618	0,452	0,465	0,435	0,412	0,432
IL9	0,436	0,323	0,559	0,607	0,463	0,534	0,409	0,428	0,402
IL10	0,442	0,322	0,530	0,556	0,524	0,512	0,465	0,492	0,352
EV1	1	0,660	0,418	0,529	0,539	0,563	0,439	0,531	0,469
EV2	<b>0,660</b>	1	0,432	0,482	0,490	0,512	0,461	0,463	0,463
EV3	<b>0,418</b>	<b>0,432</b>	1	0,631	0,619	0,563	0,595	0,521	0,391
EV4	<b>0,529</b>	<b>0,482</b>	<b>0,631</b>	1	0,616	0,584	0,543	0,527	0,543
EV5	<b>0,539</b>	<b>0,490</b>	<b>0,619</b>	<b>0,616</b>	1	0,698	0,682	0,578	0,474
EV6	<b>0,563</b>	<b>0,512</b>	<b>0,563</b>	<b>0,584</b>	<b>0,698</b>	1	0,619	0,613	0,454
EV7	<b>0,439</b>	<b>0,461</b>	<b>0,595</b>	<b>0,543</b>	<b>0,682</b>	<b>0,619</b>	1	0,487	0,432
EV8	<b>0,531</b>	<b>0,463</b>	<b>0,521</b>	<b>0,527</b>	<b>0,578</b>	<b>0,613</b>	<b>0,487</b>	1	0,562
EV9	<b>0,469</b>	<b>0,463</b>	<b>0,391</b>	<b>0,543</b>	<b>0,474</b>	<b>0,454</b>	<b>0,432</b>	<b>0,562</b>	1
Ethics1	0,343	0,369	0,535	0,476	0,358	0,331	0,372	0,406	0,406
Ethics2	0,369	0,299	0,284	0,263	0,204	0,282	0,242	0,253	0,278
Ethics3	0,251	0,209	0,297	0,327	0,208	0,251	0,200	0,272	0,298
Compliance1	0,301	0,272	0,306	0,377	0,244	0,320	0,305	0,278	0,375
Compliance2	0,314	0,335	0,407	0,463	0,311	0,355	0,338	0,341	0,408
Compliance3	0,333	0,292	0,367	0,407	0,237	0,322	0,341	0,359	0,425
Leadership1	0,324	0,254	0,401	0,469	0,313	0,350	0,355	0,386	0,442
Leadership2	0,342	0,282	0,355	0,385	0,350	0,370	0,332	0,356	0,431
Leadership3	0,391	0,323	0,453	0,534	0,333	0,391	0,359	0,323	0,481
Leadership4	0,379	0,337	0,494	0,509	0,369	0,396	0,431	0,422	0,427
Performance1	0,443	0,358	0,387	0,457	0,308	0,314	0,343	0,380	0,393
Performance2	0,375	0,342	0,402	0,485	0,332	0,332	0,365	0,422	0,413
Performance3	0,374	0,266	0,405	0,457	0,328	0,372	0,361	0,360	0,400
Performance4	0,382	0,308	0,351	0,378	0,311	0,354	0,355	0,371	0,391
RM1	0,375	0,321	0,317	0,439	0,296	0,396	0,304	0,359	0,414
RM2	0,371	0,365	0,362	0,470	0,332	0,363	0,346	0,381	0,510
Assurance1	0,255	0,301	0,293	0,356	0,263	0,254	0,258	0,303	0,432
Assurance2	0,268	0,300	0,343	0,372	0,292	0,227	0,299	0,317	0,386
Assurance3	0,365	0,358	0,434	0,471	0,406	0,342	0,380	0,322	0,405
Assurance4	0,368	0,372	0,339	0,422	0,352	0,277	0,360	0,279	0,366
Assurance5	0,294	0,313	0,364	0,408	0,317	0,275	0,321	0,320	0,354

**Corporate governance**

	Ethics1	Ethics2	Ethics3	Compliance1	Compliance2	Compliance3	Leadership1	Leadership2	Leadership3	Leadership4	Performance1	Performance2	Performance3	Performance4	RM1	RM2	Assurance1	Assurance2	Assurance3	Assurance4	Assurance5
IL1	0,331	0,183	0,309	0,287	0,351	0,310	0,408	0,364	0,395	0,404	0,378	0,447	0,416	0,345	0,334	0,377	0,334	0,328	0,333	0,272	0,290
IL2	0,311	0,252	0,301	0,282	0,375	0,360	0,417	0,401	0,374	0,418	0,436	0,486	0,437	0,446	0,427	0,408	0,295	0,281	0,275	0,208	0,195
IL3	0,394	0,309	0,332	0,337	0,372	0,341	0,378	0,347	0,398	0,375	0,421	0,472	0,440	0,383	0,388	0,373	0,295	0,263	0,289	0,249	0,245
IL4	0,399	0,271	0,274	0,287	0,299	0,241	0,363	0,272	0,427	0,338	0,323	0,403	0,406	0,280	0,383	0,337	0,182	0,208	0,308	0,209	0,220
IL5	0,303	0,217	0,253	0,224	0,262	0,247	0,299	0,242	0,375	0,273	0,254	0,343	0,393	0,290	0,305	0,294	0,173	0,160	0,256	0,178	0,214
IL6	0,360	0,295	0,249	0,311	0,293	0,247	0,345	0,301	0,406	0,354	0,338	0,352	0,350	0,313	0,357	0,322	0,199	0,233	0,316	0,209	0,177
IL7	0,431	0,309	0,337	0,408	0,349	0,376	0,447	0,365	0,496	0,419	0,364	0,462	0,459	0,323	0,397	0,411	0,272	0,298	0,387	0,277	0,291
IL8	0,476	0,331	0,317	0,391	0,412	0,392	0,481	0,371	0,503	0,491	0,384	0,469	0,523	0,363	0,444	0,480	0,342	0,337	0,418	0,299	0,285
IL9	0,394	0,343	0,274	0,339	0,367	0,316	0,441	0,316	0,448	0,428	0,404	0,430	0,420	0,353	0,437	0,380	0,231	0,245	0,357	0,230	0,229
IL10	0,306	0,242	0,273	0,280	0,293	0,309	0,374	0,334	0,383	0,367	0,379	0,381	0,355	0,333	0,380	0,343	0,226	0,225	0,317	0,202	0,189
EV1	0,343	0,369	0,251	0,301	0,314	0,333	0,324	0,342	0,391	0,379	0,443	0,375	0,374	0,382	0,375	0,371	0,255	0,268	0,365	0,368	0,294
EV2	0,369	0,299	0,209	0,272	0,335	0,292	0,254	0,282	0,323	0,337	0,358	0,342	0,266	0,308	0,321	0,365	0,301	0,300	0,358	0,372	0,313
EV3	0,535	0,284	0,297	0,306	0,407	0,367	0,401	0,355	0,453	0,494	0,387	0,402	0,405	0,351	0,317	0,362	0,293	0,343	0,434	0,339	0,364
EV4	0,476	0,263	0,327	0,377	0,463	0,407	0,469	0,385	0,534	0,509	0,457	0,485	0,457	0,378	0,439	0,470	0,356	0,372	0,471	0,422	0,408
EV5	0,358	0,204	0,208	0,244	0,311	0,237	0,313	0,350	0,333	0,369	0,308	0,332	0,328	0,311	0,296	0,332	0,263	0,292	0,406	0,352	0,317
EV6	0,331	0,282	0,251	0,320	0,355	0,322	0,350	0,370	0,391	0,396	0,314	0,332	0,372	0,354	0,396	0,363	0,254	0,227	0,342	0,277	0,275
EV7	0,372	0,242	0,200	0,305	0,338	0,341	0,355	0,332	0,359	0,431	0,343	0,365	0,361	0,355	0,304	0,346	0,258	0,299	0,380	0,360	0,321
EV8	0,406	0,253	0,272	0,278	0,341	0,359	0,386	0,356	0,323	0,422	0,380	0,422	0,360	0,371	0,359	0,381	0,303	0,317	0,322	0,279	0,320
EV9	0,406	0,278	0,298	0,375	0,408	0,425	0,442	0,431	0,481	0,427	0,393	0,413	0,400	0,391	0,414	0,510	0,432	0,386	0,405	0,366	0,354
Ethics1	1	0,557	0,514	0,549	0,579	0,584	0,607	0,549	0,668	0,630	0,511	0,582	0,562	0,452	0,506	0,574	0,487	0,501	0,539	0,455	0,532
Ethics2	<b>0,557</b>	1	0,674	0,822	0,645	0,676	0,586	0,578	0,612	0,560	0,444	0,462	0,467	0,413	0,648	0,626	0,557	0,529	0,590	0,581	0,614
Ethics3	<b>0,514</b>	<b>0,674</b>	1	0,700	0,694	0,672	0,617	0,672	0,584	0,539	0,490	0,568	0,561	0,445	0,593	0,648	0,578	0,533	0,570	0,580	0,623
Compliance1	<b>0,549</b>	<b>0,822</b>	<b>0,700</b>	1	0,721	0,743	0,679	0,610	0,668	0,609	0,456	0,509	0,522	0,413	0,660	0,721	0,619	0,604	0,646	0,652	0,686
Compliance2	<b>0,579</b>	<b>0,645</b>	<b>0,694</b>	<b>0,721</b>	1	0,781	0,811	0,706	0,679	0,762	0,615	0,719	0,572	0,562	0,643	0,741	0,654	0,668	0,680	0,604	0,611

Compliance3	0,584	0,676	0,672	0,743	0,781	1	0,747	0,636	0,688	0,758	0,556	0,661	0,582	0,521	0,702	0,732	0,637	0,594	0,668	0,613	0,616
Leadership1	0,607	0,586	0,617	0,679	0,811	0,747	1	0,724	0,725	0,808	0,631	0,721	0,657	0,583	0,639	0,712	0,590	0,623	0,635	0,536	0,597
Leadership2	0,549	0,578	0,672	0,610	0,706	0,636	0,724	1	0,636	0,685	0,625	0,676	0,602	0,655	0,547	0,650	0,579	0,555	0,576	0,541	0,514
Leadership3	0,668	0,612	0,584	0,668	0,679	0,688	0,725	0,636	1	0,747	0,550	0,614	0,673	0,504	0,670	0,737	0,588	0,572	0,607	0,539	0,585
Leadership4	0,630	0,560	0,539	0,609	0,762	0,758	0,808	0,685	0,747	1	0,645	0,739	0,670	0,593	0,654	0,703	0,604	0,612	0,632	0,530	0,576
Performance1	0,511	0,444	0,490	0,456	0,615	0,556	0,631	0,625	0,550	0,645	1	0,717	0,525	0,682	0,545	0,605	0,495	0,525	0,484	0,398	0,445
Performance2	0,582	0,462	0,568	0,509	0,719	0,661	0,721	0,676	0,614	0,739	0,717	1	0,735	0,673	0,545	0,658	0,593	0,615	0,535	0,432	0,519
Performance3	0,562	0,467	0,561	0,522	0,572	0,582	0,657	0,602	0,673	0,670	0,525	0,735	1	0,550	0,579	0,646	0,571	0,550	0,498	0,476	0,511
Performance4	0,452	0,413	0,445	0,413	0,562	0,521	0,583	0,655	0,504	0,593	0,682	0,673	0,550	1	0,576	0,624	0,540	0,501	0,470	0,381	0,394
RM1	0,506	0,648	0,593	0,660	0,643	0,702	0,639	0,547	0,670	0,654	0,545	0,545	0,579	0,576	1	0,850	0,660	0,609	0,623	0,616	0,597
RM2	0,574	0,626	0,648	0,721	0,741	0,732	0,712	0,650	0,737	0,703	0,605	0,658	0,646	0,624	0,850	1	0,734	0,740	0,668	0,645	0,640
Assurance1	0,487	0,557	0,578	0,619	0,654	0,637	0,590	0,579	0,588	0,604	0,495	0,593	0,571	0,540	0,660	0,734	1	0,863	0,681	0,628	0,638
Assurance2	0,501	0,529	0,533	0,604	0,668	0,594	0,623	0,555	0,572	0,612	0,525	0,615	0,550	0,501	0,609	0,740	0,863	1	0,643	0,619	0,615
Assurance3	0,539	0,590	0,570	0,646	0,680	0,668	0,635	0,576	0,607	0,632	0,484	0,535	0,498	0,470	0,623	0,668	0,681	0,643	1	0,813	0,764
Assurance4	0,455	0,581	0,580	0,652	0,604	0,613	0,536	0,541	0,539	0,530	0,398	0,432	0,476	0,381	0,616	0,645	0,628	0,619	0,813	1	0,793
Assurance5	0,532	0,614	0,623	0,686	0,611	0,616	0,597	0,514	0,585	0,576	0,445	0,519	0,511	0,394	0,597	0,640	0,638	0,615	0,764	0,793	1

## Appendix D: Ethical clearance approval

<b>Gordon Institute of Business Science</b> University of Pretoria	<b>Ethical Clearance Received</b>
<p>Dear Kgomotso Modise,</p> <p>This email serves to confirm that your Ethical Clearance Submission has been sent to your supervisor for approval.</p> <p>Kind Regards, Masters Research Team</p>	
<p>This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.</p>	