

**Assessing inclusive leadership influence on inclusive climate and digital
creativity in the public electricity generation industry**

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Abstract

The decline of legacy industries necessitates the adoption of modern operational systems for business continuity. This research study investigates this imperative within the South African electricity generation industry, using Eskom as a case study to assess digital transformation technology adoption.

The purpose of this study was to assess the impact of inclusive leadership on employee creativity within a digitally transforming environment, with a specific focus on the moderating role of an inclusive climate.

This study employed a quantitative, cross-sectional research design to empirically test the hypothesised model. The unit of analysis was individual employees within Eskom who utilise key digital platforms such as ERP SAP, SharePoint, and MS Teams. The study empirically demonstrates that within a legacy organisation, Inclusive Leadership is a critical catalyst for digital transformation, but its influence on Employee Creativity is not direct. Instead, it functions primarily by fostering an Inclusive Climate, which acts as the essential mediating mechanism.

A critical finding was the dual nature of the organisational climate itself. The study identified Systemic Organisational Fairness and Support as the foundational element that generates positive effects. Conversely, it reveals the pivotal risk of initiatives eroding Employee Advocacy and Foundational Beliefs. This creates a core tension for leadership: programs designed to foster innovation can, without nuanced management, inadvertently undermine the very trust and empowerment they require to succeed.

For legacy institutions, this duality represents the central cultural challenge. The study's paramount practical implication is that a healthy organisational culture is not a mere outcome of digital transformation, but its essential prerequisite. The findings confirm that technology does not fix a broken culture; it amplifies it. Therefore, successful transformation is contingent upon first cultivating a climate that is perceived as both fair enough to trust and safe enough to dare.

Keywords

Inclusive Leadership, Inclusive Climate, Employee Creativity, Social Exchange Theory

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 Philosophy [Corporate Strategy] 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.

24 November 2025

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List of Abbreviations

DT	Digital Transformation
EC	Employee Creativity
EFA	Exploratory Factor Analysis
IC	Inclusive Climate
IL	Inclusive Leadership
IPP	Independent Power Producers
MS Teams	Microsoft Teams
PCA	Principal Component Analysis
SAP	Systems Applications and Products
SAP ERP	Enterprise Resource Planning (ERP) Software Developed By The Company SAP
SASOL	Suid-Afrikaanse Steenkool, Olie en Gas Maatskappy (South African Coal, Oil and Gas Corporation)
SEM	Structural Equation Modelling
SET	Social Exchange Theory
SHRM	Strategic Human Resource Management
SOFS	Systematic Organisational Fairness and Support

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1. Background to the Research

The power generation sector is important to a country's economy and the citizens' livelihood (Eskom Holdings SOC Ltd, 2023). However, globally, the power generation industry is undergoing a dramatic transformation, facing a myriad of challenges, including strict regulatory requirements, ageing infrastructure, and the pressing need for grid modernisation (Parker et al., 2019a). Most electricity utilities in sub-Saharan Africa are facing challenges due to financial constraints and their inability to maintain existing networks, among others (Tswesigye, 2024). Successfully navigating this disruption necessitates a robust capacity for digital transformation (DT), which is widely recognised as a process that is as much about organisational change as it is about technology (Hanelt et al., 2021).

Successfully implementing DT in the power generation sector involves leveraging advanced digital tools such as smart grids, smart meters, predictive analytics, and automation to enhance operational efficiency, reliability, and sustainability. This shift will enable utilities to respond dynamically to fluctuating energy demands, optimise asset management, and comply with increasingly complex regulatory requirements (Parker et al., 2019a). Eskom, the national electricity utility in South Africa, has embraced digitisation to improve operational efficiency, customer experience and grid management (Eskom Holdings SOC Ltd, 2023).

The organisational change component of DT necessitates leadership commitment, employee engagement, and the development of new skill sets to foster innovation and resilience amid ongoing industry disruption. Consequently, the power generation sector's future competitiveness and contribution to economic development hinge on its ability to embrace this holistic digital transformation framework.

In this framework, leadership plays a pivotal role. As Blanka et al. (2022) argue, leaders formulate strategic direction and are responsible for fostering the enabling, inclusive organisational culture that allows DT initiatives to take root. Empirical research now confirms this, demonstrating that inclusive leadership (IL) directly enhances DT by fostering a climate for innovation (Çelik et al., 2024). Such a climate is essential for empowering employees and enhancing the digital creativity necessary to navigate technological change (Cortellazzo et al., 2019).

Legacy public institutions, particularly in the utilities sector, often face significant challenges in adapting to technological and market changes. These organisations are

frequently characterised by structural inertia (Hannan & Freeman, 1984), a phenomenon where established routines, structures, and cultures create resistance to the DT now demanded of them (Mergel et al., 2019). This inertia is compounded by complex accountability structures and path-dependent policies that lock in legacy systems (Pollitt & Bouckaert, 2017; Pierson, 2000). The resultant lack of organisational agility leads to inefficiencies and a failure to meet evolving public service demands, a vulnerability starkly exposed during recent global disruptions (Fletcher & Griffiths, 2020).

Organisations reliant on legacy technological systems face a significant competitive disadvantage. The technical debt and architectural rigidity inherent in these systems directly lead to process inefficiencies and higher operational costs. This technological lag contributes to a broader performance gap, in which such firms struggle to match the agility of rivals that have integrated 21st-century digital technologies (Bharadwaj et al., 2013; Lee et al., 2022). Furthermore, this stagnation is compounded by organisational inertia and routine rigidity (Gilbert, 2005), a cultural resistance that prevents the effective reallocation of resources necessary for modernisation (Teece, 2007).

In this landscape, DT is a strategic and imperative process for building competitive advantage (Bharadwaj et al., 2013), a challenge that demands new forms of leadership to foster agility (Cortellazzo et al., 2019). The electricity sector occupies a uniquely critical position. As a fundamental driver of economic growth (Stern & Kander, 2012), its performance is directly linked to national sustainability. Furthermore, as significant emitters of criteria pollutants, legacy energy utilities face intensifying pressure to transition towards sustainable operations (Delmas & Toffel, 2008).

The above-mentioned challenges, among others, are affecting the South African power utility company, Eskom. It is apparent that employees in large public institutions, particularly Eskom, struggle to adopt and adapt to digital technologies. This struggle is reflected in the stark perception that only 10% of DT goals are achieved internally, aligning with a global sentiment where only 7% of government DT goals are met (EY Global, 2022; Eskom, 2024). This persistent "transformation gap" shows that DT is a technological, human and cultural challenge (Verhoef et al., 2021). The mentioned challenges show that there is a critical need to explore the impact of an enabling digitally inclusive climate (IC). This is perceived as an environment where employees feel safe, empowered, and supported in engaging with digital initiatives (Leroy et al., 2022).

The electricity generation sector requires continuous development of robust technologies, transformational processes, and systems to remain competitive in an

evolving market shaped by climate change and shifting structural demands (Parker et al., 2019). To succeed in the 21st century, organisations must adopt new technologies that do more than automate tasks; they must enable comprehensive monitoring and build dynamic capabilities for strategic renewal, which is the foundation of organisational agility (Warner & Wäger, 2019). Critically, these digital tools must be implemented in a way that empowers employees, thereby fostering employee creativity (EC).

Empirical research confirms that digitalisation enhances performance by boosting the psychological resources and innovative capacity of the workforce, which, in turn, drives the agility required for superior performance (Blanka et al., 2022). This research focuses on one potential lever for overcoming the inertia detailed above: the role of IL in fostering a climate conducive to innovation and change within this high-stakes context. It further proposes that this climate, fostered by IL, is a key mechanism for unlocking EC in the actualisation of digital technologies (Cetindamar et al., 2024), a relationship that is beginning to find empirical support in contemporary research (Verhoef et al., 2021). This focus is strongly justified, as comprehensive reviews identify leadership and employee capabilities as central pillars of successful DT (Hanelt et al., 2021).

This proposed pathway is not merely theoretical; recent empirical research has demonstrated that IL directly enhances digital outcomes by fostering a climate for innovation (Leroy et al., 2022), a relationship underpinned by the established link between IL, psychological safety, and employee innovative behaviour (Frazier et al., 2017).

This study investigated the impact of enabling the DT environment, driven by IL, on EC. Thus, the primary research question is:

What is the impact of enabling DT on the relationship between IL and EC within a public institution, particularly in the electricity generation industry?

The supporting research questions are:

- a. What is the impact of IL and EC within the organisation?
- b. Does IL have a positive impact on enabling DT?
- c. Is there a direct influence of enabling DT on EC?

This study employed a quantitative, cross-sectional research design to empirically test the hypothesised relationships between IL, IC, and EC. Aligning with a deductive approach, the research operationalised constructs from its theoretical foundation,

primarily Social Exchange Theory (SET), into a set of testable hypotheses. Data were collected via a structured survey instrument comprising validated scales for IL, IC, and EC, administered to a sample of employees within a public electricity utility.

The analysis proceeded in a two-stage sequence, a recommended practice for ensuring measurement validity before testing structural models (Creswell & Creswell, 2023). First, descriptive statistics and Confirmatory Factor Analysis (CFA) were used to summarise the data, validate the measurement model, and ensure the constructs are reliable and distinct. Subsequently, inferential analysis was conducted using Structural Equation Modelling (SEM). SEM was the preferred method for this study because it allowed simultaneous testing of multiple direct relationships and the proposed moderating effect of an enabling DT environment on the IL-EC pathway, while accounting for measurement error (Kline, 2023).

1.1. Research Problem

Annarelli et al. (2021) contend that developing digital skills, resources, and capabilities is fundamental for organisations to secure a competitive advantage, enabling optimal service delivery and efficient process management. In response, public institutions have made substantial investments in new technologies to integrate systems and processes, aiming to enhance performance, growth, and adaptability (Mergel et al., 2019). However, evidence indicates that these investments frequently fail to translate into practical and creative technology use that meaningfully impacts business operations and solves complex challenges.

This persistent "digital transformation paradox", where investment does not yield proportional value, is often attributed to a neglect of the necessary organisational and human capabilities, such as leadership and culture, required to leverage new technologies effectively (Hanelt et al., 2021). This gap is evident in public utilities, where internal reports confirm that strategic digital goals remain consistently out of reach (Eskom, 2024).

Positioning IL as a critical independent variable, this study investigated its capacity to foster an enabling organisational environment that catalyses the adoption and application of employees' creative digital skills (Leroy et al., 2022). The researcher proposed that an IL-driven environment is a key mechanism for developing the impactful digital competencies necessary for organisational effectiveness in the public sector

(Zahoor et al., 2024). Therefore, the study thoroughly examined how IL influences this pathway, ultimately leading to enhanced organisational performance (Song et al., 2020).

This investigation extended to analysing the broader DT environment, including the integration of emerging technologies. The critical aim was to determine whether this environment serves as a mediating variable that transmits the influence of IL on EC and skill utilisation (Blanka et al., 2022). Examining this integrated model is essential for moving beyond symptomatic descriptions to identify the root causes that underpin the practical DT challenges faced by legacy public institutions, specifically leadership and climate factors.

1.2. The Research Purpose

The primary purpose of this research was to quantitatively investigate the impact of IL on the development of employee digital creativity. Building on empirical evidence demonstrating IL's role as a key driver of digital outcomes, this study will test a dual-pathway model of IC. The model hypothesises that IC exerts both a direct effect on EC and a moderating effect on the relationship between IL and EC. This climate, encompassing the organisational structures and cultural conditions that foster innovation (Newman et al., 2020), is theorised as a key enabler that amplifies employees' willingness to adopt digital technologies and enhance their creative skills.

The research is situated within the broader context of Strategic Human Resource Management (SHRM), which highlights the role of leadership in fostering a creative and innovative workforce capable of navigating a rapidly evolving technological landscape (Song et al., 2020; Cooke et al., 2020). While the specific mechanisms of SHRM practices are beyond the scope of this study, their foundational importance is acknowledged. The findings from this investigation are anticipated to provide significant insights into the leadership and climate dynamics essential for successful digital adaptation in the public sector.

1.3. The Research Aims

The primary aim of this research is to investigate how effective leadership creates an inclusive environment that enables employees to develop the competencies needed to adopt and utilise digital technologies. This focus is critical because, as Blanka et al. (2022) establish, digitalisation is a key driver of organisational performance. However, realising this performance gain is a central HR challenge, as it requires effectively

managing people by fostering the very kind of conducive work environment that this study examines (Ehrnrooth et al., 2021). Therefore, this research seeks to address this challenge by exploring the specific leadership behaviours that foster an IC for digital competency development.

This study aims to examine the interplay between the adoption of digital transformation (DT) technologies and the development of employee digital competencies leading to creativity, with a particular focus on the role of IL in fostering this synergy (Leroy et al., 2022). The research hypothesises that by enhancing EC and competency, IL ultimately empowers the organisation to become more data-driven in its decision-making. This outcome is critical, as Benbya et al. (2020) emphasise that centralised, accessible information, one of the goals of DT, fundamentally shapes human behaviour and organisational capabilities. Thus, this study investigates the human leadership factors that enable the technical goals of DT to be realised.

The organisation under investigation, a large public utility, presents a critical case for studying DT. It operates within a legacy infrastructure and a highly regulated market, contexts where the failure rate of DT initiatives is notably high (Parker et al., 2019). Investigating the role of IL in this environment can provide insights into the human-centric factors that may overcome these systemic barriers, with findings that could contribute to theories on change management in resistant contexts and offer a practical framework for achieving the operational integration the organisation seeks.

1.4. The Presentation of Document Structure

This chapter presents the document structure and the expectations for each section of this report.

Chapter 1 – Introduction. This chapter establishes a compelling research gap and clearly articulates the study's contribution to both theory and practice.

Chapter 2 – Literature review. This chapter provides context by synthesising the existing knowledge thematically and critically evaluates the literature to justify the research gap.

Chapter 3 – Research questions and hypotheses. This chapter develops and presents a conceptual framework and thereafter derives testable hypotheses.

Chapter 4 – Research methodology. This chapter justifies all methodological choices made, such as the study design, data sampling, and analysis, so that other researchers can replicate and extend this study.

Chapter 5 – Results. This chapter presents the findings from data collection clearly and objectively, essentially without interpretation.

Chapter 6 – Discussion. This chapter intends to adopt a triad process. It connects the findings (Chapter 5) to the research question, the conceptual framework and existing literature (Chapters 2 and 3). Thereafter, the data are interpreted to explain the meaning of the findings and why these were found.

Chapter 7 – Conclusion. This chapter connects the findings to real-world implications by providing a final, concise synthesis of the study, suggesting the way forward, and answering the “so what?” question. It then ties it back to the problem statement presentation in the introduction.

2. Literature Review

This section critically analyses the literature to explore the relationship between inclusive leadership (independent variable), inclusive climate (moderating variable), and employee creativity (dependent variable). The literature positions them as crucial enablers of digital transformation (DT) in organisations that are facing the disruption of DT but also need the transformation in order to improve their operations and customer service, such as power utilities.

2.1. Public Power Generation Industries and Digital Transformation

Public power generation companies in South Africa are government-owned entities, and they are responsible for producing and supplying electricity to meet national demand. These include companies such as Eskom Holdings SOC Ltd (Eskom), Sola Group (Pty) Ltd and SASOL (<https://www.researchandmarkets.com/r/owzi33>; accessed October 2025). These companies are, more often than not, primarily focused on the welfare of the public, energy security, and the affordability of the energy they provide. In contrast, private power generation companies are owned by private investors or corporations, typically operating with profit motives and serving specific markets or contracts, sometimes including independent power producers (IPPs) that contribute to the national grid.

The importance of both sectors lies in their combined contribution to the country's energy supply, economic growth, and job creation. Public power generation companies ensure stable and widespread access to electricity, which is vital for industrial activities, commercial enterprises, and households. Reliable energy supply is important for economic development as it enables manufacturing, services provision, and urbanisation. Private companies add capacity, innovation, and competition, often accelerating the integration of renewable energy sources and improving overall sector efficiency.

These industries impact South Africa's economy by supporting industrial productivity, attracting investment, and facilitating socio-economic development. Electricity availability influences business operations, public services, and quality of life, making power generation a critical pillar of economic stability and growth.

However, both public and private power generation sectors face significant challenges, including ageing infrastructure, maintenance backlogs, fluctuating electricity demand, and the increasing need to incorporate renewable energy sources to meet environmental targets. These issues result in inefficiencies, frequent outages, and financial strain, which can hamper economic progress.

Digital transformation is a continuous, multidimensional endeavour to enhance efficiency and innovation. It is essential to address the mentioned challenges by enabling smarter, data-driven management of power generation assets. Technologies such as smart grids, real-time monitoring, and predictive analytics help optimise operations, reduce downtime, and improve maintenance efficiency. This modernisation supports the transition to a more resilient, sustainable, and economically beneficial energy sector capable of meeting South Africa's evolving energy needs. Managers in the energy sector companies such as Eskom, Sasol, SOLA group and SolarAfrica Energy need to facilitate the DT of the organisation in order to respond to changes such as stakeholder expectations, increasing competition and the restrictive regulations that they face (Chwilkowska-Kubala et al., 2023).

Digital transformation requires organisational agility and innovative capacity, which are fundamentally driven by a workforce empowered to experiment and adapt (Zahoor et al., 2024; Blanka et al., 2022). The proposed model, which is grounded in SET, suggests that inclusive leaders foster high-quality social exchange relationships with employees (Leroy et al., 2022). They do this through their openness, availability, and empowerment. This framework assesses their collective impact on DT, organisational embeddedness, and agility (Tallon et al., 2019; Vial, 2019). In reciprocation, employees feel obliged to contribute discretionary effort, which manifests as creativity.

Critically, this relationship is not direct; it is mediated by the establishment of an IC. This climate, characterised by psychological safety and a sense of belonging, serves as the key mechanism through which leadership behaviours are translated into creative outcomes. Employees in such an environment feel safe to propose novel ideas, challenge existing processes, and risk occasional failure – all of which are essential to the iterative process of DT (Khan et al., 2020). Thus, this review synthesises evidence that IL cultivates an IC, which, in turn, becomes fertile ground for the EC that fuels successful DT.

2.2. Social Exchange Theory

Social Exchange Theory (SET) provides a foundational framework for understanding workplace relationships as a series of interdependent, reciprocal transactions. Rather than a single model, SET represents a family of conceptual perspectives spanning social psychology and management (Cropanzano & Mitchell, 2005). These transactions, which involve socio-emotional benefits such as trust, support, and loyalty, are governed by the "norm of reciprocity" (Gouldner, 1960). This norm creates an obligation to reciprocate beneficial treatment, thereby forming and sustaining high-quality social exchange relationships over time (Lee et al., 2022; Cropanzano et al., 2017). In an organisational context, when leaders provide resources, empowerment, and respect (socio-emotional benefits), employees feel obliged to reciprocate with greater engagement, commitment, and discretionary effort, such as creative behaviour.

Psychological safety, a shared belief that the work environment is safe for interpersonal risk-taking, is a well-established antecedent of employee creativity. It encourages employees to propose novel ideas, experiment, and voice concerns without fear of reprisal for mistakes (Khan et al., 2020; Edmondson, 1999). This climate is not self-generating; it is actively cultivated by leadership.

From a Social Exchange Theory perspective, when employees perceive strong support from their organisation (Perceived Organisational Support, or POS) and experience a high-quality, trust-based relationship with their direct leader (Leader-Member Exchange, or LMX), the employees feel a sense of obligation to reciprocate. This reciprocity often manifests as increased discretionary effort, including creative and innovative behaviours (Lee et al., 2022; Yu & Frenkel, 2013). Thus, leadership support, operationalised through both POS and LMX, serves as a critical lever for building the psychologically safe environment essential to creativity in the modern workplace (Khazanchi & Masterson, 2011; Tierney et al., 1999).

SET is founded on the norm of reciprocity, a universal expectation that beneficial treatment received from one party (e.g., a leader) will be repaid by the other (e.g., an employee) (Cropanzano & Mitchell, 2005). However, the strength of this norm varies among individuals based on their exchange ideology – the personal belief in the necessity of repaying favourable treatment (Lee et al., 2022; Eisenberger et al., 1986). When employees perceive a high-quality social exchange relationship with their leader, characterised by trust, respect, and mutual obligation, they are more likely to reciprocate through discretionary behaviours.

Creativity is a prime example of such reciprocation. It is bolstered by these high-quality relationships because the leader provides crucial resources – such as psychological safety, autonomy, and information – that create a favourable environment. The employee, in turn, feels obliged to respond by investing cognitive effort into generating novel and useful ideas (Kim & Beehr, 2021; Lee et al., 2015).

2.3. Inclusive Leadership

This section explores the role of IL in cultivating a conducive work environment that enables enhanced employee outcomes, such as creativity and competency development. Conceptually, IL is defined as a leadership style that fosters an environment that satisfies employees' dual needs for belongingness and uniqueness, thereby empowering them to contribute meaningfully while feeling valued as individuals (Leroy et al., 2022; Randel et al., 2018).

The efficacy of this leadership style can be understood through theoretical triangulation. First, grounded in Social Exchange Theory (SET), inclusive leadership initiates a reciprocal cycle; when leaders demonstrate openness, availability, and empowerment, employees feel obliged to reciprocate through greater engagement and discretionary effort (Lee et al., 2022). Second, from the perspective of Social Cognitive Theory, inclusive leaders serve as role models who exemplify psychological safety and collaborative problem-solving, thereby enhancing collective efficacy and encouraging employees to adopt similar behaviours (Carmeli et al., 2010). By integrating these theoretical lenses, it becomes evident that IL is not merely a style but a strategic lever that actively shapes the social and psychological fabric of the workplace to drive performance. IL has key dimensions that enable leaders to guide employees through the disruption that comes with DT. The dimensions are behavioural and strategic capabilities.

2.3.1. Leadership for Adaptation

An organisation's successful journey to digital maturity is fundamentally contingent upon its leadership. While technological adoption is crucial, it is leaders who must cultivate the supportive, agile, and ethically grounded organisational culture necessary for continuous adaptation (Schiuma et al., 2022). This requires a shift from traditional, hierarchical models toward leadership that embodies inclusive and empowering principles. Such leaders act as catalysts for DT by fostering psychological safety, which encourages

experimentation and knowledge sharing, and by leveraging their digital fluency to guide strategic decision-making (Cortellazzo et al., 2019). The efficacy of this approach is supported by Complexity Leadership Theory, which posits that in adaptive contexts like DT, leaders must not direct but rather enable the emergence of innovation by creating interactions and networks where new ideas can flourish (Uhl-Bien & Arena, 2018). Therefore, leadership for DT is characterised by a specific suite of competencies focused on integrating ethical, human-centric practices with strategic technological advancement.

2.3.2. The Digital Transformative Leader Profile

Schiuma et al. (2022) provide a valuable framework for these competencies, which is strongly supported by contemporary research. First, the ability to frame digital transformation as everyone's responsibility aligns with the principle of distributed leadership. This approach, which empowers employees through mentorship and promotes critical thinking, fosters a sense of psychological ownership, motivating adaptation to new digital demands (Rangraz & Pareto, 2021; Lee et al., 2022).

Second, engaging people to act requires a foundation of empathy and dialectical thinking. This is not merely a soft skill but a strategic one; leader empathy is a key predictor of psychological safety, which energises employees to engage with the uncertainties of change (Newman et al., 2017). The ability to reconcile contradictory demands (e.g., stability vs. change) is a core tenet of paradoxical leadership, which is increasingly cited as essential for navigating digital complexity (Wimelius et al., 2021).

Finally, the capability of shaping a knowledge-creating context is fundamental. By facilitating social interactions and digital knowledge sharing, leaders directly build the organisation's absorptive capacity – its ability to acquire, assimilate, and apply new knowledge -which is the engine of continuous learning and innovation in a digital economy (Ferraris et al., 2020; Wimelius et al., 2021).

2.3.3. Behavioural Characteristics of Inclusive Leadership

Randel et al. (2018) confirm that IL is a behaviour that fosters both belongingness (e.g., upholding shared decision-making, such as ensuring equity and justice) and uniqueness (e.g., promoting diverse contributions) (Shore et al., 2011). The effective transfer of inclusive behaviours from leaders to followers depends on leaders' ability to model them through straightforward, demonstrable actions. Conversely, overly complex representations of inclusivity can negatively influence the team climate (Boekhorst,

2015). Leroy et al. (2022) emphasise that workforce creativity is essential for organisational survival in a dynamic, rapidly evolving business environment.

IL is conceptually anchored in satisfying employees' dual needs for belongingness and uniqueness, achieved through behaviours that ensure equity and encourage diverse contributions (Randel et al., 2018; Shore et al., 2011). The effective translation of this leadership style into positive outcomes, however, depends on the leader's ability to model these principles through clear, consistent, and demonstrable actions. Overly complex or abstract representations of inclusivity can undermine team climate, whereas straightforward modelling fosters the psychological safety necessary for innovation (Boekhorst, 2015).

It is through this established climate of safety and respect that IL unlocks a critical organisational asset: EC. In today's dynamic business environment, creativity is not a luxury but a necessity for organisational adaptation and survival (Leroy et al., 2022). When leaders actively foster inclusion, they create an environment where employees feel safe taking interpersonal risks, proposing novel ideas, and challenging the status quo without fear of embarrassment or punishment. This direct pathway from IL, through psychological safety, to enhanced creative output is well-supported by contemporary research (Javed et al., 2019).

2.3.4. Dominant Change and Innovation

DT fundamentally redefines organisational value creation, compelling firms to adopt continuous innovation approaches to survive in an increasingly complex and turbulent business climate (Schiuma et al., 2022; Vial, 2019). This environment is profoundly disruptive; research suggests that DT could displace a significant number of incumbent players across industries, underscoring that it is not a finite project but a persistent journey of strategic realignment (Warner & Wäger, 2019; Yokoi et al., 2019).

Navigating this journey successfully depends on a firm's ability to develop dynamic capabilities – the strategic capacity to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece, 2020). This theoretical lens explains why strategic management is paramount: it is the discipline through which dynamic capabilities are exercised. Effective strategic management enables a firm to progress to advanced DT stages by making strategic digital investments and fostering the organisational agility required for successful integration (Porfirio et al., 2021; Singh et al., 2020). Consequently, leadership must focus on cultivating specific meta-capabilities – such as strategic agility, the management of strategic digital options,

and the capacity for innovative competitive action – to build this enduring adaptive advantage (Wulf et al., 2017).

2.3.5. Fostering Resilience and Resourcefulness

In an era where continuous digital knowledge application is key to survival, organisations face the dual challenge of accelerating digitalisation while building resilience against the crises it can precipitate (Schiuma et al., 2022; Nguyen et al., 2024). IL is pivotal in this context, as it directly leverages workforce diversity to build critical capabilities such as resilience and creativity by maximising employee resourcefulness (Leroy et al., 2022; Griep, 2022).

The link between IL and team creativity is well-established, but its mechanism is nuanced. While assembling a diverse team creates the potential for a cross-fertilisation of ideas, it does not guarantee creative outcomes (Leroy et al., 2021; Van Knippenberg & Schippers, 2007). This potential is unlocked only when leaders foster an IC in which members feel valued as "insiders," thereby feeling safe to share their unique perspectives (Shore et al., 2011). This state of psychological safety is the critical mediator that enables the risk-taking inherent in creativity (Lee et al., 2022).

Leroy et al. (2022) conceptualise this process through two complementary behaviours: 'cultivating value in diversity beliefs' and 'harvesting the benefits of diversity.' The former involves building a shared team belief in the value of different inputs and knowledge, which is foundational for creating psychological safety. The latter entails actively facilitating the exchange of these unique viewpoints. The agricultural metaphor is apt: a harvest cannot precede cultivation. Attempting to harvest ideas without first cultivating a safe and inclusive climate is counterproductive; it not only stifles creativity but can actively harm team members' sense of belonging (Homan et al., 2020). Therefore, leaders must strategically emphasise both behaviours – first cultivating the soil of psychological safety to enable the successful harvest of novel and useful ideas.

2.3.6. Creating a Conducive Working Environment

Employees have a shared perception that the work environment actively fosters both belongingness and uniqueness (Boekhorst, 2015; Shore et al., 2011) and therefore, believe that IL is instrumental in cultivating an IC. Leaders act as 'meaning managers,' shaping this climate by embedding inclusivity into organisational systems and processes, thereby leveraging diversity as a strategic resource for integration and continuous

learning (Shore et al., 2018). This leadership approach is fundamental to the effectiveness of diversity management, as it creates the necessary climate for teams to fully utilise their diverse capabilities (Ashikali et al., 2021).

A primary mechanism through which IL enables these outcomes is by fostering psychological safety. By being accessible, open, and affirming of diverse contributions, inclusive leaders create an environment where employees feel safe to express themselves, challenge norms, and take interpersonal risks without fear of negative consequences (Carmeli et al., 2010; Edmondson, 1999). Recent empirical work confirms that this psychological safety is a critical mediator, explaining how IL leads to enhanced creative output and employee involvement. When employees feel psychologically safe, they are more likely to invest their cognitive and emotional resources fully in innovative work (Newman et al., 2020). Therefore, by institutionalising a paradigm of integration and respect, IL fosters the psychological safety required to leverage unique perspectives, which is especially critical for enabling learning and effectiveness during periods of significant organisational change, such as DT.

2.3.7. Leveraging Existing Infrastructure and Systems

IL is a critical success factor for DT because it actively shapes the organisational architecture – the formal structures, systems, and strategies – required for agility and innovation. Leaders must leverage digital infrastructure through coherent, mission-aligned strategies to support both operational success and employee development (Porfírio et al., 2021; Blanka et al., 2022). IL enhances this process by using digital tools to improve transparent communication and by shaping HR systems, such as fair reward practices, to formally reinforce and incentivise inclusive behaviours (Leroy et al., 2021). This alignment is achieved when leader behaviours are synchronised with the broader organisational system, including its climate, practices, and policies (Randel et al., 2018; Boekhorst, 2015). Leaders act as interpreters and implementers of this architecture, mobilising systems like High-Performance Work Systems (HPWS) to cultivate positive employee attitudes and outcomes, thereby directly influencing organisational culture (Ehrnrooth et al., 2021; Song et al., 2020).

A key indicator of DT maturity is a structural shift toward decentralised decision-making and greater staff autonomy (Porfírio et al., 2021). However, the success of this decentralised model depends critically on IL. Without inclusive leader behaviours – such as practising shared decision-making and fostering psychological safety – granting autonomy can lead to chaos rather than empowerment (Randel et al., 2018). Ultimately,

for an organisation to achieve enterprise-wide efficiencies, its technology and governance strategies, often centralised, must be effectively reconciled with local, specific systems and needs – a reconciliation that inclusive leaders are uniquely positioned to facilitate (Singh et al., 2020).

2.3.8. Strategic Alignment and Digital Value Creation

Contemporary organisational value creation is predominantly driven by the strategic implementation of DT, in which the continuous alignment of corporate and digital strategies is a critical success factor for achieving sustained competitive advantage (Porfirio et al., 2021). This alignment transcends mere IT infrastructure and instead depends on strategic capabilities – specifically, the ability to synchronise technology with business goals and create synergies between digital and traditional assets (Warner & Wäger, 2019; Wulf et al., 2017).

Leaders are the central agents in cultivating these capabilities, primarily by shaping the organisational context through formal systems and structures (Ehrnrooth et al., 2021). Here, IL becomes a strategic imperative. The complex, cross-functional nature of DT requires the integration of diverse perspectives and expertise to ensure that digital strategies are well formulated and effectively executed. IL facilitates this by creating a climate of psychological safety and shared decision-making, which encourages employees' full participation and unique contributions (Randel et al., 2018). This inclusive environment is the very mechanism that enables the 'alignment capability class'; it ensures that strategic plans are not siloed but are co-created, understood, and embraced across the organisation, leading to more efficient and effective implementation of complex digital initiatives (Wimelius et al., 2021).

2.3.9. Cultivating Value by Enhancing System Effectiveness

IL enhances organisational resilience and performance by acting as a critical behavioural complement to formal systems, amplifying their positive effects. While studies like Nguyen et al. (2024) highlight the role of leadership within High-Involvement Work Systems (HIWS), their assertion of Transactional Leadership's primacy may be an overstatement without comparative analysis. In contrast, IL offers a synergistic fit, theorised to be uniquely effective in moderating and enhancing the impact of systems that incorporate power, information, rewards, and knowledge (PIRK) (Ehrnrooth et al., 2021; Oc, 2018).

The effectiveness of HIWS is maximised when employees are psychologically empowered. IL directly fosters this by creating a climate of inclusion – satisfying needs for both belongingness and uniqueness – which in turn promotes group identification and psychological empowerment (Randel et al., 2018). This empowerment, rooted in inclusion and autonomy, achieves its full potential within the PIRK framework of HIWS, creating a powerful synergy for positive outcomes (Boekhorst, 2015).

The mechanism underlying this synergy is often psychological safety. IL, characterised by openness and accessibility, fosters an environment where employees feel safe taking risks (Carmeli et al., 2010). This safety is the key mediator through which IL enhances crucial outcomes like EC and knowledge sharing, which are the lifeblood of digital adaptation (Lee et al., 2022). Consequently, scholars widely agree that IL is pivotal for cultivating the learning-oriented, collaborative, and trust-based culture necessary for DT (Shore & Chung, 2022). Leaders thus act as catalysts by fostering the attitudinal change that encourages continuous knowledge development (Schiuma et al., 2022). However, as Porfirio et al. (2021) caution, this leadership influence is often unstructured and requires more systematic analysis in relation to specific organisational characteristics.

2.3.10. Cultivating and Harvesting the Benefits

A consensus exists on the paramount importance of leadership in building the agile, digitally enabled environments necessary for successful transformation (Nguyen et al., 2024; Schiuma et al., 2022). Scholars explicitly call for organisations to identify and empower leaders who foster intrapreneurial mindsets to drive DT. However, a critical nuance is missing from this conversation. Despite this recognition, the literature on the direct impact of IL on DT outcomes and the specific development of digital competencies remains notably limited, representing a significant and underexplored research frontier (Cortellazzo et al., 2019).

The potential of IL in this context is theoretically robust. From a SET perspective, leaders' inclusive behaviours – such as fostering psychological safety and encouraging knowledge sharing – constitute a significant socio-emotional investment (Cropanzano & Mitchell, 2005). In accordance with the norm of reciprocity, employees feel obligated to reciprocate this investment, which manifests as increased learning engagement, greater willingness to share knowledge, and higher levels of discretionary effort in adopting new digital tools. This theoretical link, while persuasive, requires direct empirical investigation to understand its precise function within the complex process of DT.

2.4. Employee Creativity

Organisational success in the digital era is increasingly contingent on leveraging human capital. This section theorises EC as a pivotal strategic asset and a critical performance outcome of DT (Chen et al., 2025; Amabile, 1988). Within the context of DT, creativity is not merely a general organisational benefit but the fundamental engine for adaptation; it is the essential precursor to the innovation required for business model evolution, problem-solving in volatile environments, and ultimately, organisational survival (Lee et al., 2022; Shalley et al., 2004).

This perspective is reinforced by the Resource-Based View (RBV), which states that sustainable competitive advantage derives from valuable, rare, and inimitable internal resources. A workforce capable of continuous creative output constitutes precisely such a resource, enabling the dynamic capabilities needed to reconfigure operations and value propositions in response to technological change (Teece, 2020; Warner & Wäger, 2019). Therefore, fostering EC is not just an HR objective but a core strategic imperative for achieving DT-driven effectiveness and success.

2.4.1. Essential Role of Employees in the Workplace to Achieve Creativity

A long-standing consensus affirms that fostering EC is indispensable for organisational effectiveness, innovation, and long-term adaptability (Lee et al., 2022; Shalley et al., 2004). However, a significant gap exists in the DT literature, which has traditionally emphasised external stakeholders and technological adoption, often overlooking the pivotal role of employees as the primary agents of this transformation (Cetindamar et al., 2024). This oversight is critical, as human capital – specifically, employees' digital expertise and strategic input – is the essential ingredient for converting technological investment into a sustainable competitive advantage (Blanka et al., 2022).

Success in this endeavour requires more than just technical upskilling; it demands the creation of a supportive organisational context that can harness the full spectrum of human potential. Foundational research by George and Zhou (2007) demonstrates that even negative moods can fuel high creativity when channelled within a context of clear goals and supportive feedback, prompting deep cognitive engagement with complex problems. This underscores that the DT environment itself must be intentionally designed to elicit and support creative contributions from a diverse workforce.

Therefore, the implementation of digital technologies should be viewed not merely as a technical upgrade but as a catalyst for positive changes in work processes, roles, and collaboration. The ultimate goal is to create a system that, combined with a supportive

and IC culture, enhances business effectiveness and performance by fully leveraging the creative capacity of every employee (Nguyen et al., 2024).

2.4.1.1. Creativity as the Engine for Innovation and Organisational Effectiveness

EC, the generation of novel and useful ideas (Chen et al., 2025; Amabile, 1988), is the fundamental engine for organisational innovation and a critical determinant of successful DT (Lee et al., 2022; Anderson et al., 2014). This creativity manifests across a spectrum, from incremental adaptations to work processes to radical breakthroughs in products and services, all of which are essential for organisational adaptation (George & Zhou, 2007).

In the dynamic context of DT, achieving a sustainable competitive advantage depends on embedding creativity into the organisation's strategic core. This requires the ability to integrate, build, and reconfigure resources to address changing environments (Teece, 2020). A workforce capable of continuous creative output constitutes the most critical of these resources. However, fostering and building dynamic capabilities present significant organisational challenges. Creativity is often a discretionary, extra-role behaviour that competes with demands for routine performance, requiring a conscious allocation of individual effort and organisational resources (Shalley et al., 2004). Moreover, the generation of a creative idea does not end with its conception. Its successful implementation frequently requires employees to engage in proactive issue-selling and relationship-building to garner necessary support, highlighting the social and political dimensions of innovation within digital initiatives (Khazanchi & Masterson, 2011).

2.4.1.2. Psychological and Behavioural Investment in Creativity

For organisations to harness a substantial return on investment in employee creativity, they must first recognise it as a demanding process requiring significant psychological resources from employees: a willingness for risk-taking, high cognitive effort, and sustained energy (Shalley et al., 2004). The inherent uncertainty of this process necessitates a leadership and management approach fundamentally different from that used for predictable, routine tasks (George & Zhou, 2007). Specifically, it requires cultivating a psychologically safe climate where employees are comfortable with experimentation and view failure as an inherent part of learning and idea generation, not as a punishable outcome (Lee et al., 2022).

This supportive environment is what allows potentially negative states, such as employee dissatisfaction, to be channelled into constructive efforts to improve processes, rather

than into disengagement (Zhou & George, 2001). Furthermore, at the team level, creativity is not the sum of individual ideas but the product of a synthesis process. A team's creative output is contingent upon its capacity for information elaboration – the in-depth discussion, integration, and refinement of the distinct perspectives and knowledge contributed by its members (Hoever et al., 2018; Leroy et al., 2022). Thus, effective creative output hinges on a climate that supports individual risk-taking and enables teams to transform diverse inputs into novel and useful solutions.

2.4.2. Employees Self-Determination

EC is fundamentally driven by a voluntary investment of sustained cognitive effort, fuelled by two dynamically interrelated psychological mechanisms: intrinsic motivation (the inherent interest and enjoyment in the work itself) and creative self-efficacy (the belief in one's capability to produce creative outcomes) (Amabile, 1988; Tierney et al., 1999). While traditionally viewed as intrinsic motivation sparking the process, contemporary research suggests a more complex interplay, in which creative self-efficacy can itself serve as a starting point, fostering the resilience and intrinsic interest necessary to persevere through creative challenges (Chen et al., 2025; Javed et al., 2019). This synergy between the 'want-to-do' (motivation) and the 'can-do' (efficacy) is the primary engine of the creative behaviours essential for digital innovation, such as persistence, risk-taking, and cognitive flexibility (Shalley et al., 2004).

The organisational imperative, therefore, is to cultivate an environment that systematically nurtures these states. This is achieved through management practices that provide autonomy and support, which enhance employees' sense of self-determination and competence (Song et al., 2020; Oldham & Cummings, 1996). By minimising excessive control and fostering personal initiative, organisations create the conditions for intrinsic motivation to flourish and for creative self-efficacy to be reinforced through successful experiences.

This supportive context is also the key to understanding more complex drivers of creativity. Contrary to simple intuition, research indicates that negative emotions like job dissatisfaction can, under specific conditions, prompt creative problem-solving. However, this constructive channelling of dissatisfaction is highly contingent; it requires employees to be in challenging, central roles and, most critically, to be buffered by strong support from coworkers and supervisors (Lee et al., 2020; Zhou & George, 2001). This underscores that even non-ideal psychological states can be harnessed for innovation within a well-designed and supportive organisational system.

2.4.3. Value Creation Through Equipping Employees with Necessary Skills

In an era of digital disruption that threatens to displace industry incumbents, organisations must do more than adopt new technologies; organisations must fundamentally re-skill the workforce to harness the transformative potential of these tools (Porfirio et al., 2021). DT inherently alters work processes, roles, and systems, making an organisation's capacity for EC the critical link between technological investment and tangible business value (Nguyen et al., 2024). Ultimately, the productivity and performance gains from DT are contingent upon their alignment with employees' digital creative capabilities.

However, a significant strategic gap persists. While the importance of EC is acknowledged, many organisations fail to systematically bridge the divide between fostering individual digital creativity and achieving overarching strategic goals (Blanka et al., 2022). This gap can be understood through the lens of dynamic capabilities – the organisational ability to integrate, build, and reconfigure resources to address rapidly changing environments (Teece, 2020). From this perspective, EC is not just an individual asset but the core of a firm's capacity for strategic renewal in the digital age.

The foundation for this capability is articulated in Amabile's (1988) Componential Theory, which posits that creativity requires domain-relevant skills (expertise in the digital domain) and creativity-relevant skills (cognitive styles for problem-solving). Therefore, shielding an organisation from technological obsolescence requires leadership to focus on creating a supportive environment that provides the resources for continuous competency development, thereby building the human foundation for a dynamic, adaptable organisation.

2.4.3.1. Domain-Relevant Skills and Cognitive Style

Creative production is driven by a dual-process model that integrates individual cognition and social learning. At the individual level, it requires cognitive flexibility – the mental capacity to shift between concepts and perspectives – and divergent thinking – the ability to generate a wide array of novel solutions to a given problem (Tierney et al., 1999). However, these cognitive skills are not developed in a vacuum. According to Social Cognitive Theory, creativity is also a socially cultivated capability that can be significantly "enhanced, shaped, and honed" through vicarious learning (Shalley et al., 2004).

Exposure to creative models, such as innovative colleagues or leaders, provides employees with cognitive templates and strategies that spark new approaches and build creative self-efficacy – the belief in one's own ability to be creative (Javed et al.,

2019). Therefore, fostering creativity requires an environment that not only recruits for cognitive ability but also intentionally designs opportunities for observational learning and knowledge exchange.

2.4.3.2. Supportive Contextual Infrastructure

A supportive organisational context, cultivated primarily by leadership, is essential for mitigating the risks inherent in creative work and unlocking employee potential (Lee et al., 2022). Effective leaders build this context through a combination of specific, interrelated behaviours that collectively foster psychological safety – the shared belief that one can take interpersonal risks without fear of negative consequences (Khan et al., 2020).

First, leaders provide constructive feedback that focuses on learning and development rather than punishment, guiding employees and reinforcing a growth mindset (George, 2007). Second, leaders establish interactional justice and trust by treating employees with dignity, respect, and fairness; this assures employees that they can take creative risks without being unfairly blamed for failures (Khazanchi & Masterson, 2011).

These two elements create a foundation of safety and fairness. Building upon this foundation, IL acts as a powerful catalyst for team creativity. IL promotes an IC where members feel a sense of belonging (belongingness) and are encouraged to express their individual perspectives (uniqueness) (Leroy et al., 2022). This is achieved by leaders who actively cultivate the value of diversity and harvest its benefits by soliciting and integrating diverse viewpoints. In essence, IL provides the specific social-contextual mechanisms that translate general support and fairness into the high-level psychological safety and cognitive diversity necessary for breakthrough innovation.

2.4.3.3. Organisational Support and Systems

From a SET perspective, employees who perceive strong organisational support – feeling that their well-being is valued – are more likely to reciprocate with discretionary creative behaviours (Lee et al., 2022). This reciprocal relationship is activated when organisations not only offer general support but also provide specific recognition for creative contributions, thereby minimising perceived risk of innovation by fostering a sense of psychological safety (Koseoglu et al., 2017; Newman et al., 2020).

This supportive foundation is systematically institutionalised through High-Involvement Work Systems (HIWS). By formally sharing information, knowledge, power, and rewards, HIWS create a structural climate of involvement that provides the necessary resources and autonomy for collaboration and team creativity (Song et al., 2020).

The full potential of this involved and resource-rich climate is realised when it is imbued with a strong climate for inclusion. In such an environment, culturally diverse teams are empowered to move beyond surface-level diversity. The employees can effectively capitalise on varied knowledge and perspectives through information elaboration – the in-depth discussion, integration, and refinement of ideas (Li et al., 2017; Shore et al., 2018). Therefore, effectively managing diversity is not just an ethical goal but an organisational imperative; it is the mechanism that transforms the structural support of HIWS and the psychological safety of an IC into superior creative outcomes.

2.5. Inclusive Climate

In an era of constant digital disruption, organisational resilience and competitiveness depend on a workforce capable of creative problem-solving. This demands that organisations actively cultivate environments that activate EC to leverage DT for business advancement (Zahoor et al., 2024). This section positions an IC as that essential strategic environment and investigates how IL serves as the primary catalyst for its development.

An IC is defined as the shared employee perception that an organisation's practices and procedures foster inclusion by ensuring equity and valuing individual uniqueness (Boekhorst, 2015; Dwertmann & Boehm, 2016). This concept marks a critical evolution from passive diversity (demographic representation) to the active creation of a culture where every employee feels a sense of belonging and is empowered to contribute their distinct perspectives (Shore et al., 2018; Nishii, 2013).

Within the context of DT, an IC is not merely beneficial but a fundamental prerequisite for success. It provides the psychological safety and collaborative foundation necessary for information elaboration – the in-depth exchange and integration of diverse knowledge and viewpoints (Li et al., 2017). By fostering this collective commitment and harnessing diverse cognitive resources, an IC enables an organisation to more effectively interpret, adapt, and utilise new technologies to transform operations and decision-making (Schiuma et al., 2022; Ashikali et al., 2021). Ultimately, it is this inclusive environment that allows DT initiatives to flourish and drive sustained EC truly.

2.5.1. Impact of a Good Workplace Environment on EC

A robust body of research confirms that an IC is a critical antecedent to both workplace creativity and successful DT (Holmes et al., 2021; Jansen et al., 2017; Guillaume et al., 2014). Its impact operates through a series of interconnected mechanisms at the individual and team levels. At the individual level, an IC enhances employee motivation and engagement, creating the voluntary participation and discretionary effort necessary for adopting new digital tools (Holmes et al., 2021). Concurrently, IL behaviours foster psychological safety, a paramount mechanism that allows employees to express novel ideas and challenge norms without fear – a prerequisite for creative work and digital experimentation (Shore & Chung, 2022; Carmeli et al., 2010).

These individual states of motivation and safety enable critical team processes. A high climate for inclusion directly fosters information elaboration – the in-depth discussion, integration, and refinement of diverse perspectives (Shore et al., 2018; Li et al., 2017). This process is crucial, as it mitigates communication disruptions often caused by social categorisation in diverse teams, enabling them to leverage their varied knowledge for creative problem-solving fully (Li et al., 2017).

The success of this entire system is contingent on digital literacy. Research posits that digital literacy acts as a key moderator; stronger employee competency with digital tools strengthens the positive impact of an IC on DT outcomes (Zahoor et al., 2024). This implies that for an inclusive culture to fuel transformation effectively, it must be coupled with targeted investments in building foundational digital capability across the workforce. In essence, an IC provides the 'will' and 'safety' to innovate, while digital literacy provides the 'skill' to execute, together forming a complete system for driving DT and creativity.

2.5.2. Flexibility and Adaptability to Changes Posed by the Workplace Climate

Rapid technological advancement has created a perpetual state of turbulence, rendering DT an existential imperative for organisational survival and competitiveness (Annarelli et al., 2021; Porfírio et al., 2021). Yet, the path to transformation is notoriously fraught; over 70% of DT initiatives fail, primarily due to insufficient preparation and a lack of strategic alignment rather than technological shortcomings (Zahoor et al., 2024; Vial, 2019). This staggering failure rate underscores a critical gap in the prevailing approach: an overemphasis on technology at the expense of the essential human and organisational conditions for success.

We argue that a pivotal, yet under-leveraged, organisational condition is the IC. To help employees navigate the profound disruptions of DT, leaders must actively foster an

environment where employees feel valued and included. An IC serves as a crucial social-psychological mechanism that enhances employee motivation, adaptability, and psychological safety (Ashikali et al., 2021; Shore & Chung, 2022), thereby providing the foundational support system required to withstand the pressures of transformation and ultimately determine its success or failure.

2.5.2.1. Organisational Resilience and Change Management

While team diversity holds immense innovation potential, it often comes with the risk of interpersonal conflict. An IC functions as a critical mitigating factor against this risk. Seminal work by Nishii (2013) established that in highly IC environments, the typical negative association between team diversity and relationship conflict vanishes. This foundational finding has been consistently supported by contemporary research, which confirms that IC is a robust predictor of effective conflict management in diverse teams (Javed et al., 2019).

The proposed mechanism for this effect is that inclusion, underpinned by a shared sense of psychological safety, encourages members to reframe disagreements as opportunities for mutual learning rather than personal attacks (Shore & Chung, 2022; Edmondson, 1999). This psychological safety is the active ingredient that prevents the natural friction of task-related debates from escalating into destructive personal animosity. Consequently, an IC does not simply suppress conflict; it transforms it into a constructive process, enabling teams to safely leverage diverse perspectives to achieve superior performance and creative outcomes.

2.5.2.2. Enhancing Employee Resilience or Building Employee Resilience

Scholars increasingly posit that organisational resilience is fundamentally predicated on the collective resilience of its workforce (Williams et al., 2017). In this context, an IC serves as a critical organisational resource that cultivates this capacity. As Zahoor et al. (2024) contend, during periods of hardship and disruption, a climate characterised by justice, empowerment, and belonging fosters employee resilience by bolstering psychological safety and organisational identification. When employees feel included and valued, they are more likely to interpret challenges as manageable, engage in proactive problem-solving, and persist in the face of setbacks (Chen et al., 2025). This individual resilience, in aggregate, directly enhances the organisation's overall adaptive capacity and its ability to survive and thrive in turbulent environments.

2.5.2.3. Strengthening Climate Consensus

A strong climate for inclusion provides a stabilising social context during organisational change, thereby promoting consistent and positive outcomes such as enhanced team performance and employee innovation (Holmes et al., 2021). Crucially, the efficacy of this climate depends on its strength – defined as the degree of consensus among employees regarding the unit's inclusive practices.

When agreement is high, the climate exerts a more powerful and uniform influence on outcomes. This occurs because a high-consensus climate creates an unambiguous situational cue and a shared social reality, which more effectively guides employee attitudes and behaviours (Li et al., 2021). Consequently, investing in the development of a widely shared and strongly held IC is not only beneficial but also essential for realising its full potential in driving organisational success, particularly in turbulent environments.

2.5.3. Leadership Influence on the Environment Through Decision Making

The success of DT is inextricably linked to an organisation's social fabric (Di Vaio et al., 2021; Suchek et al., 2021). A critical component of this fabric is an IC, a shared perception that the organisation's practices foster inclusion through three core dimensions: decision-making inclusion, equitable employment practices, and the integration of differences (Li et al., 2017; Nishii, 2013). This climate is actively cultivated by IL, a style defined by behaviours that make employees feel both a sense of belonging and valued for their uniqueness (Randel et al., 2018).

Inclusive leaders operationalise the leadership role through two key, interdependent behaviours (Leroy et al., 2021; Shore & Chung, 2022). The first is cultivating value in diversity by building a shared belief that differences are a valuable resource. The second is harvesting the benefits of diversity – actively soliciting and appreciating unique perspectives. Critically, empirical evidence shows that attempting to harvest ideas without first cultivating an inclusive foundation can have a negative effect on team creativity, underscoring the necessity of this sequence (Leroy et al., 2021). This process fosters the psychological safety necessary for employees to contribute fully.

The primary role of leadership in DT is to align organisational infrastructure with digital strategy to foster innovation (Porfírio et al., 2021). An IC is the mechanism that enables this. By ensuring diverse viewpoints are sought and integrated, IL directly facilitates the superior, informed decision-making required for DT (Shaffakat et al., 2022; Benbya et al., 2020). This creates a collaborative environment where leaders and employees jointly generate value, enhancing the organisation's adaptability, sustainability, and competitive advantage in the face of technological change.

The responsibility for setting inclusive norms falls to line managers, who must be held accountable for fostering inclusion and recognised for advancing diverse talent (Randel et al., 2018; Dwertmann & Boehm, 2016). Fortunately, research indicates that these inclusive behaviours are not innate traits but can be effectively cultivated in leaders through targeted development programs, ensuring these critical competencies are consistently demonstrated in practice (Leroy et al., 2022).

2.5.4. Diversity, Equity, Inclusion, and Belonging in the Workplace

IC is characterised by organisational fairness and the active leveraging of differences to foster a shared sense of belonging and value among employees (Randel et al., 2018). Grounded in the optimal distinctiveness theory, IC fulfils employees' dual needs for belongingness (feeling like an insider) and uniqueness (feeling valued for their individual contributions) (Shore & Chung, 2022; Shore et al., 2011) caution that an imbalance can lead to problematic states: assimilation (high belongingness, low uniqueness) or differentiation (high uniqueness, low belongingness).

The construct is operationalised through three core dimensions that translate theory into practice: (1) Inclusion in decision-making (embodying belongingness), (2) Equitable employment practices (the foundation of fairness), and (3) The integration of differences (embodying uniqueness and learning) (Nishii, 2013; Li et al., 2017). Procedural justice is a foundational element that enables the synergistic team processes, such as information elaboration and sharing, which are enhanced in culturally diverse teams within a strong IC (Shore et al., 2018; Dwertmann et al., 2016).

The strategic value of an IC is highlighted by meta-analytic findings indicating that it is more strongly associated with positive outcomes than traditional diversity climate measures (Holmes et al., 2021). This is because a traditional diversity climate is narrowly focused on redressing discrimination, whereas an IC takes a broader, forward-looking approach aimed at integrating the skills and perspectives of all employees to drive performance (Shore & Chung, 2022).

This research is grounded in SET, which provides a framework for understanding how an IC buffers against the negative effects of diversity, such as social categorisation. In an inclusive environment, employees who perceive organisational support and fairness are more likely to reciprocate with trust, cooperation, and discretionary effort (Ashikali et al., 2021). Therefore, this study is designed to test SET by examining how an

organisational environment characterised by these inclusive qualities directly influences employee collaboration and commitment.

2.6. Inclusive Leadership and Inclusive Climate

The synergistic effectiveness of IL and an IC is fundamentally rooted in the shared capacity to fulfil employees' core psychological needs for belongingness and uniqueness, as outlined by Optimal Distinctiveness Theory (Shore et al., 2011). IL behaviours directly model and encourage this balance, while an IC institutionalises it through fair practices and shared perceptions (Randel et al., 2018). When employees feel like an integral part of a team (belongingness) and are valued for individual skills and perspectives (uniqueness), key psychological preconditions for performance are met. This includes enhanced psychological safety, which encourages risk-taking, and increased intrinsic motivation, which drives discretionary effort (Shore & Chung, 2022). Consequently, by addressing these universal psychological needs, the IL-IC dynamic directly enhances critical organisational outcomes such as employee creativity, collaboration, and retention.

2.6.1. Conceptual Foundation and Level of Analysis

An IC is defined as the shared organisational perception that policies, procedures, and practices are fair and actively foster an environment of belonging and value for all employees (Shore et al., 2018; Boekhorst, 2015). This climate is not self-generating; it is cultivated by IL. IL consists of leader behaviours that directly fulfil employees' core psychological needs for belongingness (feeling like an insider) and uniqueness (feeling valued for one's individual contributions) (Shore & Chung, 2022; Randel et al., 2018). The distinction and connection between the two constructs are critical: IL is the catalyst, while IC is the resulting environment. IL focuses on the interpersonal actions that meet individual needs, thereby modelling and encouraging inclusive behaviour. Through consistent demonstration of these behaviours, leaders shape the collective understanding of what is expected and rewarded, which, over time, crystallises into the shared perception of an IC (Li et al., 2019). This IC, in turn, systemically embeds the integration of diverse skills and insights into the organisation's fabric, moving beyond individual relationships to create a sustainable culture of inclusion that drives performance and innovation (Zahoor et al., 2024).

2.6.2. Core Components and Behavioural Manifestation

IC and IL are distinct yet symbiotic constructs central to fostering inclusion. IC is an operational, multidimensional organisational context comprising: (1) decision-making inclusion, (2) integration of differences, and (3) a foundation of equitable employment practices (Holmes et al., 2021; Nishii, 2013). This climate represents the systemic and shared perception of how the organisation functions.

Conversely, IL is fundamentally behavioural, manifesting through specific leader actions that directly foster employees' sense of uniqueness (e.g., soliciting diverse viewpoints) and belongingness (e.g., demonstrating empathy and support) (Randel et al., 2018). These behaviours are grounded in leader traits such as accessibility, openness, and availability, which are essential for interacting with employees in ways that cultivate value-in-diversity beliefs (Leroy et al., 2022; Carmeli et al., 2010).

The critical interplay is that IL serves as the primary catalyst for IC. Through their consistent, demonstrable behaviours, inclusive leaders shape employee perceptions, which, over time, crystallise into the shared, multidimensional organisational reality of an IC. Therefore, IL is the driver, and IC is the sustained environment that emerges from it.

2.6.3. Interdependence and the Moderating Role

IL are the primary interpreters of organisational policy and are thus instrumental in shaping the shared perceptions that constitute an IC (Boekhorst, 2015). By role-modelling behaviours that foster belongingness and uniqueness, IL sets the behavioural tone for the unit, making it a prerequisite for developing an IC, especially within diverse teams (Ashikali et al., 2021).

In these diverse contexts, IL acts as a critical buffer against negative dynamics. It mitigates relationship conflict and intergroup bias that can arise from social categorisation, thereby preventing diverse teams from automatically developing a less IC culture (Ashikali & Groeneveld, 2015; Shore & Chung, 2022). This buffering effect even extends to dyadic relationships, protecting against low-quality leader-member exchanges (LMX) resulting from demographic incongruence, such as disability status (Dwertmann & Boehm, 2016).

However, the relationship is dynamic. The contextual factor of an IC itself significantly influences IL's effectiveness (Randel et al., 2018). A powerful, pre-existing IC can act as a partial substitute for leadership. When the system fully institutionalises inclusive norms, the organisation can achieve positive outcomes with less reliance on the discretionary

efforts of any single leader, thereby attenuating that leader's incremental impact (Leroy et al., 2022). This substitution effect represents the ultimate success of IL: creating a self-sustaining system of inclusion.

2.6.4. Psychological Mechanisms and Outcomes

IL drives positive organisational outcomes through a core relational mechanism: the cultivation of psychological safety. By being accessible, open, and available, inclusive leaders create an environment where employees feel safe to reveal their true selves without fear of negative consequences (Leroy et al., 2022; Carmeli et al., 2010). This psychologically safe environment is the foundational bedrock upon which both individual empowerment and an IC are built (Shore & Chung, 2022).

An IC institutionalises this sense of safety at the macro-level, characterised by shared perceptions of equality, justice, and empowerment (Zahoor et al., 2024). This climate, in turn, enables the specific team processes that directly fuel creativity. Specifically, a strong IC enhances employee information elaboration and team information sharing – the in-depth discussion and integration of diverse perspectives – which are critical for translating psychological safety into both individual and team creative outputs (Shore et al., 2018; Li et al., 2017).

Therefore, while IL (a micro-level behaviour) and IC (a macro-level context) are distinct constructs, they are dynamically linked through psychological safety. IL acts as the initial catalyst that fosters safety and empowerment, which then crystallises into the shared perception of an IC. This IC subsequently enables the collaborative team processes that are essential for innovation in a diverse workplace.

Hypothesis 1: Inclusive Leadership has a significant impact on Inclusive Climate.

While the link between IL and an IC is established, its role in the context of DT remains underexplored. This research will therefore investigate how IL cultivates the specific form of IC necessary for successful organisation-wide digital adoption.

While the theoretical link between IL and an IC is well established in the general organisational literature, its role as a critical enabler in the specific, high-stakes context of DT remains markedly underexplored (Shaffakat et al., 2022; Hanelt et al., 2021). Prominent reviews have consistently highlighted the lack of understanding of the 'human factor' and the leadership behaviours necessary to navigate the disruptive nature of DT (Warner & Wäger, 2019; Vial, 2019). This research directly addresses this gap by investigating the precise mechanisms by which IL cultivates the specific form of IC – characterised by psychological safety, collaborative problem-solving, and learning agility

– that is necessary to facilitate successful, organisation-wide digital adoption and to build digital resilience. Hypothesis 1 will be explored under this section.

2.7. Inclusive Leadership and Employee Creativity

IL serves as a critical behavioural catalyst for EC by actively fostering the psychological resources needed to generate useful and novel ideas. Through behaviours characterised by openness, availability, and empowerment, inclusive leaders build employees' creative self-efficacy – the belief in their own ability to be creative – and establish a climate of psychological safety in which employees feel secure taking interpersonal risks (Leroy et al., 2022). These resources are essential, as they provide the motivation and security for employees to engage in the cognitive effort and experimentation that creativity demands (Chen et al., 2025; George, 2007). Therefore, IL does not merely correlate with creativity; it directly enables it by cultivating the foundational psychological states that unlock creative potential.

2.7.1. IL as a Precondition for Psychological Safety and Creative Involvement

IL drives EC by fundamentally altering the team's psychological landscape. Leaders who demonstrate availability, openness, and accessibility create a climate of psychological safety, which acts as the critical social-psychological mechanism enabling creative output (Shore & Chung, 2022; Carmeli et al., 2010). In this conducive environment, employees feel secure enough to take interpersonal risks – they can speak up, contribute novel ideas, and experiment without fear of embarrassment or punishment, which fosters defensive orientations (Khazanchi & Masterson, 2011).

This safety is not merely a pleasant byproduct; it is the essential conduit for employee involvement in creative tasks. By mitigating the perceived risk of proposing unproven ideas, psychological safety directly facilitates the cognitive and behavioural engagement required for creativity (Chen et al., 2025). Consequently, a substantial body of research confirms that psychological safety is not just a correlate but a key mediator in the relationship between IL and EC, translating supportive leadership behaviours into tangible creative performance (Leroy et al., 2022).

2.7.2. Dual Behavioural Requirements of IL for Team Creativity

IL fosters creativity through two interdependent behaviours: first, cultivating shared value-in-diversity beliefs, and second, harvesting the benefits of that diversity by soliciting unique perspectives (Leroy et al., 2022). The sequence is critical; leaders must

first establish the inclusive foundation. As Shore & Chung (2022) caution, attempting to harvest ideas without first cultivating a genuine belief in the value of diversity can actively erode psychological safety and, by extension, harm team creativity.

This targeted focus on fulfilling employees' core psychological needs for belongingness and uniqueness distinguishes IL from Transformational Leadership (TL) in driving creativity. While TL encourages creativity broadly through intellectual stimulation and idealised influence, IL provides a more specific pathway by explicitly leveraging employees' diverse backgrounds and personal experiences (Leroy et al., 2022). As Randel et al. (2018) argue, TL does not directly address these dual needs, which are the central mechanisms through which IL unlocks creative potential. Consequently, in diverse and dynamic environments that require integrating varied perspectives, IL's targeted approach offers a more precise, theoretically and empirically grounded framework for fostering innovation than the broader constructs of TL.

2.7.3. Promoting Cognitive and Motivational Resources for Creativity

EC originates from a dynamic interplay of motivational and cognitive factors. Foundational research established creative self-efficacy (the 'can-do' belief) and intrinsic motivation (the 'want-to' drive) as independent drivers of creative output (Tierney et al., 1999; Amabile, 1988). However, contemporary meta-analytic evidence supports a more nuanced, causal pathway. Creative self-efficacy is now understood as a distal predictor that strengthens an individual's intrinsic motivation, which in turn acts as the proximal, direct predictor of creative behaviour (Chen et al., 2025). This evolved model clarifies that believing in one's capability fuels the passion to engage in the creative process.

These individual psychological states are not developed in a vacuum; they are actively fostered by the organisational environment. Inclusive Leadership (IL) plays a critical role by providing opportunities, challenges, and support that enhance both creative self-efficacy and intrinsic motivation (Tierney et al., 1999). A supportive organisational context, in which leaders encourage exploration and demonstrate trust, is essential for initiating and sustaining creative work driven by intrinsic motivation (Oldham & Cummings, 1996).

While the spark of an idea is individual, its development into a novel and useful output is often a collective endeavour. IL fosters team creativity by enabling a key cognitive process: information elaboration. This is the team-level mechanism through which diversity is linked to creativity, involving the seeking, consideration, and integration of

diverse perspectives (Leroy et al., 2022; Hoever et al., 2018). Therefore, IL cultivates the individual 'want-to' and 'can-do' motivations while simultaneously fostering the inclusive team processes necessary to combine diverse resources into innovative solutions constructively.

2.7.4. Contextual Contingencies in Leadership Effectiveness

The relationship between leadership and employee creativity is not simplistic but is moderated by organisational context and employee characteristics, indicating a complex, contingent relationship (George, 2007). Innovation emerges from a synergistic partnership: leaders foster a motivating context, while employees contribute essential skills and expertise (Baer, 2012). A critical part of this context is a work environment that provides autonomy, meaningful challenges, and support, which fosters the intrinsic motivation necessary for creative output (Tierney et al., 1999).

However, the application of this formula requires careful calibration. Recent research reveals that the encouragement provided by the team climate has a non-linear relationship with individual creativity. For instance, employees with high creative self-efficacy experience strong creative returns with moderate encouragement in an explorative climate; beyond this point, however, additional encouragement yields diminishing returns (Hirst et al., 2018). This demonstrates that the type and intensity of contextual support must be strategically aligned with employee predispositions to avoid overwhelming highly capable individuals, underscoring the sophisticated interplay between an individual's belief system and the social environment.

Hypothesis 2: Inclusive Leadership significantly influences Employee Creativity.

Leadership supports EC through two key pathways: fostering intrinsic motivation and removing or reducing inhibitory environmental factors, such as excessive constraints or fear of failure (Redmond et al., 1993). This aligns with established theories that state that creativity flourishes in environments that provide psychological support for experimentation and minimise impediments to cognitive and motivational processes.

The role of IL in fostering EC will be explored through a comparative study of employee groups across divisions and work areas, with the aim of identifying contrasting leadership behaviours and their effects on the work climate.

2.8. Inclusive Climate and Employee Creativity

An IC is a critical organisational context that directly enables EC by transforming the inherent challenges of diversity into a strategic advantage for innovation. This represents a fundamental shift from a compliance-focused diversity model to one that actively leverages cognitive variety for competitive gain (Chen et al., 2025; Dwertmann et al., 2016).

The central challenge in diverse teams is that the very cognitive diversity that fuels innovation – differing perspectives, knowledge, and backgrounds – is often stifled by social categorisation and interpersonal conflict it can trigger (Li et al., 2017). An IC functions as the essential solution to this paradox. It establishes shared norms and psychological safety, making employees feel comfortable expressing their unique perspectives and mitigating the relational friction that disrupts communication (Zahoor et al., 2024; Nishii, 2013). This does not eliminate conflict but productively channels it into task-focused debate, preventing it from escalating into destructive personal conflict (Dwertmann et al., 2016).

By creating this safe and fair context, the IC unlocks the key team-level mechanism for creativity: information elaboration. This is the in-depth process of seeking, discussing, and integrating non-overlapping knowledge (Song et al., 2020; Li et al., 2017). When team members feel safe to elaborate on their diverse information, the group can effectively process its cognitive variety, leading to the novel connections and solutions that define EC and innovative problem-solving. Therefore, an IC does not just allow for creativity; it systematically creates the conditions for diverse teams to safely and effectively harness their full creative potential.

Hypothesis 3: An Inclusive Climate/environment has a direct impact on Employee Creativity.

Employing a quantitative survey design, the strength of the direct pathway between IC and EC will be measured while controlling for demographic variables such as tenure, department, and seniority.

2.9. Inclusive Leadership, Inclusive Climate and Employee Creativity

The pursuit of innovation in diverse environments necessitates a shift from passive diversity to active inclusion, a transition orchestrated by IL. IL is not merely a style but a strategic behaviour that systemically cultivates the IC essential for unlocking EC. This

creates a dynamic system in which leadership behaviours shape the psychological context, which, in turn, enables the cognitive processes behind novel and useful ideas (Leroy et al., 2022; Shore & Chung, 2022).

Leaders act as "climate engineers" (Boekhorst, 2015) and "sense-givers" (Ashikali et al., 2021), using behaviours of openness, availability, and empowerment to build a shared perception of inclusion. This IC is characterised by psychological safety, equity, and the valuing of uniqueness (Nishii, 2013). The critical function of this climate is to mitigate the inherent risks of creativity and diversity. It buffers against the social categorisation and interpersonal friction that can disrupt diverse teams (Li et al., 2017), transforming potential conflict into productive debate and making the interpersonal risk of proposing novel ideas acceptable (Edmondson, 1999).

By establishing this safe and supportive context, the IC unlocks the key team-level mechanism for creativity: information elaboration. This is the process through which diverse knowledge and non-overlapping perspectives are sought, discussed, and integrated (Li et al., 2017). Therefore, IL initiates a causal chain: it builds an IC, which fosters psychological safety, which enables information elaboration, ultimately leading to enhanced EC. This model positions IC not as a mere correlate, but as the essential mediating context that translates leadership intent into collective creative achievement. For a condensed version of comparative summary analysis of these key concepts, IL, IC, and EC, see Table 1 below.

Table 1: Comparative summary analysis of inclusive leadership, inclusive climate and employee creativity: similarities and differences

Aspect	Inclusive Leadership	Inclusive Climate	Employee Creativity
Nature of construct	A set of leader behavioural actions (Randel et al., 2018; Shore & Chung, 2022)	A shared employee perception of the work environment (Boekhorst, 2015; Dwertmann et al., 2016)	The generation of useful and novel ideas (Shalley et al., 2004; Zhou & George, 2001)
Key conceptual anchor	Facilitation between belongingness and uniqueness	Shared belief in fairness & value of integration (Shore et al., 2018)	Usefulness and novelty production (Lee et al., 2022)

	(Randel et al., 2018)		
Relationship with risk	Enhances psychological safety, thus reducing perceived risk (Carmeli et al., 2010; Gilson & Shalley, 2004)	Encourages risk-taking & buffers against negative consequences (Koseoglu et al., 2017; Dwertmann & Boehm, 2016)	Requires engagement with inherent uncertainty and risk of failure (Hirst et al., 2018; Carmeli et al., 2010; George & Zhou, 2007)
Primary Role in the System	Catalyst: Initiates the process by modelling and reinforcing inclusive norms.	Mediating Mechanism: The contextual bridge through which IL influences EC.	Outcome: The ultimate result of an effectively functioning system.

The contextual analysis, as depicted in Table 1, is IC-focused on shared belief systems or collective outcomes produced by those behaviours and organisational context, whereas the IL represents the leader's active behaviour to instil inclusion. IL and a strong IC provide the contextual support that encourages employees to engage in risky endeavours. This engagement mediates the relationship, fostering the cognitive processes necessary for EC.

Hypothesis 4: Inclusive Leadership impacts both the Inclusive Climate and stimulation of employee digital creativity.

In conclusion, this study aims to develop and test an integrated model. It will investigate how IL fosters an IC, which in turn enhances EC, ultimately contributing to the effectiveness of DT initiatives.

2.10. Conclusion

This study aims to investigate the mediating role of an IC in the relationship between IL and EC, and its subsequent impact on DT outcomes in an electricity utility company. The research is theoretically grounded in SET, which provides a robust framework for understanding the reciprocal social and psychological exchanges through which inclusive leadership (IL) fosters an inclusive climate (IC), obliging employees to reciprocate with enhanced creative engagement (EC) (Leroy et al., 2022; Cropanzano et al., 2017).

The preceding literature review has systematically established the conceptual definitions and theoretical linkages between these constructs, forming a coherent conceptual model. This model will directly guide the operationalisation of variables and the development of the data-collection instruments. The empirical data gathered (Chapters 4 & 5) will therefore provide the necessary evidence to rigorously test this theoretically derived model, enabling a robust comparative analysis in Chapter 6 between the proposed relationships and the observed findings.

3. Research Questions and Hypotheses

This chapter outlines the study's research design and methodological approach. It begins by presenting the conceptual and theoretical frameworks that establish the foundational relationships among inclusive leadership, an inclusive climate, and employee creativity. From this foundation, the primary research question and hypothesis are derived. The chapter then details the quantitative research strategy, a choice justified by its suitability for testing the stated hypotheses. This structured approach is designed to ensure the collection of high-quality empirical data for rigorous analysis.

Main Research Question:

What is the impact of inclusive leadership (IL) on the relationship between inclusive climate (IC) and employee creativity (EC) within South Africa's national electricity utility?

Supporting Research Questions:

- What is the impact of inclusive leadership and employee creativity within the organisation?
- Does inclusive leadership have a positive impact on inclusive climate?
- Is there a direct influence of inclusive climate on employee creativity?

Hypotheses:

- H1: Inclusive leadership has a significant impact on inclusive climate.
- H2: Inclusive leadership significantly influences EC.
- H3: An inclusive climate environment directly impacts employee creativity.
- H4: Inclusive leadership impacts both an inclusive climate and the stimulation of employee digital creativity.

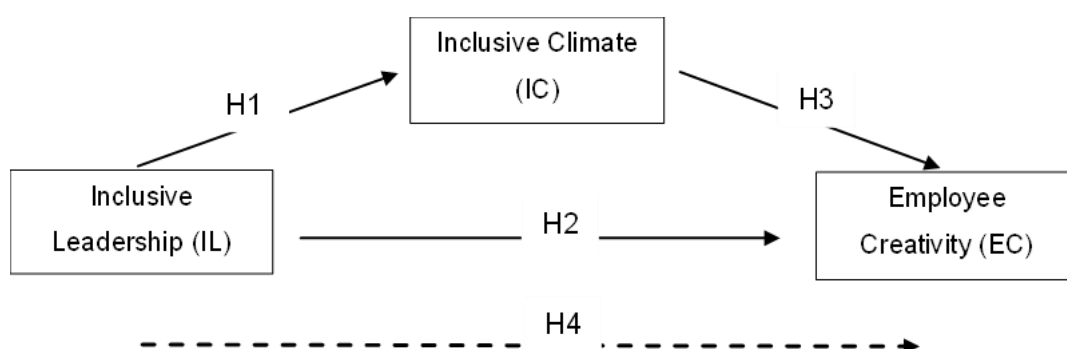


Figure 1: Conceptual Framework

Source: Author's compilation

Figure 1 presents the conceptual framework illustrating the hypothesised relationships among the study variables. IL is depicted as the independent variable, exerting a direct

influence on EC, the dependent variable. The IC is positioned as a moderating variable that moderates this relationship, which is a dependent variable with respect to IL; however, it is presented as an independent variable with respect to EC.

The interactions among these constructs and/or variables are represented by objectives and/or hypotheses 1, 2, and 3, which examine the individual relationships among IL, IC, and EC. Objective and/or hypothesis 4 reflects on the overall, integrated impact of IL and the IC on EC.

The study sought to validate whether there is a relationship between the above variables, which will be tested using null and alternative hypotheses: the null hypothesis states that there is no relationship, whereas the alternative hypothesis states that there is a positive relationship. These will be concepts discussed in detail in the discussion section after data manipulation and interpretation.

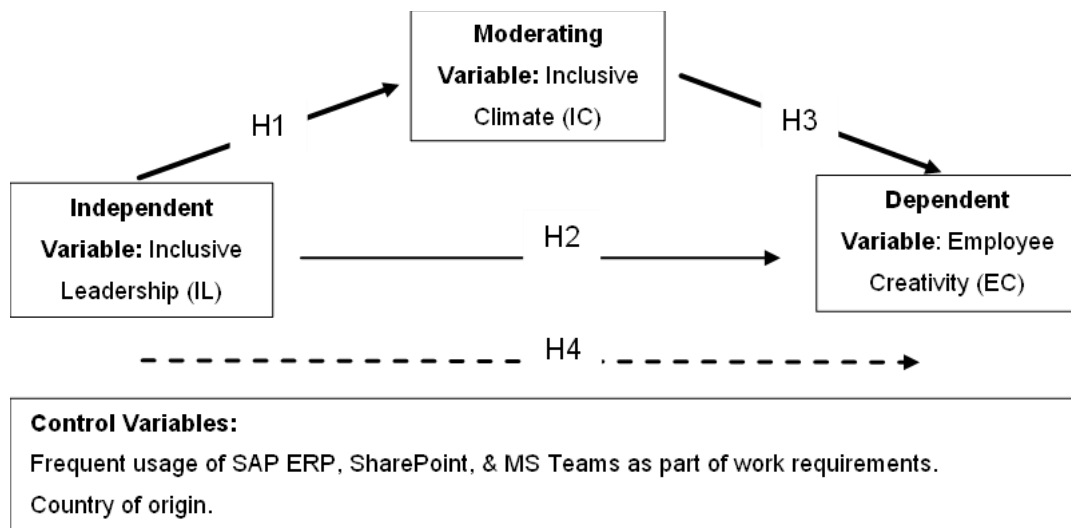


Figure 2: Theoretical Framework

Source: Author's compilation

4. Research Methodology

4.1. Introduction

This section outlines the methodology that was adopted to investigate the research questions and achieve the study objectives. The presented methodologies were informed by the reviewed literature.

4.2. Proposed Methodology

This study adopted a quantitative research methodology, which emphasised data collection, numerical analysis, and deductive theory testing. This approach was chosen because it was appropriate for evaluating predefined hypotheses developed from existing literature. Data were collected using a structured online survey, targeting employees within the Eskom organisation. The goal was to analyse the relationships among inclusive leadership, an inclusive climate, and employee digital creativity at Eskom.

Table 2: Quantitative Research Approach

Philosophical Assumptions	Research Design	Research Method	Practices of Research
Positivist knowledge claim	- Survey questionnaire	- Close-ended questions - Predetermined approaches	- Tests or verifies theory - Identifies variables - Relates variables to hypotheses - Applies standards of validity and reliability

Adapted from Creswell & Creswell (2023)

This structured survey (Table 2) will assess employees' digital creativity and experiences within inclusive leadership environments that promote digital transformation. An online questionnaire was developed and distributed to a group of Eskom employees using their employment email addresses. The process included:

- Data collection via an online survey (distributed through Microsoft Outlook),
- Statistical data analysis to identify patterns and relationships,
- Hypothesis testing using inferential statistics,
- Drawing conclusions based on measurable outcomes.

4.3. Research design

The study utilised a cross-sectional quantitative design to evaluate employees' experiences and knowledge of digital technologies and inclusive leadership. This design was appropriate for capturing a snapshot of data at a single point in time, particularly when time and resources are limited (Creswell & Creswell, 2023).

4.4. Population

An optimal sampling approach was adopted to identify the study population, given the complexity of Eskom's operations and its organisational structure. Eskom has ~40625 employees (permanent and fixed-term contractors) working in South Africa (Eskom, 2025). The majority of employees at Eskom Holdings are technical and have limited access to the targeted technologies (Eskom Holdings SOC Ltd, 2023). Technical employees are production-based and responsible for electricity generation, either directly or indirectly. It is estimated that of the 40625 employees, less than 2000 of them interact with SAP, SharePoint, and MS Teams as part of their work duties, with unrestricted access to computers and digital technologies. Therefore, this study focused on the employees who have access to the investigated technologies.

4.5. Research setting

Research setting has to do with the specific environment, context, location, and current conditions where the study is being conducted; all these could have affected or influenced data collection methods and outcomes of the study (Bartunek & Seo, 2002). Bartunek and Seo (2002) argue that participants may miss the research context if the settings are not clearly defined; thus, such a discrepancy can be a potential threat to the validity of the data. When the research was conducted, the context of the question mattered to ensure that the research participants understood the research intentions regarding the topic.

This study was conducted at Eskom, which is South Africa's largest public electricity provider. Although the targeted Eskom employees have unrestricted access to a computer and the digital technologies of interest, interaction with the study instruments was assumed to be during working hours. Therefore, arrangements were made with relevant parties, like the organisation's Human Resources Management and Research, Testing and Development departments, prior to commencing the study to allow employees interaction time with the study during working hours. These departments

granted permission and relevant authority, thus a study was indeed conducted during working hours, which will benefit the organisation as well because the collected data and findings will be shared with the organisation for organisational improvement through the change management process and systems.

4.6. Sampling Method

Eskom employees with unlimited access to computers and digital technologies were invited to respond to the online questionnaire. The non-probability sampling method of convenience sampling was deemed suitable due to the researcher having direct access to Eskom employees' email addresses for distribution, respondents responding voluntarily (self-selecting), and unknown and unequal selection probabilities.

Non-probability or non-random sampling was used because of its characteristics, i.e., no random selection, time-efficient and cost-effective, and non-generative, which allows the researcher to preselect the targeted participants, as this study intends to explore the digital creativity status in the organisation. The non-probability method is when participants in a population do not have an equal chance of being selected (Taherdoost, 2016). The risks posed by non-probability sampling when interpreting and generalising findings will be mitigated accordingly, including bias and limitations.

To address the risk of bias and limitations, convenience sampling was employed, considering participants' willingness and accessibility to prevent direct selection. Convenience sampling is a non-probability sampling method in which participants are selected based on their convenience or accessibility to the researcher, as they are already available (Taherdoost, 2016). This proves to be a straightforward approach for the researcher because the participants are Eskom employees and are available in the Eskom database. However, to mitigate the risk, the Human Resource and Communications departments were used to disseminate the survey, thus preventing the researcher from gaining direct access to the participants.

4.7. Sample Size

This study employed a quantitative, cross-sectional survey design. This approach is appropriate, as the research did not aim to explore new phenomena but to test predefined theoretical relationships among well-established constructs – IL, IC, and EC – within the specific context of Eskom. The goal was to produce generalisable, statistical

evidence regarding the strength and direction of these relationships, which can inform targeted organisational interventions.

Larger sample sizes are generally desirable in quantitative research as they enhance statistical power and improve the precision of population parameter estimates. However, they also impose greater demands on resources and time. Therefore, a key methodological task is to determine a sample size that balances statistical rigour with practical feasibility (Creswell & Creswell, 2023).

A sample size of 323 was determined by applying the finite population correction for the known population size, ensuring adequate statistical power and precision to detect meaningful effects at a 95% confidence level with a 5% margin of error. However, due to the expected high nonresponse rate associated with voluntary participation, which can introduce bias and affect representativeness, the margin of error was increased to 10%, reducing the required sample size to 93. This will assist with balancing feasibility and precision. It should further be noted that a higher margin of error decreases precision and can compromise the reliability of hypothesis testing. Selecting a sample size larger than 93 will improve precision and enhance the generalisability of the results to employees of Eskom who have unlimited access to computers and digital technologies. Creswell and Creswell (2023) further argue that the researchers often base the selection of the sample size on a fraction of the population (i.e. 10%) or sometimes may base the sample size on past studies. To make sound inferences about the population considering the sampled data, the central limit theorem will be used to bridge the gap, thus ensuring quantitative research and statistical analysis are achieved through data exploration, testing of hypotheses, and making predictions.

4.8. Measurement Instrument

To accelerate research question and hypothesis testing while reducing data entry errors and facilitating data collection into organised spreadsheets for analysis (Creswell & Creswell, 2023), the survey was administered using SurveyMonkey, an online platform selected for its robust analytics, ease of use, and compliance with organisational data security policies. To minimise response errors and facilitate analysis, the survey was simple, self-explanatory, and adapted from validated instruments.

Tools and measures are devices that were utilised in the collection of measures of variables. A standardised questionnaire is a device that was used to gather or collect numerical data and test participants' observations, and thereafter statistically analyse the

relationship between the variables so that these relationships can be understood (Creswell & Creswell, 2023). There was one questionnaire that was distributed to participants to collect the following details:

- Participants' indication or confirmation of consent before proceeding to answer the qualifying question (Yes/No), respondents who responded with a “no” answer were excluded from the study.
- The use of the specified technologies (SAP ERP, SharePoint, MS Teams, and others) was confirmed. Respondents could tick more than 1 of the technologies targeted. Respondents who selected “Other” were excluded from the study.
- Demographic information included employment details, age group, gender, race/ethnicity, length of employment (tenure), job position or task grade, highest academic qualification, citizenship status and employee continent of origin. These details, adapted from Diesel and Scheepers (2019), helped in contextualising and analysing responses based on relevant variables. All the demographic variables were set up to be mandatory.
- Inclusive Leadership: Four subscales were covered under this construct and these are: dynamic, evolving and conducive working environment; leveraging the existing systems/infrastructure and cultivating value; knowledge development, learning organisation and collaboration; innovative approach – harvesting the benefits – rated on a 5-point Likert scale (1 = Not at all; 5 = Very much), adapted from (Leroy et al., 2022). All questions were mandatory; thus, respondent/s were required to answer this section prior to proceeding to the following section fully.
- Employee Creativity: Rated on a 5-point Likert scale (1 = Strong Disagree (Definitely Not); 5 = Strongly Agree (Definitely Yes), adapted from (Cetindamar et al., 2024). Three subscales were covered under the employee creativity construct: essential role of employees in the workplace; employee self-determination – innovative; and value creation through equipping employees with necesskills. All questions were mandatory; thus, respondent/s were required to fully answer this section prior to proceeding to the following section.
- Inclusive Climate: Rated on a 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree), adapted from (Zahoor et al., 2024; Cetindamar et al., 2024). Four subscales were covered under the inclusive climate construct: the impact of good workplace climate on employee creativity; flexibility and adaptability to changes posed by the workplace climate; leadership influence on the workplace through decision-making; and diversity, equity, inclusion, and belonging in the workplace. All questions were

mandatory; thus, respondent/s were required to answer this section fully prior to proceeding to the following section.

- Survey questionnaire completion took most respondents anything between 6 and 15 minutes, which ensured that data integrity quality is maintained whilst ensuring that the respondent/s are not fatigued whilst completing the survey, which helped reduce the dropout rate significantly.

Leroy et al. (2022) explored two behaviours, which are harvesting the benefits of diversity and cultivating value-in-diversity beliefs, which are testing the theory of IL in various teams. Cetindamar et al. (2024) explored digital literacy in the Australian industry; thus, this variable will be adapted as a measure of digital creativity to test whether employees or respondents can go beyond the level of competency when interacting with technology. Zahoor et al. (2024) explored an inclusive climate which investigates the inclusive organisational practices, which are critical in the understanding of the psychosocial contract concept influenced by the environment fostered by leadership in the workplace. This goes beyond the formal employment contract.

Evidently, respondents' beliefs, opinions, and attitudes in the research fraternity are measured through the Likert scale, particularly using surveys (Jebb et al., 2021), which was the case in this research study. In this case, a series of questions was asked or presented to the respondents to indicate extreme scales of agreement or disagreement, either "strongly agree" (5) or "strongly disagree" (1) (Diesel & Scheepers, 2019). Quantitative insights were drawn from respondents' attitudes about the subject matter, where the researcher was able to quantify subjective experiences from the research study. Apart from the bias propensity, the Likert scale offers the ability to collect data from a large sample quickly, which is good for quantitative data analysis and is easy to use (Jebb et al., 2021).

4.9. Data Gathering Process

Data were collected over two weeks via a secure, anonymous online survey (see Appendix 6.2). The survey did not require any personal identification information to ensure participants' anonymity, thereby encouraging truthful, honest, and accurate responses. The HR and Communications departments disseminated the survey to the predetermined participants via email and WhatsApp.

The online format facilitated accessibility, cost-effectiveness, and ease of analysis, while providing a clear audit trail for ethical compliance and transparency. The survey questionnaire was clear, simple, and self-explanatory. A pilot test with a group of at least

ten (10) participants was conducted to identify areas for improvement and address them accordingly.

Creswell and Creswell (2023) suggest that the literature has extensively discussed the use and administration of online surveys, and over the years, there has been significant growth in their use. These tools have made academics' and scholars' lives easier by providing helpful, accessible platforms with ready-to-use features.

The Human Resources and Communications departments acted as neutral parties, distributing the online survey to ensure equitable access across divisions, thereby minimising selection bias. This approach afforded the research optimal sampling, prevented bias, and promoted efficient inference regarding the population of interest (Creswell & Creswell, 2023).

4.10. Data Analysis Approach

Data analysis was conducted using statistical and mathematical methods embedded in the IBM Statistical Package for Social Services (SPSS) Version 29, following a structured sequence outlined by Creswell and Creswell (2023).

- a. Data preparation - Respondents who did not provide consent or did not use the targeted technologies were automatically excluded by the system and thus did not form part of the dataset. The remaining responses were examined for missing values, and demographic variables were standardised to ensure consistency in naming and spelling. Data validation was conducted to check for logical consistency across responses. The dataset was thereafter appropriately structured, with accompanying metadata created, followed by an initial exploratory analysis using tables and graphs to identify patterns and detect anomalies.
- b. Descriptive analysis – data collected is categorical and ordinal in nature. In this phase, data were summarised, starting with demographics (frequencies, percentages, and graphs/pie charts), which assisted in describing the sample based on the collected demographic data. Likert-scale variables were described using clustered frequency tables and bar charts. Cross-tabulations (contingency tables) were used to explore relationships between two categorical or ordinal variables, such as examining how technology usage varies across age groups or qualifications. These techniques helped in identifying patterns and trends in the data and provided a foundation for further inferential analysis.
- c. Test for Reliability - Reliability was assessed using Cronbach's alpha/ Spearman-Brown, or McDonald's omega for ordinal variables, with an acceptance level of 70%

or higher, depending on the number of items in a construct. Variables that did not meet the acceptance levels were interpreted separately.

- d. Variable Reduction – Exploratory factor analysis (EFA) was applied to constructs that met the required reliability threshold. Principal Component Analysis (PCA) was used, with the Kaiser Criterion (eigenvalues greater than one) guiding the selection of the number of factors for each construct. Factor loadings were extracted using the regression method and assessed for normality using skewness, kurtosis, and histogram plots. Additionally, the resulting factors were tested for independence using an ANOVA test at the 5% significance level to determine whether meaningful differences exist across relevant groupings.
- e. Linear regression was used to test the association between the dependent and independent variables. The analysis included an ANOVA test at the 5% level of significance to assess overall model fitness, as well as the estimation of regression coefficients and their 95% confidence intervals.

4.11. Research Instrument

To facilitate better data collection, SurveyMonkey, an online survey platform, was used because it offers robust analytics, advanced features, and customisation options. Numerous organisational scholars have used this survey instrument, and, in line with the organisation's security requirements, which require pre-approval, it was the most suitable option. Creswell and Creswell (2023) suggest that using an existing instrument presents an opportunity to validate data scores based on historical use by other researchers. The ability to draw comparisons with historical data provides a unique opportunity to assess aspects such as construct validity and concurrent or criterion validity, ensuring the data collected are accurate and reducing the risk of errors in the study.

4.12. Quality Control Management

To ensure the validity and reliability of the constructs, the survey questions were adapted from established scales in the literature (Diesel & Scheepers, 2019; Leroy et al., 2022). This practice enhances measurement accuracy and the overall robustness of the findings, thereby reducing measurement error and increasing consistency of results.

4.12.1. Pilot Testing

To ensure the quality and clarity of the research instrument, a pilot test was conducted with 10 individuals representative of the target population. This was performed after

ethical clearance was granted but before the main data collection commenced. Participants were instructed to evaluate the questionnaire for clarity, simplicity, ambiguity, and completion time. Feedback indicated that the instrument was easy to follow, with no significant errors identified. The reported completion time ranged from six to twelve minutes. Based on this feedback, minor refinements were made to the wording to finalise the survey for distribution.

4.12.2. Consistency of Questionnaire Response

The online questionnaire was designed with features to ensure data quality and integrity. An initial screening question filtered respondents, allowing only those who used the specified and listed technologies to proceed to the main survey. Furthermore, all subsequent questions employed a forced-response setting, requiring an answer before advancing. This protocol was implemented to prevent missing data and ensure a complete dataset for each qualified participant.

4.13. Limitations

This section highlights the challenges the researcher encountered, in the form of constraints and weaknesses, that affected various aspects of the study's scope beyond the researcher's control.

- a) Response bias – highly committed employees could have been more inclined to participate, potentially skewing the results, while disinterested employees could have avoided participation. The questionnaire clearly assured participants that the study was strictly for academic purposes and would have no impact or implications on the employee's employment. Thus, this communication encouraged the employees to respond truthfully and authentically.
- b) Data access – the assurance of data transparency included a detailed protocol for the anonymity of all participant data, aggregating financial figures, utilising a secure survey system, secure and encrypted storage, and destroying raw data after 5 years. Data were collected via SurveyMonkey, an encrypted online survey platform approved within the organisation and supported by many scholars such as Creswell and Creswell (2023).
- c) Poor survey response – this could have resulted from employees not checking their emails or the survey being directed to junk folders. The Human Resources, Communication, and Research departments worked together, engaging Divisional Heads and General Managers to encourage participation through various platforms,

including MS Teams meetings and verbal reminders. In addition, weekly statistics were generated to track response progress and shared with relevant managers to support participation. The WhatsApp platform was also used for quick access to the intended respondents.

4.14. Conclusion

The purpose of the methodology chapter was to translate the research questions and theoretical framework established in the literature review into a rigorous, actionable research design. It details the procedures for data collection and analysis that were employed to address the study's objectives and test its hypotheses systematically.

5. Data Analysis - Findings and Results

5.1. Introduction

This chapter presents the analysis of the data collected for this study. It begins by reporting the descriptive statistics and results of the inferential tests conducted to evaluate the research hypotheses. The findings are presented systematically in relation to the conceptual framework established earlier. This clear presentation of the results provides the necessary foundation for the discussion and interpretation that will follow in Chapter 6.

5.2. Preliminary Analysis

5.2.1. Instrument and Data Quality

The research instrument was a structured online survey, designed to measure the relationship between the core constructs: IL, IC, and EC for DT adoption. To ensure content validity and reliability, the survey predominantly utilised established scales from peer-reviewed literature, adapted slightly to fit the specific context of Eskom. All items were measured using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). To enhance data integrity, all questions in the main constructs were set as mandatory to prevent missing data. The survey was pre-tested with a small pilot group (n=10) of various employees who were selected randomly. A pilot survey is often conducted to assess clarity, face validity, and completion time (Nishii, 2013). The pilot survey for this study led to minor refinements in the wording of the survey.

5.2.2. Concept Validation

The survey instrument was designed to ensure content validity by adapting items from established scales published in high-quality, peer-reviewed journals. Scales were sourced from seminal works by Leroy et al. (2022) on psychological safety, Zahoor et al. (2024) on international entrepreneurship, and other relevant sources for the core constructs of inclusive leadership, climate, and technology acceptance.

The statistical analyses confirmed that the research instrument demonstrated strong psychometric properties, providing confidence that the underlying theoretical constructs were measured as intended. As detailed in Table 8, all multi-item scales exhibited high internal consistency, with Cronbach's alpha values exceeding the 0.70 threshold.

Furthermore, Confirmatory Factor Analysis supported the hypothesised factor structure. All factor loadings were significant and exceeded 0.70, and both the average variance extracted and composite reliability for each construct met established criteria for convergent validity and reliability. These results indicate that the instrument effectively and reliably captured the key aspects of the constructs under investigation.

5.2.3. Data Cleaning

Over the two-week period of data collection, 186 responses were received. The data cleaning process followed these steps:

1. Duplicate Responses: No duplicate records were identified.
2. Incomplete Questionnaires: Fifteen (15) respondents submitted largely incomplete questionnaires. These cases were removed via listwise deletion, as they contained insufficient data for analysis. This represented an 8% loss of the initial sample.
3. Missing Values: The remaining 171 cases were screened for missing values. A total of 89 missing data points were identified, affecting 25 of the 57 data columns. The missingness was isolated to specific constructs: two respondents missed questions for construct 2, and five missed questions for construct 3.
4. Final Usable Sample: After the removal of the 15 incomplete cases, 171 complete cases remained for the primary analysis. The flow of data cleaning is summarised in Table 3.

Table 3: Consolidated Data for Analysis

Data Cleaning	Counts
Number of columns	57
Number of rows	186
Number of rows deleted (incomplete questionnaire)	(15)
Number of missing values in the file	89
Number of columns affected by missing values (2 did not answer all questions of construct 2, and 5 did not answer all questions of construct 3)	25
Number of duplicates	0
Total usable data - rows	171

The acquired data were processed and analysed using Qualtrics and IBM SPSS® Statistics software. Prior to hypothesis testing, the data were screened for completeness and statistical assumptions. Descriptive statistics, including means and standard deviations, were calculated for all scaled items to summarise central tendency and response variability within the sample (He et al., 2022), while frequencies and percentages (%) were used to summarise the categorical data. This preliminary analysis provided an overview of participants' perceptions of the key constructs. The primary analysis then proceeded to test the hypothesised relationships between variables using multiple regression, which is detailed in the following section.

5.2.4. Descriptive Statistics

The data analysis proceeded in two stages. First, descriptive statistics (means, standard deviations) were computed for all variables to summarise the sample's characteristics and responses. Second, a series of inferential statistical tests was conducted using IBM SPSS® Statistics to evaluate the study's hypotheses. Specifically:

- A one-way analysis of variance (ANOVA) was used to test for significant differences in group means.
- Multiple linear regression was employed to assess the predictive relationship between the independent and dependent variables.
- Exploratory factor analysis (EFA) was conducted to validate the underlying structure of the key constructs.

The summary of the analysis is presented in Table 4.

Table 4: Performed Statistical Analyses

Statistical Test Performed	
Descriptive Statistics	Y
Analysis of Variance	Y
T-Test	
Logistics	
Regression	Y
Exploratory Factor Analysis	Y
Other: Cronbach Alpha	

The statistical analyses performed in this study included descriptive statistics to summarise and understand the data distribution, Analysis of Variance (ANOVA) to test

for significant differences between group means, and regression analysis to examine relationships between variables and predict outcomes. Additionally, an exploratory factor analysis was conducted to identify underlying constructs among the measured variables, while Cronbach's Alpha was used to assess the internal consistency and reliability of the measurement scales.

Table 5: Information of Analysis

Analysis Information	Answer
Name the dependent variable.	Inclusive leadership
Is the dependent variable continuous or categorical?	Continuous
Number of variables total	47
Number of continuous variables	38 (converted from Likert scale)
Number of categorical variables	9 (including demographic variables)

The analysis focuses on inclusive leadership as the dependent variable, which is continuous in nature. There is a total of 47 independent variables, consisting of 38 continuous variables, which were primarily derived from Likert scale items and nine categorical variables, which include demographic factors. This setup indicates a comprehensive model combining perceptual measures and categorical attributes to explain variations in inclusive leadership. None of the variables had a date format.

5.2.5. Variable Coding

To prepare the questionnaire data for quantitative analysis, a variable coding scheme was established for all Likert-scale items. Responses were coded numerically, with the 5-point scales (e.g., from 1 = 'Strongly Disagree' to 5 = 'Strongly Agree') translated into corresponding numerical values. The complete coding framework is provided in Table 6 below.

Table 6: Variable Coding

Const ruct	Sub- Construct	Variable Name	Questionnaire
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		Case number	Case number
Demographics		Technologies	Does the respondent use one or all these technologies: SAP ERP, SharePoint, MS Teams and any technology-based system?
		Division	What division do you work for?
		Gender	Select your gender?
		Age	What is your age?
		Race	Select your race/ethnicity group.
		Years Employed	How long have you been employed by the company?
		Nationality	What is your nationality?
		Education	What is the highest level of academic qualification you hold?
		Position Grade	What is your position task grade?
Inclusive leadership	Dynamic, evolving and conducive	IL__SC1_V1	Our leader enables us to be creative in the workplace.
		IL__SC1_V2	We are encouraged by our leader to embrace our differences as a strength.
	Leveraging the existing systems/infrastructure and cultivating value	IL__SC2_V3	Our organisation is dynamic, encourages experimentation whilst acknowledging failures as a learning opportunity.
		IL__SC2_V4	Our leader sees value in our cultural differences.
		IL__SC2_V5	Our leader inspires us to constantly improve our skills in the existing technologies.
		IL__SC2_V6	Our leader encourages us to constantly enhance and build capabilities on the existing technologies.
	Knowledge development, learning	IL__SC3_V7	We feel that our contributions are noticed and valued by our leader.
		IL__SC3_V8	We feel encouraged to express our thoughts and feelings to our leader.

		IL__SC3_V9	Our leader encourages us to solve our own problems so that we can learn from the challenges we experience.
		IL__SC3_V10	Our leader encourages us to listen to views that are different from our own.
	Innovative Approach – harvesting the benefits	IL__SC4_V11	We are encouraged by our leader to be unique.
		IL__SC4_V12	We feel that our unique strengths are put to good use through appropriate work allocation by our leader.
		IL__SC4_V13	We are encouraged by our leader to bring differentiated concepts from the existing solutions.
Employee Creativity	Essential role of employees in the workplace	EC__SC1_V14	I believe digital technologies enable me to do my work more easily.
		EC__SC1_V15	I encourage my colleagues to embrace digital technologies.
		EC__SC1_V16	I sometimes find myself imagining solutions to problems related to my job.
		EC__SC1_V17	I strongly believe that creativity is a precursor to innovation.
	Employee self-determination – innovative	EC__SC2_V18	I embrace digital technologies in the workplace earlier than other employees.
		EC__SC2_V19	I am an early adopter of useful and novel ideas in the workplace.
		EC__SC2_V20	I often find new approaches to work smarter using technology.
		EC__SC2_V21	I have accepted that change is inevitable; hence, I always search for alternative working methods and techniques.
	Value creation through equipping employees with	EC__SC3_V22	I reframe problems to gain deeper insights.
		EC__SC3_V23	I wonder what more I can do to improve my workplace.
		EC__SC3_V24	I find myself generating novel solutions when it comes to digital technologies.

		EC__SC3__V25	I put concerted effort into finding new ways of working.
Inclusive Climate	The impact of good workplace climate to employee creativity	IC__SC1__V26	Our organisation encourages work-life balance for all employees.
		IC__SC1__V27	Our organisation recognises and respects employees' unique differences, qualities, perspectives, and experiences.
		IC__SC1__V28	Our organisation has effective procedures for conflict management.
		IC__SC1__V29	Our organisation creates platforms for employees to learn from each other's skills.
	Flexibility and adaptability to changes posed by the workplace	IC__SC2__V30	Our organisation embraces industry evolution to enhance workplace processes.
		IC__SC2__V31	Our organisation values employee input when it comes to work-related matters.
		IC__SC2__V32	Our organisation is willing to borrow initiatives implemented by other businesses to improve our workplace performance.
	Leadership influence on the workplace through decision-making	IC__SC3__V33	Our organisation applies fair and transparent processes when it comes to promotion opportunities.
		IC__SC3__V34	Our organisation has an effective performance review system.
		IC__SC3__V35	Our organisation motivates us to be comfortable with making decisions even if we are not sure of the consequences.
	Diversity, equity, inclusion, and belonging in the	IC__SC5__V36	Our organisation values and treats all employees equally.
		IC__SC5__V37	Our organisation grants equal opportunities to all employees for learning and development.
		IC__SC5__V38	Our organisation employs fair and equitable remuneration for all employees.

5.3. Statistical Analyses

5.3.1. Demographics

The demographic characteristics of the survey respondents (n=171) are summarised in Figure 3. The sample consisted primarily of mid-career professionals from various divisions, which is representative of the target population in the electricity generation sector. This demographic profile is relevant for contextualising the study's findings on inclusive leadership, inclusive climate and digital creativity.

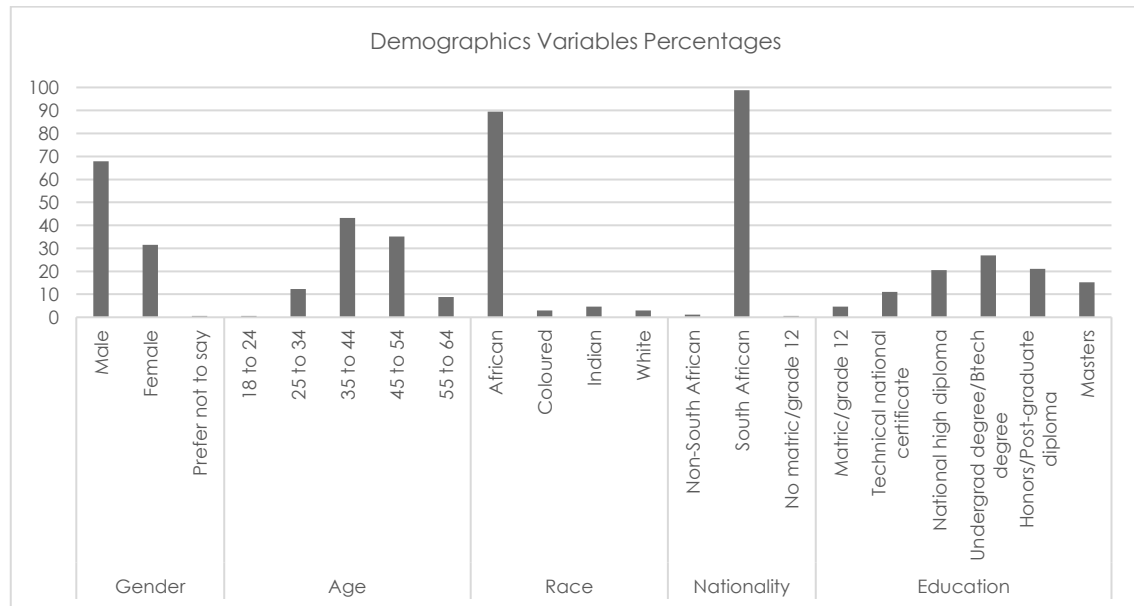


Figure 3: Demographic Variables Percentages

The sample is dominated by males (67.8%), with the largest age cohort being 35 to 44 years old (43.3%), followed by those aged 45 to 54 (35.1%) (Figure 3). Most participants identified as of African race (89.5 %) and their nationality as South African (98.8%). The group is educated, with most respondents holding a post-matric qualification; the highest levels of education reported were an undergraduate degree or BTech (26.9%), an honours degree or postgraduate diploma (21.1%), a national higher diploma (20.5%), and a master's degree (15.2%). See Figure 3 above for more information.

Table 7: Descriptive Statistics of Organisation Variables

DESCRIPTIVE STATISTICS OF ORGANISATION VARIABLES			
Variable	Group	Frequency (171)	Percent (%)
Technologies	SAP ERP, SharePoint, MS Teams	79	46.2
	SharePoint, MS Teams	28	16.4
	SAP ERP, SharePoint, MS Teams, Other	21	12.3

	MS Teams	17	9.9
	SAP ERP, MS Teams	9	5.3
	SharePoint, MS Teams, Other	5	2.9
	SAP ERP	5	2.9
	Other	4	2.3
	SharePoint,	2	1.2
	MS Teams, Other	1	0.6
Division	Eskom Enterprise	86	50.3
	Generation	54	31.6
	Other	24	14.0
	National Transmission Company South Africa	5	2.9
	Distribution	2	1.2
Years in Service	0 - 4 years	22	12.9
	5 - 9 years	21	12.3
	10 - 14 years	50	29.2
	15 - 19 years	56	32.7
	20 + years	22	12.9
Position Grade	Advanced Specialist / Leader	5	2.9
	Executive / Senior Executive	4	2.3
	Junior Professional	10	5.8
	Management	68	39.8
	Professional / Mid-level	33	19.3
	Specialist / Supervisor	27	15.8
	Technical / Entry-level	10	5.8
	Other	14	8.2

Based on the organisational variables, the data indicates that the most frequently used technology combination is ERP SAP, SharePoint, and MS Teams (46.2%), and the largest proportion of respondents work within the Eskom Enterprise division (50.3%) (Table 7). A significant portion of the workforce is highly experienced, with the majority having served for 10-14 years (29.2%) or 15-19 years (32.7%). In terms of seniority, the single largest group holds Management positions (39.8%), followed by Professional/Mid-level roles (19.3%). See Table 7 above for more information.

5.4. Descriptive Analysis

5.4.1. Inclusive Leadership Analysis

The inclusive leadership construct reveals a strongly positive skew across all sub-constructs, indicating widespread employee agreement with statements about leadership and organisational environment. However, a detailed examination of response distributions, particularly the tails (Strongly Disagree/Disagree and Strongly Agree), and the "Neutral" cohort reveals critical nuances and points of strategic interest. See Figure 4 for more information and data analysis below.

Sub-Construct	Questionnaire	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Dynamic, evolving and conducive working environment	Our leader enables us to be creative in the workplace.	64	50	39	13	5
	We are encouraged by our leader to embrace our differences as a strength.	63	54	39	12	3
Leveraging the existing systems/infrastructure and cultivating value	Our organisation is dynamic, encourages experimentation whilst acknowledges failures as a learning opportunity.	35	59	48	23	6
	Our leader sees value in our cultural differences.	41	75	39	14	2
	Our leader inspires us to constantly improve our skills on the existing technologies.	57	65	30	15	4
	Our leader encourages us to constantly enhance and build capabilities on the existing technologies.	49	73	30	18	1
Knowledge development, learning organization & collaboration	We feel that our contributions are noticed and valued by our leader.	38	70	40	18	5
	We feel encouraged to express our thoughts and feelings to our leader.	35	73	28	25	10
	Our leader encourages us to solve our own problems so that we can learn from the challenges we experience.	52	68	34	14	3
	Our leader encourages us to listen to views that are different from our own.	42	79	34	13	3
Innovative Approach – harvesting the benefits	We are encouraged by our leader to be unique.	40	61	45	20	5
	We feel that our unique strengths are put to good use through appropriate work allocation by our leader.	33	68	39	27	4
	We are encouraged by our leader to bring differentiated concepts from the existing solutions.	34	77	38	19	3

Figure 4: Inclusive Leadership Results

Figure 4 shows that the dynamic, evolving and conducive working environment subconstruct is skewed towards extreme positivity (Strongly Agree). The statement "Our leader enables us to be creative in the workplace" received the highest count of "Strongly Agree" responses (n=64, 37.4%) within this construct. This is a significant outlier of intense positive sentiment, suggesting this specific leadership behaviour is highly visible and effective. It is also noted that the same statement also recorded the highest absolute number of "Disagree" and "Strongly Disagree" responses in this group (n=18, 10.5%). This creates a bimodal distribution tendency, meaning that while most employees

strongly agree, a distinct minority strongly disagrees. This is a critical finding as it points to a potentially polarised experience within the workforce regarding creativity enablement.

Leveraging systems and cultivating value shows a peak of consensus (Agree). The statement "Our leader sees value in our cultural differences" shows an extreme concentration in the "Agree" category (n=75, 43.9%). This is the highest frequency for the "Agree" response across the entire dataset. When combined with "Strongly Agree" (41), it forms the second-highest positive consensus (67.8%) overall. This indicates a powerful and widely recognised strength in inclusive leadership. However, a special occasion for analysis is the stark contrast between leadership and organisational perception. The statement on the "organisation being dynamic and encouraging experimentation" has the weakest positive score (55.0% Agree/Strongly Agree) and the strongest negative score across all statements (16.9% Disagree/Strongly Disagree). This clearly indicates that employees make a sharp distinction between their immediate leader's supportive actions and the perceived agility.

Knowledge development, learning and collaboration presented a polarisation in Communication. The statement "*We feel encouraged to express our thoughts and feelings to our leader*" presents a special case. While it has a strong positive agreement (63.2%), it also has the second-highest level of disagreement (20.5%) and the single highest level of "Strongly Disagree" responses (n=10, 5.8%) in the entire dataset. This extreme in the negative tail suggests that for a small but significant cohort, psychological safety and open communication with their leader are severely lacking. Conversely, "*Our leader encourages us to solve our own problems...*" achieves a very high positive score (70.2%) with minimal strong disagreement (1.8%). This indicates a leadership approach that is not only common but also largely uncontested and well-received.

Innovative approach – harvesting the benefits provides a neutrality challenge. The highest levels of neutrality characterise this construct. The statement "*We are encouraged by our leader to be unique*" has 26.3% neutral responses, indicating a quarter of the workforce is uncertain or has no strong opinion on this crucial aspect of innovation. Furthermore, the statement on "*unique strengths being put to good use*" has the highest disagreement rate (18.1%) for this construct. This, coupled with a high neutral response (22.8%), suggests that the translation of encouragement into practical work allocation and application of individual strengths is a significant gap. Leaders may be

promoting innovation in theory, but are less effective at operationalising it for every team member.

The analysis confirms that leadership at Eskom is broadly successful in fostering a positive and inclusive environment. However, the extremes in the data are highly revealing that for nearly every strength (e.g., enabling creativity, encouraging expression), there exists a contrary, disaffected minority. The size of this minority (often 10-20%) is too large to be dismissed as outliers and warrants targeted investigation. Also, the most significant negative extreme is reserved for the organisation's culture, not the immediate leader. This suggests systemic issues that local leadership cannot fully mitigate. High rates of neutrality are also noted, especially on statements about uniqueness and strength utilisation, which represent a reservoir of untapped potential. These employees are not dissatisfied but are not fully engaged.

In summary, while the central tendency is positive, the analysis of the distribution tails uncovers critical pockets of discontent, uncertainty, and a critical gap between leadership intent and organisational reality.

5.4.2. Employee Creativity Analysis

The Employee Creativity construct reveals a robust and positively skewed distribution across all three sub-constructs. Employees overwhelmingly perceive themselves as digitally proficient, creative, and proactive. The near-total absence of strong disagreement is a striking feature. However, the variance in the "Neutral" and "Disagree" categories, along with specific extreme responses, provides nuanced insights into areas of relative uncertainty and absolute conviction. See Figure 5 for more information and data analysis below.

Sub-Construct	Questionnaire	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Essential role of employees in the workplace	I believe digital technologies enable me to do my work more easily.	87	69	13	0	0
	I encourage my colleagues to embrace digital technologies.	77	82	10	0	0
	I sometimes find myself imagining solutions to problems related to my job.	75	85	9	0	0
	I strongly believe that creativity is a precursor to innovation.	100	62	6	1	0
Employee self-determination - innovative	I embrace digital technologies in the workplace earlier than other employees.	45	73	43	8	0
	I am an early adopter of useful and novel ideas in the workplace.	50	82	31	6	0
	I often find new approaches to work smarter using technology.	63	86	14	6	0
	I have accepted that change is inevitable; hence, I always search for alternative working methods and techniques.	80	77	10	2	0
Value creation through equipping employees with necessary skills	I reframe problems to gain deeper insights.	52	95	21	1	0
	I wonder what more I can do to improve my workplace.	77	78	9	4	1
	I find myself generating novel solutions when it comes to digital technologies.	24	89	46	9	1
	I put concerted effort into finding new ways of working.	52	102	14	1	0

Figure 5: Employee Creativity Results from Eskom Employees

The essential role of employees in the workplace shows extreme positive consensus, also known as the: This construct demonstrates the highest level of agreement in the entire dataset. The statement "I believe digital technologies enable me to do my work more easily" shows a near-universal positive sentiment, with 100% of respondents agreeing or strongly agreeing (n=156). Notably, it recorded zero responses in the "Disagree" or "Strongly Disagree" categories. The statement "*I strongly believe that creativity is a precursor to innovation*" generated the single highest "Strongly Agree" count in the entire dataset (n=100, 58.5%). This represents an extreme of ideological conviction among the workforce, indicating a deeply ingrained and shared belief in the value of creativity (Figure 5).

Employee Self-Determination (Innovative) presents the neutrality extreme: This construct contains the most significant "Neutral" response in the data. The statement "I embrace digital technologies in the workplace earlier than other employees" has a remarkably high neutral rate of 25.1% (n=43). This is a special occasion as it signifies that a quarter of the workforce is uncertain about their role as early adopters, despite overwhelmingly agreeing with broader statements about using technology (Essential Role of Employees in the Workplace). This suggests a self-perception of being a competent user rather than a pioneering one. The same statement on early adoption also holds the highest level of disagreement ("Disagree") for this construct (n=8, 4.7%). While this disagreement percentage is low in absolute terms, it is a relative extreme

within this very positively skewed dataset and aligns with the high neutrality to paint a picture of less confidence in being a first mover.

For the Value Creation Through Equipping Employees sub-construct, a special occasion for analysis is the response to "I find myself generating novel solutions when it comes to digital technologies." While still positive overall (66.1% Agree/Strongly Agree), it has two key extremes: It has the lowest "Strongly Agree" count for its construct (n=24, 14.0%), indicating less intense conviction and the highest "Neutral" rate of any statement in this construct (26.9%, n=46). This large neutral cohort, coupled with a higher-than-average disagreement (5.8%), highlights a clear gap. Employees feel skilled and proactive (as shown by high agreement on "reframing problems" and "finding new ways of working") but are significantly less confident in their ability to generate novel or original digital solutions. Conversely, the statement "I put concerted effort into finding new ways of working" generated the highest raw frequency for the "Agree" category in the entire dataset (n=102, 59.6%). This indicates an extremely strong consensus around a proactive and effortful mindset, even if the outcome of that effort ("novel solutions") is met with more uncertainty.

The confident and digitally empowered workforce presents two critical nuances: employees are virtually unanimous in their belief that technology is an enabler and that creativity is essential for innovation. The strength of agreement here represents a significant organisational asset.

And the second being, that employees are most confident in their general proficiency with technology (Sub-Construct 1). Their confidence wavers slightly when it comes to being early adopters (Sub-Construct 2) and shows significant uncertainty when it comes to generating novel, original solutions (Sub-Construct 3). This suggests that while the workforce is equipped and willing, there may be a barrier that prevents them from translating their proactive efforts into truly novel innovation. The "Neutral" responses are not signs of dissent but of uncertainty, and they mark the precise areas (early adoption and novel solution generation) where targeted training, empowerment, and support could yield significant returns in innovation output.

5.4.3. Inclusive Climate Analysis

The Inclusive Climate construct reveals a significant and critical departure from the previous datasets. While the employee and leadership perception data were

overwhelmingly positive, the perception of the organisation itself is markedly more mixed, neutral, and negative. The distribution of responses is far more spread out, indicating deep-seated concerns and a lack of consensus on fundamental organisational practices. See Figure 6 for more information and data analysis below.

Sub-Construct	Questionnaire	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The impact of good workplace climate to employee creativity	Our organization encourages work-life balance for all employees.	34	52	45	26	9
	Our organization recognizes and respects employees' unique differences, qualities, perspectives, and experiences.	39	71	41	13	2
	Our organization has effective procedures for conflict management.	52	62	34	14	4
	Our organization creates platforms for employees to learn from each other's skills.	45	67	34	15	5
Flexibility and adaptability to changes posed by the workplace climate	Our organization embraces industry evolution to enhance workplace processes.	36	68	40	17	5
	Our organization values employee input when it comes to work-related matters.	42	68	37	17	2
	Our organization is willing to borrow initiatives implemented by other businesses to improve our workplace performance.	37	64	36	25	4
Leadership influence on the workplace through decision-making	Our organization applies fair and transparent processes when it comes to promotion opportunities.	24	57	43	31	11
	Our organization has an effective performance review system.	29	55	40	30	12
	Our organization motivates us to be comfortable with making decision even if we are not sure of the consequence.	20	43	54	40	9
Diversity, equity, inclusion, and belonging in the workplace	Our organization values and treats all employees equally.	23	50	50	30	13
	Our organization grants equal opportunities to all employees for learning and development.	44	68	36	12	6
	Our organization employs fair and equitable remuneration for all employees.	26	38	47	34	21

Figure 6: Insight into inclusive climate at Eskom

The Impact of Good Workplace Climate peaks with organisational negativity. The statement "*Our organisation encourages work-life balance for all employees*" is a critical extreme. It has the highest absolute number of "Disagree" and "Strongly Disagree" responses in this construct (n=35, 20.5%). The high negativity here indicates a major pain point. In contrast, the statement on recognising "unique differences, perspectives, and experiences" has the strongest positive agreement (64.3%) and the lowest negativity (8.8%) in this group. This suggests that while employees feel respected as individuals, they do not feel the organisation structurally supports their well-being (work-life balance). Flexibility and adaptability reach consensus on stagnation. The statement "*Our organisation is willing to borrow initiatives implemented by other businesses...*" attracts the highest level of disagreement for this construct (n=25, 14.6% Disagree/Strongly Disagree). This implies a perceived inflexibility or a "not invented here" syndrome, where the organisation is seen as resistant to adopting external best practices. Furthermore, a large portion of the workforce is neutral or negative about the organisation's embrace of industry evolution. For "Our organisation embraces industry evolution...", a combined 33.3% (n=57) are Neutral, Disagree, or Strongly Disagree, indicating a lack of clear communication or visible action on this front.

Leadership Influence on the Workplace through Decision-Making sub-construct contains the most severe negatives in the entire dataset. The statements concerning fair promotion processes and an effective performance review system are extreme outliers of negative sentiment.

- Promotions: 24.6% (n=42) disagree or strongly disagree that processes are fair and transparent.
- Performance Reviews: 24.6% (n=42) disagree or strongly disagree on their effectiveness.

The statement on being "motivated to be comfortable with decisions even if we are not sure of the consequence" is a special occasion. It has the highest "Neutral" rate (31.6%, n=54) and the second highest "Disagree" rate (23.4%, n=40) in the entire dataset. This indicates a profound failure in fostering psychological safety. The organisational climate is perceived as strongly punishing mistakes, leading to extreme risk aversion among employees.

On the last sub-construct, Diversity, Equity, Inclusion, and Belonging, the statement on "fair and equitable remuneration for all employees" is the single most negative data point in the entire survey. 32.2% of respondents (n=55) Disagree or Strongly Disagree. The "Strongly Disagree" count (n=21, 12.3%) is also an extremely high count, indicating a widespread perception of pay inequity, which fundamentally erodes trust and a sense of fairness.

While employees see relative equity in "learning and development" opportunities (65.5% Agree/Strongly Agree), they perceive severe inequity in remuneration (37.4% Agree/Strongly Agree) and basic equal treatment ("values and treats all employees equally" - 42.7% Agree/Strongly Agree). This paradox suggests that developmental opportunities are offered, but the ultimate value and recognition provided to employees (through pay and fair treatment) are seen as deeply unequal.

The analysis reveals a stark dichotomy between how employees view their immediate leaders (very positively) and how they view the overarching organisation (very critically). The organisation is perceived as:

- Unsupportive of Well-being: Failing on core issues like work-life balance.
- Unfair and Opaque: Lacking fairness in the most impactful areas: pay, promotions, and performance reviews.

- Risk-Averse and Inflexible: Failing to create psychological safety for decision-making and being perceived as slow to adapt internally or learn from others externally.

5.5. Reliability Statistics

Table 8: Reliability Scale Statistics: Cronbach's Alpha

Reliability Scale Statistics: Cronbach's Alpha					
	Mean	Variance	Std. Deviation ($\pm$)	N of Items	Cronbach's Alpha
Inclusive Leadership	48.94	117.625	10.846	13	0.958
Employee Creativity	50.80	27.872	5.279	12	0.866
Inclusive Climate	45.96	109.556	10.467	13	0.933

The Cronbach's Alpha values for all three scales are exceptionally high, indicating a very strong degree of internal consistency and reliability. Cronbach's Alpha measures how closely related a set of items is as a group, essentially testing whether the items within a scale are all measuring the same underlying construct. A value above 0.7 is generally considered acceptable, above 0.8 is good, and above 0.9 is excellent, often suggesting that the items are potentially redundant but highly consistent. In this case, the Inclusive Leadership ($\alpha = 0.958$) and Inclusive Climate ($\alpha = 0.933$) scales demonstrate "excellent" reliability, meaning the 13 items within each scale are overwhelmingly coherent and consistently measure their respective constructs. The Employee Creativity scale ($\alpha = 0.866$) also shows "good" to "excellent" reliability, confirming that its 12 items reliably tap into the same creative behavioural domain. See Table 8 above.

The high reliability, particularly for the two inclusive scales, provides a solid foundation for further analysis. It means that the mean scores calculated for each construct, Inclusive Leadership (Mean = 48.94), Employee Creativity (Mean = 50.80), and Inclusive Climate (Mean = 45.96), are based on robust and consistent measurement tools. The variance and standard deviation figures offer further insight: the Employee Creativity scale has a much lower variance (27.872) and standard deviation (± 5.279) compared to the other two scales. This suggests that respondents' answers on creativity were more clustered around the mean, showing less disagreement among the sample. In contrast, the higher variance for inclusive leadership and especially inclusive climate indicates

greater spread in the responses, reflecting more diversity of opinion on these topics within the workforce, which aligns with the earlier findings of polarisation and negative perceptions in the organisational climate data. (Table 8).

Within the context of the previous frequency analyses, these reliability metrics confirm that the concerning patterns observed (e.g., strong disagreement on fairness and remuneration) are not due to erratic or unreliable survey questions but are instead capturing real, coherent, and strongly held perceptions. The high alpha for Inclusive Climate confirms that the negative sentiments regarding organisational systems (e.g., promotions, performance reviews, pay) are not isolated complaints but form a consistent and reliable pattern of a perceived lack of inclusivity and fairness at the organisational level. This starkly contrasts with the also high alpha for Inclusive Leadership, suggesting employees make a very clear and consistent distinction between the positive inclusive actions of their immediate leader and the negative inclusive experience provided by the broader organisation.

5.6. Exploratory Factor Analysis

This research employs exploratory factor analysis, a multivariate statistical technique designed to simplify complex datasets by condensing a large number of observed variables into a smaller set of underlying, unobserved dimensions called factors. These factors effectively capture the essential information and shared variance present in the original variables.

The specific method applied is Principal Component Analysis (PCA). This technique works by creating new, uncorrelated factors (components) that sequentially account for the maximum possible amount of variation present in the data. The first component extracted explains the largest portion of the total variance, with each subsequent component explaining a progressively smaller amount.

To determine the optimal number of factors to retain for each construct, the analysis utilises the Kaiser Criterion. This rule states that only factors with an eigenvalue greater than one should be considered significant and retained for interpretation. An eigenvalue represents the amount of variance explained by a given factor; thus, a value above 1 indicates the factor captures more variance than a single original variable. Furthermore, for a factor to be considered meaningful and well-defined, the variables loading onto it should share a substantial amount of common variance, typically indicated by a

cumulative variance extraction exceeding 0.7 (or 70%). Factors failing to meet this threshold are not retained.

5.6.1. Inclusive Leadership

A single dominant factor (FAC1_1) was extracted from the 13 variables analysed. This factor has an initial eigenvalue of 8.730, which accounts for a very substantial 67.156% of the total variance in the data. This high percentage indicates that a single underlying dimension successfully explains the vast majority of the common variance shared by these 13 items. The mild negative skewness (-0.557) suggests a slight concentration of scores toward the higher end of this factor, while the negative kurtosis (-0.292) indicates a distribution that is slightly flatter (platykurtic), and both demonstrated a normal distribution. In practical terms, this means the 13 variables are all strongly interrelated and are measuring a single, cohesive construct, which, given the context of the previous analyses, is almost certainly the "Inclusive Leadership" scale. The strength of this single factor confirms the scale's excellent one-dimensionality and validates the extremely high Cronbach's Alpha (0.958) previously reported. See Tables 9 and 10 and Figure 7 below.

Table 9: Principal Component Analysis of Inclusive Leadership at Eskom

Principal Component analysis of Inclusive leadership					
Component	Total	% of Variance	Cumulative %	Skewness	Kurtosis
FAC1_1/ Inclusive Leadership	8.730	67.156	67.156	-0.557	-0.292

Figure 8: Inclusive Leadership Histogram and Normal Distribution

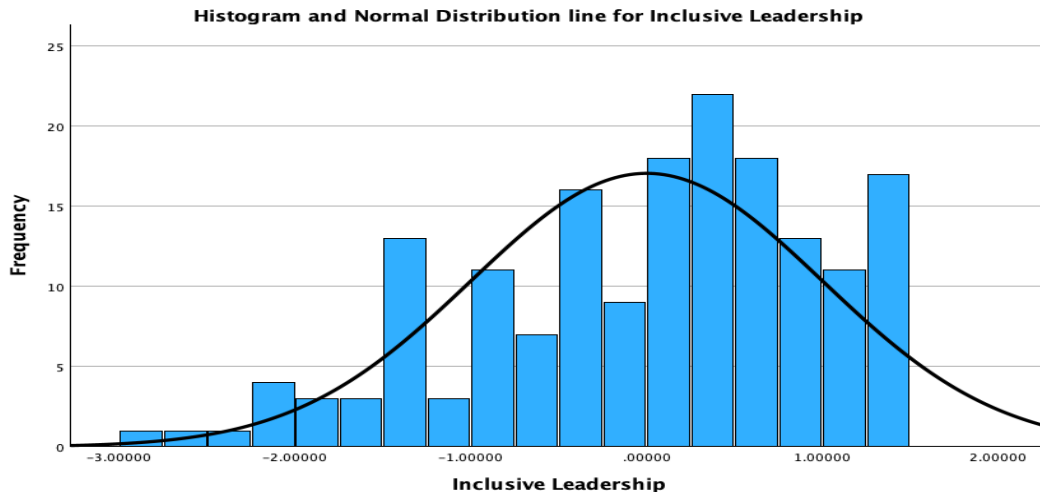


Figure 7: Inclusive Leadership Histogram and Normal Distribution of data from Eskom employees

The factor loadings confirm a single, robust, and well-defined factor structure for the Inclusive Leadership construct. All 13 variables load very strongly onto this single factor, with loadings ranging from 0.640 to 0.860. These high loadings indicate a powerful and consistent relationship between each individual questionnaire item and the overarching latent trait they are designed to measure.

The content of the highest-loading items reveals the core of what this factor represents. It is defined by leadership behaviours that foster psychological safety and individuality, such as encouraging employees "to be unique" (0.860), to listen to "views that are different" (0.851), and ensuring they feel "noticed and valued" (0.848). This confirms that the core of inclusive leadership, as perceived by this workforce, is a leader who actively cultivates an environment where diverse perspectives are not only welcomed but are seen as a source of strength and innovation.

Table 10: Inclusive Leadership Loading Analysis

Variable	Inclusive Leadership
We are encouraged by our leader to be unique.	0.860
Our leader encourages us to listen to views that are different from our own.	0.851
We feel that our contributions are noticed and valued by our leader.	0.848

We feel encouraged to express our thoughts and feelings to our leader.	0.847
We are encouraged by our leader to bring differentiated concepts from the existing solutions.	0.843
Our leader inspires us to constantly improve our skills on the existing technologies.	0.836
Our leader encourages us to solve our own problems so that we can learn from the challenges we experience.	0.821
We are encouraged by our leader to embrace our differences as a strength.	0.820
We feel that our unique strengths are put to good use through appropriate work allocation by our leader.	0.820
Our leader enables us to be creative in the workplace.	0.819
Our leader sees value in our cultural differences.	0.817
Our leader encourages us to constantly enhance and build capabilities on the existing technologies.	0.808
Our organisation is dynamic, encourages experimentation whilst acknowledging failures as a learning opportunity.	0.640

While still a strong positive loading, the item concerning the organisation being dynamic and encouraging experimentation (0.640) has the lowest loading in the set. This statistically validates the earlier thematic analysis that drew a distinction between immediate leadership actions and the broader organisational climate. Employees associate this organisational trait less strongly with their direct leader's inclusive behaviours, confirming that they perceive a difference between their leader's support and the organisation's inherent willingness to experiment and embrace failure. For further analysis, this factor will be used and renamed "Inclusive Leadership", suitable for regression analysis.

5.6.2. Employee Creativity

Table 11: Principal Component Analysis of Employee Creativity of Eskom Employees

Principal Component Analysis of Employee Creativity					
Component	Total	% of Variance	Cumulative %	Skewness	Kurtosis
FAC1_2/Proactive Innovation and Initiative	4959	41.326	41.326	-0.425	-0.205
FAC2_2/Advocacy and Foundational Belief	1292	10.769	52.095	0.319	0.614

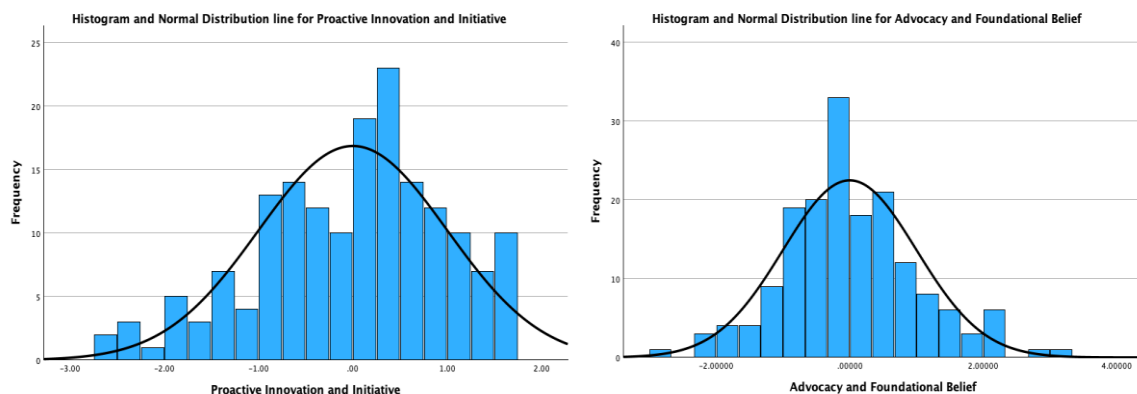


Figure 8: Proactive Innovation & Initiative (left panel) and Advocacy and Foundational Belief (Right panel) Histogram and Normal Distribution

Exploratory factor analysis of the 12 variables extracted from the Employee Creativity construct yielded two components with eigenvalues greater than 1, which together explain 52.095% of the total variance (Table 11). The first and dominant factor (FAC1_2) accounts for 41.326% of the variance, indicating a strong, primary underlying dimension that a majority of the variables load onto. The mild negative skewness (-0.425) of this factor suggests a concentration of scores toward the higher end of this dimension. The second factor (FAC2_2) explains an additional 10.769% of the variance, and its positive skewness (0.319) and positive kurtosis (0.614) indicate a distribution where scores are clustered toward the lower end with a slightly sharper peak than a normal distribution, but acceptable and within the limits.

The presence of a second factor, alongside the strong first factor, suggests that while the 12-item scale has a primary cohesive construct (likely related to general self-perceptions of proficiency and proactive behaviour, as seen in the Employee Creativity scale), it also captures a secondary, distinct dimension. This second factor could represent a specific subset of items, such as those related to being an early adopter or generating novel solutions, which exhibited higher neutrality in the frequency analysis. The two-factor structure confirms that the Employee Creativity construct, as measured here, is multidimensional, encompassing both a core confidence in using technology and a more nuanced aspect related to pioneering innovation and novel problem-solving. See Table 11, Figure 8 above and Table 12 below.

Table 12: Employee Creativity Loading Analysis of Eskom Employees

Variable	Proactive Innovation and Initiative	Advocacy and Foundational Belief
I often find new approaches to work smarter using technology.	0.730	-0.233
I am an early adopter of useful and novel ideas in the workplace.	0.719	-0.369
I have accepted that change is inevitable; hence, I always search for alternative working methods and techniques.	0.699	-0.191
I reframe problems to gain deeper insights.	0.695	-0.135
I put concerted effort into finding new ways of working.	0.658	
I find myself generating novel solutions when it comes to digital technologies.	0.648	-0.294
I embrace digital technologies in the workplace earlier than other employees.	0.643	-0.385
I encourage my colleagues to embrace digital technologies.	0.633	0.496
I strongly believe that creativity is a precursor to innovation.	0.613	0.407
I sometimes find myself imagining solutions to problems related to my job.	0.596	0.186

I believe digital technologies enable me to do my work more easily.	0.594	0.552
I wonder what more I can do to improve my workplace.	0.433	0.246

The first component, which explains the majority of the variance, is defined by variables related to Proactive Innovation and Initiative. The strongest loadings on this factor are from items describing self-driven behaviours to improve work through technology and new methods, such as:

- Finding new approaches to work smarter using technology (0.730)
- Being an early adopter of novel ideas (0.719)
- Searching for alternative methods in the face of change (0.699)
- Reframing problems for deeper insight (0.695)

This factor represents an employee who is actively and independently engaged in innovating their own work processes.

The second component is defined by variables related to Advocacy and Foundational Belief. The strongest positive loadings on this factor are from items that involve encouraging others and holding a core belief in the value of technology and creativity:

- Believing digital technologies enable easier work (0.552)
- Encouraging colleagues to embrace digital technologies (0.496)
- A strong belief that creativity is a precursor to innovation (0.407)

This factor represents an employee who acts as a champion or advocate for digital adoption and innovation, rooted in a firm belief in its importance. The negative loadings on this factor for the "early adopter" variables suggest a nuanced relationship, indicating that being the first to try something (Component 1) is a different behavioural trait from convincing others to follow (Component 2) for further analysis. The first component will be analysed at Proactive Innovation and Initiative, and the second one at Advocacy and Foundational Belief.

5.6.3. Inclusive Climate

Table 13: Principal Component Analysis of Inclusive Climate at Eskom from their Employees

Principal Component Analysis of Inclusive Culture					
Component	Total	% of Variance	Cumulative %	Skewness	Kurtosis

FAC1_3/ Systemic Organisational Fairness and Support	7.310	56.229	56.229	-0.203	-0.291
FAC2_3/ Tangible Equity Versus Progressive Intent	1.157	8.901	65.129	0.125	1.219

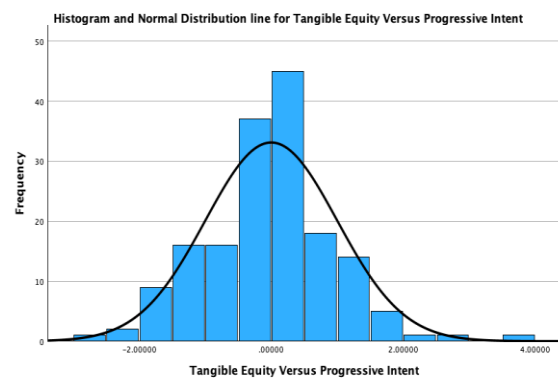
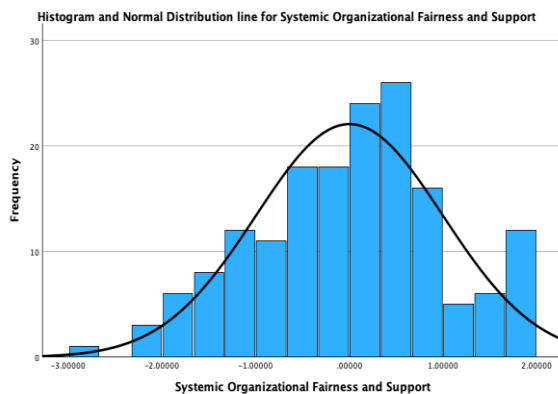


Figure 9: Systemic Organisational Fairness & Support (1) and Tangible Equity Versus Progressive Intent (2) Histogram and Normal Distribution of data from Eskom Employees

Exploratory factor analysis of the 13 variables related to Inclusive Climate extracted two components with eigenvalues greater than 1, which together explain 65.129% of the total variance. The first and dominant factor (FAC1_3) is exceptionally strong, accounting for 56.229% of the variance. This indicates that a single, primary underlying dimension captures the majority of the shared variance among the variables. The mild negative skewness (-0.203) of this factor suggests a slight concentration of scores toward the higher end of this dimension, meaning respondents tended to agree with these items. The negative kurtosis (-0.291) indicates a distribution that is slightly flatter than a normal distribution.

The second factor (FAC2_3), while statistically significant according to the Kaiser criterion (eigenvalue > 1), explains a considerably smaller portion of the variance (8.901%). Its near-zero skewness (0.125) suggests a roughly symmetrical distribution of scores, while the positive kurtosis (1.219) indicates a distribution with a sharper peak and heavier tails, but normal, meaning responses for this smaller factor were more concentrated around the mean with more extreme values.

The presence of a strong first factor suggests that the "Inclusive Culture" construct is primarily one-dimensional, meaning the items are all measuring a core, cohesive concept, likely the general perception of organisational fairness, equity, and inclusion. The much smaller second factor likely represents a specific sub-dimension or a subset of items that tap into a more nuanced aspect of the culture. This structure confirms that while employees view the organisation's inclusive culture through a primary, overarching lens, there are secondary, distinct elements that also shape their perception. See Tables 12 and 13 above and Figure 16 below.

Table 14: Inclusive Climate Loading Analysis

Variable	Systemic Organisational Fairness and Support	Tangible Equity Versus Progressive Intent
I often find new approaches to work smarter using technology.	0.730	-0.233
I am an early adopter of useful and novel ideas in the workplace.	0.719	-0.369
I have accepted that change is inevitable; hence, I always search for alternative working methods and techniques.	0.699	-0.191
I reframe problems to gain deeper insights.	0.695	-0.135
I put concerted effort into finding new ways of working.	0.658	
I find myself generating novel solutions when it comes to digital technologies.	0.648	-0.294
I embrace digital technologies in the workplace earlier than other employees.	0.643	-0.385
I encourage my colleagues to embrace digital technologies.	0.633	0.496
I strongly believe that creativity is a precursor to innovation.	0.613	0.407
I sometimes find myself imagining solutions to problems related to my job.	0.596	0.186

I believe digital technologies enable me to do my work more easily.	0.594	0.552
I wonder what more I can do to improve my workplace.	0.433	0.246

The exploratory factor analysis reveals that the 13 variables measuring Inclusive Culture load primarily onto a single, dominant component, with a secondary component highlighting a critical perceptual divide (Table 14). The first component, which explains the majority of the variance, is defined by variables related to Systemic Organisational Fairness and Support. The most substantial loadings on this factor are from items describing the organisation's foundational structures and values, such as:

- Valuing employee input (0.819)
- Valuing and treating all employees equally (0.808)
- Embracing industry evolution (0.791)
- Creating platforms for peer learning (0.785)
- Recognising and respecting unique differences (0.782)

This factor represents the employees' overall perception of the organisation's intent and its establishment of supportive systems, encompassing everything from respect and input to adaptability and development.

The second component acts as a differentiator between Ideals and Tangible Outcomes, with the proposed name of Tangible Equity Versus Progressive Intent. The variables with the strongest positive loadings on Factor 2 are those related to concrete, impactful outcomes that are often subject to scrutiny:

- Employing fair and equitable remuneration (0.491)
- Granting equal opportunities for learning and development (0.459)
- Valuing and treating all employees equally (0.410)

Conversely, variables with significant negative loadings on Factor 2 are those related to organisational agility and external focus:

- Embracing industry evolution (-0.368)
- Creating platforms for peer learning (-0.350)
- Having effective conflict management (-0.308)

This second factor reveals a crucial insight: employees who positively perceive the organisation's tangible fairness (pay, opportunities) are less likely to perceive it as agile, adaptable, and externally focused, and vice versa. This statistically validates the earlier

thematic finding of a stark contrast between the organisation's supportive ideals and its perceived failings in tangible, equitable execution (especially employee remuneration). It shows that the experience of "inclusive culture" is bifurcated between those who trust the system's outcomes and those who value its progressive intentions.

5.7. Hypothesis Testing

Guided by the results of the exploratory factor analysis, the subsequent stage of this study involves testing a series of hypotheses to establish causal and predictive relationships between the established latent variables. The focal constructs for this examination are Inclusive Leadership (FAC1_1), the two facets of Employee Creativity (Proactive Innovation and Initiative [FAC1_2] and Advocacy and Foundational Belief [FAC2_2]), and the two facets of Inclusive Climate (Systemic Organisational Fairness and Support [FAC1_3] and Tangible Equity Versus Progressive Intent [FAC2_3]). A Generalised Linear Model (GLM) framework was utilised for analysis, with the threshold for statistical significance set at $\alpha = 0.05$ for all hypothesis tests.

H1: IL has a significant impact on IC.

H1a: Inclusive Leadership has an impact on Systemic Organisational Fairness and Support

Table 15: Inclusive Leadership Impact on Systemic Organisational Fairness and Support

Inclusive Leadership has an impact on Systemic Organisational Fairness and Support.							
Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
Inclusive Leadership	0.627	0.0612	0.507	0.747	105.004	1	0.000

The generalised linear model output indicates a statistically significant and substantively strong positive relationship between Inclusive Leadership and Systemic Organisational Fairness and Support. The unstandardised coefficient (B) of 0.627 is the core of this finding, representing the estimated change in the outcome variable for a one-unit

increase in the predictor. Specifically, for every one-unit increase in the Inclusive Leadership factor score, the Systemic Organisational Fairness and Support factor score is predicted to increase by 0.627 units. To assess the precision of this estimate, we examine the 95% Wald Confidence Interval, which ranges from 0.507 to 0.747. The fact that this interval is entirely above zero and relatively narrow indicates a high degree of certainty that the true population parameter is positive and likely falls within this range. The extremely small standard error (0.0612) further reinforces the reliability and stability of this coefficient estimate.

The hypothesis test result conclusively confirms that this relationship is unlikely to be due to random chance. The Wald Chi-Square statistic of 105.004 with 1 degree of freedom is exceptionally large, resulting in a p-value of < 0.001 (reported as 0.000). This highly significant p-value allows for the firm rejection of the null hypothesis, which states that there is no relationship between Inclusive Leadership and Systemic Organisational Fairness and Support (i.e., $B = 0$). In practical terms, this model provides robust statistical evidence that perceptions of immediate inclusive leadership are a powerful and significant driver of employees' broader perceptions of organisational fairness, equity, and support systems. See Table 15 above.

H1b: Inclusive Leadership has an impact on Tangible Equity Versus Progressive Intent

Table 16: Impact of Inclusive Leadership at Eskom on Tangible Equity Versus Progressive Intent

Inclusive Leadership has an impact on Tangible Equity Versus Progressive Intent.							
Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
Inclusive Leadership	0.157	0.0773	0.006	0.308	4.131	1	0.042

The generalised linear model output indicates a statistically significant, yet substantively weak and less precise, positive relationship between Inclusive Leadership and the Tangible Equity Versus Progressive Intent component. The unstandardised coefficient (B) of 0.157 suggests that for every one-unit increase in the Inclusive Leadership factor

score, the Tangible Equity Versus Progressive Intent factor score is predicted to increase by a modest 0.157 units. The 95% Wald Confidence Interval, ranging from 0.006 to 0.308, presents a wide interval reflecting substantial uncertainty in the precise estimate of the size effect, indicating that the true population parameter could be negligible or potentially more meaningful. The larger standard error (0.0773), compared to the previous model, further underscores this estimation uncertainty.

The hypothesis test result confirms that the relationship is statistically significant at the alpha level of 0.05. The Wald Chi-Square statistic of 4.131 with 1 degree of freedom yields a p-value of 0.042. This allows for the rejection of the null hypothesis that there is no relationship. However, the combination of a small coefficient, a large standard error, and a confidence interval approaching zero suggests a fragile effect. In practical terms, this model provides tentative evidence that perceptions of inclusive leadership have a slight positive association with the perception that the organisation delivers on tangible equity (like fair pay) over progressive intent (like agility). However, the weakness of the effect implies that inclusive leadership behaviours are not a strong or reliable driver of this specific, outcome-oriented perception. See Table 16 above.

H2: IL significantly influences EC.

H2a: Inclusive Leadership has an impact on Proactive Innovation and Initiative

Table 17: Inclusive Leadership Impact on Proactive Innovation and Initiative

Inclusive Leadership has an impact on Proactive Innovation and Initiative.							
Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
Inclusive Leadership	0.371	0.0721	0.230	0.513	26.544	1	0.000

The generalised linear model output indicates a statistically significant and substantively meaningful positive relationship between Inclusive Leadership and the Proactive Innovation and Initiative component. The unstandardised coefficient (B) of 0.371 represents that for every one-unit increase in the Inclusive Leadership factor score, the

Proactive Innovation and Initiative factor score is predicted to increase by 0.371 units. The 95% Wald Confidence Interval, which ranges from 0.230 to 0.513, suggests a good degree of precision in the estimate. The standard error of 0.0721 is moderate, indicating acceptable stability in the coefficient estimate.

The hypothesis test result provides strong evidence against the null hypothesis. The Wald Chi-Square statistic of 26.544 with 1 degree of freedom is highly significant, resulting in a p-value of < 0.001 (reported as 0.000). This allows us to confidently reject the null hypothesis that there is no relationship between Inclusive Leadership and Proactive Innovation and Initiative. Leaders who demonstrate inclusive practices appear to effectively stimulate their employees' tendency to seek new approaches, adopt novel ideas, reframe problems, and actively engage in innovative work behaviours. This relationship is both statistically reliable and practically meaningful, highlighting the important role of leadership in fostering an innovative workforce. See Table 17 above.

a) H2b: Inclusive Leadership has an impact on Advocacy and Foundational Belief

Table 18: Inclusive Leadership Impact on Advocacy and Foundational Belief

Inclusive Leadership has an impact on Advocacy and Foundational Belief							
Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
Inclusive Leadership	0.041	0.0775	-0.111	0.192	0.275	1	0.600

The analysis reveals a statistically non-significant and substantively negligible relationship between Inclusive Leadership and the Advocacy and Foundational Belief component. The unstandardized coefficient (B) of 0.041 is very small, indicating that a one-unit increase in Inclusive Leadership predicts a mere 0.041 unit increase in Advocacy and Foundational Belief. Crucially, the 95% Wald Confidence Interval ranges from -0.111 to 0.192, which includes zero. This indicates that the true effect in the population could plausibly be negative, null, or slightly positive. The large standard error (0.0775) relative to the coefficient size further confirms the imprecision and instability of this estimate.

The hypothesis test supports the conclusion of no meaningful effect. The Wald Chi-Square statistics are very small (0.275) with a corresponding p-value of 0.600, which is far above the conventional alpha level of 0.05. Therefore, we fail to reject the null hypothesis. In practical terms, this means that employees' core beliefs about technology and creativity, and their role as advocates for them, are not influenced by their leaders' inclusive behaviours. See Table 18 above.

H3: An IC environment has a direct impact on EC.

H3a1: Systemic Organisational Fairness and Support have an impact on Proactive Innovation and Initiative

H3a2: Systemic Organisational Fairness and Support have an impact on Advocacy and Foundational Belief

H3a3: Systemic Organisational Fairness and Support have an impact on a combination of “Proactive Innovation and Initiative” and “Advocacy and Foundational Belief”

Table 19: Inclusive Leadership Impact on All Parameters (1)

1) Systemic Organisational Fairness and Support have an impact on Proactive Innovation and Initiative. 2) Tangible Equity Versus Progressive Intent has an impact on Proactive Innovation and Initiative. 3) A combination of “Systemic Organisational Fairness and Support” and “Tangible Equity Versus Progressive Intent” has an impact on “Proactive Innovation and Initiative”							
Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
Systemic Organisational Fairness and Support	0.305	0.0754	0.157	0.453	16.387	1	0.000

Tangible Equity Versus Progressive Intent	0.034	0.0814	-0.126	0.193	0.170	1	0.680
A combination of “Systemic Organisational Fairness and Support” and “Tangible Equity Versus Progressive Intent”	0.038	0.0791	-0.117	0.194	0.237	1	0.627

This analysis examines the simultaneous impact of two organisational climate factors—Systemic Organisational Fairness and Support (Factor 1) and Tangible Equity Versus Progressive Intent (Factor 2) on the Proactive Innovation and Initiative component. The model reveals a clear and distinct pattern of influence for each predictor.

Systemic Organisational Fairness and Support: This factor demonstrates a statistically significant and substantively meaningful positive impact on Proactive Innovation and Initiative. The unstandardized coefficient (B) of 0.305 indicates that for every one-unit increase in the perception of systemic fairness and support, proactive innovation increases by 0.305 units, controlling for the other factors. The 95% confidence interval (0.157 to 0.453) is entirely above zero and reasonably precise, confirming a reliable positive effect. This relationship is highly significant (Wald Chi-Square = 16.387, $p < 0.001$), indicating that employees who perceive the organisation as fair, supportive, respectful, and adaptive are significantly more likely to demonstrate proactive innovative behaviours.

Tangible Equity Versus Progressive Intent: In contrast, this factor shows no statistically significant impact on Proactive Innovation and Initiative. The coefficient is very small ($B = 0.034$) and non-significant ($p = 0.680$). The 95% confidence interval (from -0.126 to 0.193) includes zero, indicating that the true effect could be negative, null, or slightly positive. This means that employees' perceptions of the trade-off between tangible equity (like fair pay) and progressive intent (like organisational agility) do not meaningfully influence their propensity for proactive innovation.

Combined Effect: The combined impact of both factors was also found to be non-significant ($B = 0.038$, $p = 0.627$), with a confidence interval including zero (-0.117 to 0.194). This suggests no synergistic or additive effect beyond what is explained by the Systemic Fairness factor alone.

The model clearly identifies Systemic Organisational Fairness and Support as the sole significant driver of Proactive Innovation and Initiative within this multivariate framework. Employees' engagement in innovative behaviours is strongly tied to their overall perception of organisational justice, support, and adaptability. Conversely, the specific tension between tangible equity and progressive intent (Factor 2) appears irrelevant for directly motivating innovation. This suggests that while fair outcomes are crucial for overall climate perceptions (as previously established), it is the broader, supportive system that directly empowers employees to be proactively innovative. See table 21 above.

H3b1: Systemic Organisational Fairness and Support have an impact on Advocacy and Foundational Belief

H3b2: Tangible Equity Versus Progressive Intent has an impact on Advocacy and Foundational Belief

H3b3: A combination of “Systemic Organisational Fairness and Support” and “Tangible Equity Versus Progressive Intent” has an impact on “Advocacy and Foundational Belief”

Table 20: Inclusive Leadership Impact on All Parameters (2)

1) Systemic Organisational Fairness and Support have an impact on Advocacy and Foundational Belief 2) Tangible Equity Versus Progressive Intent has an impact on Advocacy and Foundational Belief 3) A combination of “Systemic Organisational Fairness and Support” and “Tangible Equity Versus Progressive Intent” has an impact on “Advocacy and Foundational Belief”							
Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
Systemic Organisational Fairness and Support	0.052	0.0773	-0.100	0.203	0.448	1	0.503

Tangible Equity Versus Progressive Intent	0.061	0.083 5	-0.102	0.225	0.541	1	0.46 2
A combination of “Systemic Organisational Fairness and Support” and “Tangible Equity Versus Progressive Intent”	-0.161	0.081 1	-0.320	-0.002	3.951	1	0.04 7

This analysis examines the simultaneous impact of two organisational climate factors, Systemic Organisational Fairness and Support (Factor 1) and Tangible Equity Versus Progressive Intent (Factor 2), on the Advocacy and Foundational Belief component. The model reveals that individually, the factors have no significant impact, but their combination reveals a significant negative interaction effect.

Systemic Organisational Fairness and Support: This factor demonstrates no statistically significant impact on Advocacy and Foundational Belief. The coefficient is small ($B = 0.052$) and non-significant ($p = 0.503$). The 95% confidence interval (from -0.100 to 0.203) includes zero, indicating no meaningful effect. Employees' perceptions of systemic fairness and support do not directly influence their core beliefs about technology/creativity or their advocacy behaviours.

Tangible Equity Versus Progressive Intent: Similarly, this factor shows no statistically significant impact ($B = 0.061$, $p = 0.462$). The 95% confidence interval (-0.102 to 0.225) includes zero, suggesting that the tension between tangible equity and progressive intent does not directly shape advocacy beliefs.

The combination of both factors shows a statistically significant negative impact ($B = -0.161$, $p = 0.047$). The 95% confidence interval (from -0.320 to -0.002) excludes zero, confirming a reliable negative effect. This significant interaction term indicates that the effect of one climate factor on Advocacy and Foundational Belief depends on the level of the other factor. Specifically, when both systemic fairness and tangible equity vs. progressive intent tension are perceived simultaneously, they jointly reduce advocacy and foundational beliefs. This suggests a suppressor or antagonistic interaction; the combination of these perceptions undermines employees' conviction and willingness to advocate for technology and innovation.

Unlike the model for Proactive Innovation, neither organisational climate factor individually drives Advocacy and Foundational Belief. However, their combination has a significant negative synergistic effect. This implies that employees' core beliefs and advocacy behaviours are resilient to isolated climate perceptions but are adversely affected when specific climate tensions coexist. For instance, if employees perceive systemic fairness but also feel strong tensions around tangible equity (e.g., fair pay) versus progressive intent (e.g., organisational agility), their foundational beliefs and advocacy are dampened. This highlights a complex interplay where climate factors interact to suppress motivational beliefs, suggesting that organisations must address climate cohesively rather than in isolation to foster strong advocacy and innovation conviction. See Table 20 above.

H4: IL impacts both the IC and the stimulation of employee digital creativity.

Table 21: Inclusive Leadership Impact on both Inclusive Climate and Employee Creativity

Multivariate GLM testing the hypothesis: Inclusive Leadership impacts both the Inclusive Climate and stimulation of Employee Creativity.							
Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
Proactive Innovation and Initiative* Systemic Organisational Fairness and Support	-0.023	0.0739	-0.168	0.121	0.101	1	0.751
Proactive Innovation and Initiative* Tangible Equity Versus Progressive Intent	-0.119	0.0674	-0.251	0.013	3.116	1	0.078
Advocacy and Foundational Belief* Systemic	-0.061	0.0755	-0.209	0.087	0.648	1	0.421

Organisational Fairness and Support							
Advocacy and Foundational Belief* Tangible Equity Versus Progressive Intent	0.043	0.079 7	-0.113	0.20 0	0.297	1	0.586
Proactive Innovation and Initiative* Advocacy and Foundational Belief* Systemic Organisational Fairness and Support	0.017	0.085 7	-0.151	0.18 5	0.039	1	0.843
Proactive Innovation and Initiative* Advocacy and Foundational Belief* Tangible Equity Versus Progressive Intent	-0.082	0.091 8	-0.262	0.09 8	0.793	1	0.373
Proactive Innovation and Initiative* Systemic Organisational Fairness and Support * Tangible Equity Versus Progressive Intent	-0.160	0.082 7	-0.322	0.00 2	3.724	1	0.054
Advocacy and Foundational Belief* Systemic Organisational Fairness and Support * Tangible Equity Versus Progressive Intent	-0.042	0.084 1	-0.207	0.12 3	0.250	1	0.617
Proactive Innovation and Initiative* Advocacy and Foundational Belief* Systemic Organisational Fairness and Support * Tangible Equity Versus Progressive Intent	-0.049	0.062 5	-0.171	0.07 4	0.608	1	0.436

This multivariate Generalised Linear Model (GLM) tests a series of interaction effects to determine whether the impact of Inclusive Leadership on Employee Creativity (broken into its two components: Proactive Innovation and Initiative, and Advocacy and

Foundational Belief) is moderated by the two dimensions of Inclusive Climate (Systemic Organisational Fairness and Support, and Tangible Equity Versus Progressive Intent). The results reveal a consistent pattern of non-significance with one notable exception, providing crucial nuance to the earlier bivariate findings.

Predominance of Non-Significant Interactions: The vast majority of the interaction terms, including the higher-order three-way and four-way interactions, are not statistically significant (all p-values > 0.05, except one at 0.054). This is a critical result. It indicates that the positive, direct relationships between Inclusive Leadership and the creative components, which were established in previous analyses, are robust and consistent. These relationships hold true across different levels of organisational climate factors. In other words, good inclusive leadership boosts employee creativity regardless of whether the broader organisational climate is perceived as highly fair and supportive or as fraught with tensions between equity and progress.

One Notable Near-Significant Interaction: The interaction between Proactive Innovation, Systemic Fairness, and Tangible Equity approaches conventional significance ($p = 0.054$). The coefficient is negative ($B = -0.160$), suggesting a potential complex three-way effect. This tentatively implies that in a specific climate context, the effectiveness of inclusive leadership in stimulating proactive innovation might be slightly diminished. This aligns thematically with earlier findings that identified "Tangible Equity Versus Progressive Intent" as a point of negative tension and friction within the climate. See Table 21 above and Appendix 9.2 (final empirical model).

This model integrates the key constructs from your previous analyses:

- Inclusive Leadership: Previously shown to be a strong, direct predictor of both Inclusive Climate and Employee Creativity.
- Employee Creativity: Previously decomposed into two factors: Proactive Innovation (strongly impacted by leadership) and Advocacy (not impacted by leadership).
- Inclusive Climate: Previously decomposed into two factors: Systemic Fairness (strongly impacted by leadership) and Tangible Equity vs. Intent (weakly impacted by leadership).

The core conclusion from this integrative model is that the established pathways operate largely independently of each other. The climate of the organisation, whether positive or negative, does not act as a boundary condition that enables or negates the power of inclusive leadership.

The overall data identified that employees clearly distinguish between their immediate leader's inclusive actions and the organisation's systemic climate. This model confirms that these two domains operate in parallel. The positive influence of an inclusive leader on fostering innovation within their team is a powerful and resilient force, showing little evidence of being moderated or weakened by the broader organisational context. This underscores the paramount importance of developing inclusive leaders at all levels, as their impact is direct and not contingent on the resolution of wider organisational climate issues. The one near-significant interaction suggests a potential area for deeper qualitative investigation into the specific climate conditions that might, in rare cases, challenge this general rule.

5.8. Conclusion

The presented data analyses successfully assessed the relationship between the constructs, specifically examining how IL fosters a conducive climate for employee digital creativity. The results of this analysis, which will be presented in the subsequent discussion section, will be interpreted by comparing them with the existing research literature. This comparison will form the basis for evaluating the study's hypotheses and articulating its theoretical and practical contributions.

6. Discussion

6.1. Introduction

The discussion section provides a critical interpretation of the statistical findings in Chapter 5. It achieves this by synthesising the results with the existing research literature (see Chapter 2) to explain the observed outcomes, to address the original research questions and hypotheses (see Chapter 3), and to reconcile any discrepancies with prior studies. This section will conclude by delineating the study's theoretical contributions to academia and its practical implications for industry leaders and practitioners.

6.2. Objective of the Study

6.2.1. Emphasis of the Research Aim and Purpose

This study aimed to investigate the impact of IL on EC within the context of DT in a public electricity utility in South Africa. Grounded in SET, the research initially explored the premise that an IC moderates this relationship. The empirical investigation, however, tested a more complex multivariate model which accounted for the multidimensional nature of the constructs (Law et al., 1998) to examine both direct and interactive effects between IL and the facets of IC on EC. A quantitative methodology was selected to test this model empirically. While situated within the broader context of strategic human resource management, where effective practices are known to drive innovation (Jiang et al., 2012), the focus remains on the specific dynamics of leadership and climate as enablers of the creative adaptation required for DT (Song et al., 2020).

6.3. Population and Sample Description

6.3.1. Demographic and Percentages

The study focused on employees utilising key organisational technologies, including SAP ERP, SharePoint, and MS Teams. Demographic analysis of these respondents revealed a concentration of usage among senior personnel. Management constituted the largest user cohort (39%), followed by professional mid-level roles (19.3%), specialist/supervisor (15.8%), other (8.2%), technical/entry-level and junior professional (5.8%), advanced specialist/leader (2.9%), and executive/senior executive (2.3%). Furthermore, technology utilisation was highest among the most experienced employees, with those having 10-14 years (29.2%) and 15-19 years (32.7%) of tenure representing the majority

of users (see Table 9 and Figure 4). This demographic profile suggests that the adoption of these digital tools may be closely associated with seniority and organisational tenure.

The demographic profile of the survey respondents is summarised in Table 8 and Figure 3 for graphical representation. The sample was predominantly male (67.8%) versus female (31.6%) and composed of experienced employees, with the largest age cohorts being 35-44 years (43.3%) and 45-54 years (35.1%). The vast majority of respondents identified as African (89.5%) and were of South African nationality (98.8%). In terms of highest qualifications, the most common were undergraduate or BTech degrees (26.9%), followed by Honours degrees or postgraduate diplomas (21.1%), National Diplomas (20.5%), and Master's degrees (15.2%). This profile indicates a sample of mature, highly educated, and predominantly male professionals within the South African context.

6.3.2. Descriptive Statistics of Organisation Variables

6.3.2.1. Organisational Context and Sample Composition

This research study was conducted within Eskom, the South African national electricity provider. The survey respondents proved to be predominantly from the Enterprise division (50.3%) and followed by the Generation division (31.6%), with smaller representations from Shared Services (14%), NTCSA (2.9%), and Distribution (1.2%), respectively.

6.3.2.2. Workforce Experience

The sample reflected a highly experienced workforce, with the largest cohorts having 15-19 years (32.7%) and 10-14 years (29.2%) of service, see Table 9. This indicates that the data primarily captures the perceptions of established, long-tenured employees.

6.3.2.3. Technology Utilisation

The analysis of technology use revealed a heavy reliance on a core suite of organisational platforms. However, usage patterns were complex, with employees often using multiple tools in combination. The most common combination was the concurrent use of ERP SAP, SharePoint, and MS Teams (46.2%). A detailed analysis of how these specific technology bundles influence work processes is a recommended area for further investigation (see Table 9 and Figure 4 for graphical representation).

The demographic data suggest a positive correlation between employee experience and employee-reported comfort in utilising workplace technologies. One plausible hypothesis

is that this relationship is mediated by the different job responsibilities and levels of system access associated with seniority. This hypothesis will be tested through further statistical analysis, and the findings will be interpreted in the context of the existing literature on technology adoption in the workplace.

6.4. Measurement Method

To examine the underlying factor structure of the survey instruments, an Exploratory Factor Analysis (EFA) was conducted (Watkins, 2018). This was considered appropriate as the study was adapting established scales to a new cultural and organisational context. The survey measures for the core constructs (e.g., IL, IC) were adopted from validated scales in the extant literature (Leroy et al., 2022; Ashikali et al., 2021). While this provided a foundation for content validity, the EFA was essential to verify the dimensional structure and discriminant validity of these constructs within the specific sample. Subsequently, the internal consistency reliability of the derived factors was assessed using Cronbach's alpha.

The EFA revealed that the data supported a more nuanced model than originally hypothesised. Instead of unitary constructs, IL emerged as a single factor, while both EC and IC bifurcated into two distinct facets each. The discussion will therefore focus on the implications of these emergent facets, specifically Proactive Innovation versus Advocacy Belief, and Tangible Equity versus Progressive Intent.

6.5. Hypothesis Detailed Discussion

A detailed review of the hypotheses was conducted in light of the empirical results. This review moved beyond binary outcomes to explore the nuanced strength and nature of the observed relationships. The findings were then triangulated with the existing literature, critically examining areas of both convergence and divergence with scholars such as Leroy et al. (2022) and Shore et al. (2011). SET was actively applied not just to explain confirmed hypotheses but also to theorise the boundary conditions revealed by null findings, such as the limited influence of leadership on deep-seated advocacy beliefs.

6.5.1. Hypothesis 1 – Inclusive Leadership has a significant impact on Inclusive Climate

6.5.1.1. Nuanced Hypothesis Review

As indicated, the IL emerged as a single factor; however, due to IC being split into two distinct constructs, this meant that two splinter hypotheses were developed, hence H1a and H1b below, which will be unpacked thoroughly. The findings are as follows (see Tables 17 & 18 for details):

H1a: Inclusive Leadership has an impact on Systemic Organisational Fairness and Support.

- a) The unstandardised coefficient (B) of 0.627 is the core of this finding, representing the estimated change in the outcome variable for a one-unit increase in the predictor. Specifically, for every one-unit increase in the IL factor score, the Systemic Organisational Fairness and Support factor score is predicted to increase by 0.627 units.
- b) To assess the precision of this estimate, the 95% Wald Confidence Interval is examined, which ranges from 0.507 to 0.747. The fact that this interval is entirely above zero and relatively narrow indicates a high degree of certainty that the true population parameter is positive and likely falls within this range. The extremely small standard error (0.0612) further reinforces the reliability and stability of this coefficient estimate.
- c) The hypothesis test result conclusively confirms that this relationship is unlikely to be due to random chance. The Wald Chi-Square statistic of 105.004 with 1 degree of freedom is exceptionally large, resulting in a p-value of < 0.001 (reported as 0.000).
- d) This highly significant p-value allows for the firm rejection of the null hypothesis, which states that there is no relationship between IL and Systemic Organisational Fairness and Support (i.e., $B = 0$).

H1b: Inclusive Leadership has an impact on Tangible Equity versus Progressive Intent.

- a) The unstandardised coefficient (B) of 0.157 suggests that for every one-unit increase in the IL factor score, the Tangible Equity Versus Progressive Intent factor score is predicted to increase by a modest 0.157 units.
- b) The 95% Wald Confidence Interval, ranging from 0.006 to 0.308, presents a wide interval reflecting substantial uncertainty in the precise estimate of the size effect, indicating that the true population parameter could be negligible or potentially more meaningful. The larger standard error (0.0773), compared to the previous model, further underscores this estimation uncertainty.

- c) The hypothesis test result confirms that the relationship is statistically significant at the alpha level of 0.05. The Wald Chi-Square statistic of 4.131 with 1 degree of freedom yields a p-value of 0.042. This allows for the rejection of the null hypothesis that there is no relationship. However, the combination of a small coefficient, a large standard error, and a confidence interval approaching zero suggests a fragile effect.

6.5.1.2. Critical Triangulation with Literature

The strong, positive relationship found in H1a is consistent with existing literature on IL. For instance, it supports the findings of Khazanchi and Masterson (2011) and George and Zhou (2007), who established that IL fosters an IC through perceptions of organisational fairness. Furthermore, this result aligns with Randel et al. (2018), who identified that IL cultivates employee belongingness through demonstrable support and empathy. As quantitatively demonstrated by the substantial unstandardised coefficient ($B = 0.627$), narrow confidence interval, and high statistical significance ($p < 0.001$) in Table 20, H1a confirms that IL has a powerful effect. This effect is conceptually aligned with enhancing systemic organisational fairness and support, particularly in the procedural and interactional domains.

For H1b, the research somewhat refutes the claims submitted by Shore et al. (2011) and Randel et al. (2018) regarding IL's positive impact on equity and promotion of diverse contributions (progressive intent) through fostering uniqueness and belongingness. This is evidenced by tentative perceptions from results indicating a weak effect, numerically (e.g., a small coefficient of $B=0.157$), which aligns with distributive justice (fairness of outcomes like remuneration).

This research aimed to confirm this theory, where the IL promotes this phenomenon through fostering a conducive environment that supports this notion. In this case, the results illustrate a conceptual boundary for leadership impact: IL excels at shaping the psychological and experiential climate (H1a), which is malleable and directly responsive to a leader's day-to-day behaviour. However, it struggles to reliably influence the material and structural outcomes (H1b) that are often determined by higher-level organisational systems and resources beyond a single leader's control. This conceptual boundary is quantitatively supported by the results presented in Table 20.

The results for H1a demonstrated both statistical and practical significance, indicating an effect size substantial enough to be meaningful for both theory and practice. In contrast, H1b revealed only borderline statistical significance and a clear lack of practical

significance. Although the effect for H1b is statistically non-zero, its minimal magnitude and high uncertainty render it too weak and unreliable to serve as a basis for organisational change.

In line with H1a and H1b, a psychologically safe environment, where employees feel safe to showcase creative approaches, can be cultivated through the reciprocal dynamics outlined by SET. When leaders consistently demonstrate inclusive behaviours, they initiate a cycle of socioemotional exchange (Cropanzano & Mitchell, 2005). Empirical research confirms that this SET-driven process is a key mechanism through which IL builds a strong IC that facilitates creativity (Carmeli et al., 2010; Leroy et al., 2022; Ashikali et al., 2021).

In conclusion, the IL in broad systemic fairness and support possesses a powerful and robust antecedent effect on employees' perceptions; however, this is at best an unreliable and unrealistic factor for perceptual shaping of tangible equity distribution.

Table 22: Inclusive Leadership vs Inclusive Climate Comparative Analysis

Metric	H1a:IL-Systemic Organizational Fairness & Support	H1b: IL-Tangible Equity vs. Progressive Intent	Interpretative Triangulation
Effect Size (B)	0.627	0.157	The effect for H1a is four times larger than for H1b. This indicates that IL is a substantially more powerful driver of systemic perceptions than of tangible equity judgments.
Precision (95% CI)	0.507,0.747 (Narrow, does not cross zero)	0.006, 0.308 (Wide, bordering on zero)	The estimate for H1a is highly precise, confirming a strong, positive population effect. The estimate for H1b is imprecise, suggesting the true effect could be negligible or modest,

			reflecting substantial uncertainty.
Statistical Significance (p-value)	< 0.001 (Definitive)	0.042 (Borderline)	The result for H1a is highly robust against chance. The result for H1b is statistically fragile, sitting at the conventional threshold of significance and likely influenced by sample-specific variance.
Standard Error	0.0612 (Small)	0.0773 (Larger)	The coefficient for H1a is stable; for H1b, it is less reliable.

6.5.2. Hypothesis 2 – Inclusive Leadership significantly influences Employee Creativity.

6.5.2.1. Nuanced Hypothesis Review

As indicated, the IL emerged as a single factor; however, due to EC being split into two distinct constructs, this meant that two splinter hypotheses were developed, hence H2a and H2b below, which will be unpacked thoroughly. The findings are as follows (see Tables 17 & 18 for details):

H2a: Inclusive Leadership has an impact on Proactive Innovation and Initiative.

- The unstandardized coefficient (B) of 0.371 represents that for every one-unit increase in the IL factor score, the Proactive Innovation and Initiative factor score is predicted to increase by 0.371 units.
- The 95% Wald Confidence Interval, which ranges from 0.230 to 0.513, suggests a good degree of precision in the estimate.
- The standard error of 0.0721 is moderate, indicating acceptable stability in the coefficient estimate.
- The hypothesis test result provides strong evidence against the null hypothesis. The Wald Chi-Square statistic of 26.544 with 1 degree of freedom is highly significant, resulting in a p-value of < 0.001 (reported as 0.000).

e) This allows us to confidently reject the null hypothesis that there is no relationship between IL and Proactive Innovation and Initiative. Leaders who demonstrate inclusive practices appear to effectively stimulate employees' tendency to seek new approaches, adopt novel ideas, reframe problems, and actively engage in innovative work behaviours. This relationship is both statistically reliable and practically meaningful, highlighting the important role of leadership in fostering an innovative workforce.

H2b: Inclusive Leadership has an impact on Advocacy and Foundational Belief.

- a) The unstandardised coefficient (B) of 0.041 is very small, indicating that a one-unit increase in Inclusive Leadership predicts a mere 0.041 unit increase in Advocacy and Foundational Belief.
- b) Crucially, the 95% Wald Confidence Interval ranges from -0.111 to 0.192, which includes zero. This indicates that the true effect in the population could plausibly be negative, null, or slightly positive. The large standard error (0.0775) relative to the coefficient size further confirms the imprecision and instability of this estimate.
- c) The hypothesis test supports the conclusion of no meaningful effect. The Wald Chi-Square statistics are very small (0.275) with a corresponding p-value of 0.600, which is far above the conventional alpha level of 0.05. Therefore, the null hypothesis cannot be rejected.

6.5.2.2. Critical Triangulation with Literature

Chen et al. (2025) and Tierney et al. (1999) align with H2a, indicating that the generation of novel and useful ideas is an individual process which originates from core motivation (want-to) and cognitive (can-do) factors, a classic distinction articulated by Amabile (1997). Furthermore, this notion corresponds to Redmond et al.'s (1993) foundational work, which suggested that the application of divergent thinking – a key cognitive process in workplace creativity (Zhou & Hoever, 2014) – is fostered by leaders who encourage employee exploration, often by establishing psychological safety (Carmeli et al., 2010). This theoretical alignment is empirically supported by the results in Table 23, where a coefficient of $B=0.371$ (see Table 17) indicates that IL is a substantive driver of these innovative actions in the workplace.

For H2b, however, the research refutes the proposed claim. The evidence shows only a trivially small association with innovative advocacy and foundational beliefs ($B=0.041$)

(see Table 20) – an effect nine times smaller than H2a and therefore negligible. This synthesis suggests a complicated relationship between the behavioural and attitudinal dimensions of creativity (Zhou & Hoever, 2014), positioning IL as a driver of the former but not the latter. This supports the notion that leadership may powerfully contextualise the expression of employee potential within a specific role, while having limited influence on deeper, pre-existing cognitive structures and beliefs (Avolio et al., 2004)

The inferential results for H2a and H2b were opposed. For H2a, the positive 95% confidence interval, which excluded zero, provided robust evidence of a real, positive effect of IL on Proactive Innovation in the population (Cumming, 2014). In contrast, for H2b, the confidence interval included zero, indicating fundamental uncertainty and that the true effect is statistically indistinguishable from zero. Consequently, while the researcher can confidently reject the null hypothesis for H2a, the researcher fails to reject it for H2b. This pattern of results suggests that the observed relationship for H2b is negligible, aligning with the interpretation of a null finding where there is an absence of a statistically detectable effect.

Leroy et al. (2022) and Tierney et al. (1999) discovered that the positive interaction between a leader and an employee with higher intrinsic motivation yields the highest creative output. This aligns perfectly with SET (Cropanzano & Mitchell, 2005), where employees reciprocate inclusive treatment with proactive behaviours and discretionary effort. This reciprocal process is facilitated by the psychological safety (Carmeli et al., 2010) fostered by inclusive leaders, which in turn empowers employees and enhances their intrinsic motivation (Zhang & Bartol, 2010) to engage in creative work.

In conclusion, it can be deduced that IL is a meaningful and robust antecedent to proactive innovative behaviours and initiatives; however, it lacks influence on employees' advocacy and foundational beliefs that lead to employee creativity and innovation. This supports the view that leadership primarily influences context-specific behaviours rather than core self-concept (Avolio et al., 2004), indicating that employees' foundational beliefs prove to be a key boundary condition for IL's influence, much as other stable individual differences do.

Table 23: Comparative Analysis between Inclusive Leadership and Employee Creativity at Eskom

Metric	H2a: IL-Proactive Innovation & Initiative	H2b: IL-Advocacy and Foundational Belief	Interpretative Triangulation
Effect Size (B)	0.371 (Meaningful)	0.041 (Negligible)	The effect for H2a is nine times larger than for H2b. IL is a substantive driver of innovative actions but has a trivially small association with innovative advocacy beliefs.
Precision (95% CI)	0.230, 0.513 (Precise, excludes zero)	-0.111, 0.192 (Imprecise, includes zero)	The estimate for H2a is precise, confirming a positive population effect. The CI for H2b reveals fundamental uncertainty, showing the true effect is indistinguishable from zero.
Statistical Significance (p-value)	$p < 0.001$ (Highly Significant)	$p = 0.600$ (non-significant)	The result for H2a is highly robust against chance. The result for H2b provides no evidence to reject the null hypothesis.
Inference	Confidently reject the null. Relationship is real.	Fail to reject the null. No evidence of a relationship.	The statistical conclusions are definitive and diametrically opposed.

6.5.3. Hypothesis 3 – An Inclusive Climate environment has a direct impact on Employee Creativity

6.5.3.1. Nuanced Hypothesis Review

As indicated, both IC and EC were split into multiple distinct constructs; thus, this meant that six splinter hypotheses were developed, hence H3a1, H3a2, H3a3 and H3b1, H3b2, H3b3 below, which will be unpacked thoroughly. The findings are as follows (see Tables 19 & 20 for details):

H3a1: Systemic Organisational Fairness and Support have an impact on Proactive Innovation and Initiative

H3a2: Systemic Organisational Fairness and Support have an impact on Advocacy and Foundational Belief

H3a3: Systemic Organisational Fairness and Support have an impact on a combination of “Proactive Innovation and Initiative” and “Advocacy and Foundational Belief”

- a) The unstandardised coefficient (B) of 0.305 indicates that for every one-unit increase in the perception of systemic fairness and support, proactive innovation increases by 0.305 units, controlling for the other factors.
- b) The 95% confidence interval (0.157 to 0.453) is entirely above zero and reasonably precise, confirming a reliable positive effect. This relationship is highly significant (Wald Chi-Square = 16.387, $p < 0.001$), indicating that employees who perceive the organisation as fair, supportive, respectful, and adaptive are significantly more likely to demonstrate proactive innovative behaviours.
- c) Tangible Equity Versus Progressive Intent: In contrast, this factor shows no statistically significant impact on Proactive Innovation and Initiative. The coefficient is very small ($B = 0.034$) and non-significant ($p = 0.680$).
- d) The 95% confidence interval (-0.126 to 0.193) includes zero, indicating that the true effect could be negative, null, or slightly positive. This means that employees' perceptions of the trade-off between tangible equity (like fair pay) and progressive intent (like organisational agility) do not meaningfully influence their propensity for proactive innovation.
- e) Combined Effect: The combined impact of both factors was also found to be non-significant ($B = 0.038$, $p = 0.627$), with a confidence interval including zero (-0.117 to 0.194). This suggests no synergistic or additive effect beyond what is explained by the Systemic Fairness factor alone.

H3b1: Systemic Organisational Fairness and Support have an impact on Advocacy and Foundational Belief

H3b2: Tangible Equity Versus Progressive Intent has an impact on Advocacy and Foundational Belief

H3b3: A combination of “Systemic Organisational Fairness and Support” and “Tangible Equity Versus Progressive Intent” has an impact on “Advocacy and Foundational Belief”

- a) The coefficient is small ($B = 0.052$) and non-significant ($p = 0.503$).
- b) The 95% confidence interval (from -0.100 to 0.203) includes zero, indicating no meaningful effect. Employees' perceptions of systemic fairness and support do not directly influence their core beliefs about technology/creativity or their advocacy behaviours.
- c) Tangible Equity Versus Progressive Intent: Similarly, this factor shows no statistically significant impact ($B = 0.061$, $p = 0.462$).
- d) The 95% confidence interval (-0.102 to 0.225) includes zero, suggesting that the tension between tangible equity and progressive intent does not directly shape advocacy beliefs.
- e) The combination of both factors shows a statistically significant negative impact ($B = -0.161$, $p = 0.047$). The 95% confidence interval (from -0.320 to -0.002) excludes zero, confirming a reliable negative effect.

6.5.3.2. Critical Triangulation with Literature

The H3a1 hypothesis proved to be the strongest, demonstrating a direct and positive relationship where a fair and supportive system empowers proactive innovation, evidenced by $B = 0.305$ ($p < 0.001$). The literature on organisational justice and psychological safety corroborates this finding. Song et al. (2020) argue that the efficacy of an IC unlocks employees' creative potential, a process that requires the "safe and fair context" purported by Li et al. (2017). This context is specifically created through perceptions of organisational justice (Colquitt et al., 2001), which, in turn, fosters the psychological safety necessary for employees to engage in risky, innovative behaviours (Carmeli et al., 2010).

In contrast to the direct effects found for H3a1, the results for H3b3 revealed a significant negative interaction ($B = -0.161$, $p = 0.047$), indicating that the coexistence of both climate perceptions actively undermines employees' foundational beliefs. This can be explained through the lens of cognitive dissonance (Miller et al., 2015); the simultaneous perception of overall systemic fairness and unresolved tension around tangible equity may create psychological discomfort, leading employees to negatively adjust their core

innovative convictions. Furthermore, the null results for H3a2 and H3b2 align with the understanding that deep-seated beliefs are often stable aspects of self-concept and are less susceptible to being shaped by isolated organisational perceptions than specific workplace behaviours are (Lord & Brown, 2004).

The results indicate that Systemic Organisational Fairness and Support is the reliable and dominant climate factor that directly motivates innovative behaviour (Li et al., 2017). Proactive innovation stems from a fair, respectful, and supportive environment, which aligns with SET; employees reciprocate such treatment with increased discretionary effort and engagement (Chen et al., 2025; Cropanzano & Mitchell, 2005). Furthermore, this climate factor establishes the motivational energy and psychological safety necessary for employees to feel comfortable displaying interpersonal differences and sharing individual perspectives (Edmondson, 1999), a known precursor to the production of creative initiatives (Carmeli et al., 2010).

In conclusion, the relationship between IC and EC is defined by its complexity, demonstrating differential and interactive effects. The overview confirms that Systemic Organisational Fairness is a direct antecedent to proactive innovative behaviours, a relationship robustly explained by SET (Cropanzano & Mitchell, 2005). In contrast, employees' foundational advocacy beliefs demonstrate resilience to these same climate factors when considered in isolation, aligning with the view that core elements of self-concept are less malleable than context-specific behaviours (Lord & Brown, 2004). However, this resilience breaks down when climate factors interact; the negative synergistic effect suggests that conflicting climate signals can actively undermine these beliefs through mechanisms akin to cognitive dissonance (Miller et al., 2015).

Table 24: Comparative Analysis between Inclusive Climate and Employee Creativity at Eskom

Pathway	Effect Size (B)	Statistical Significance	Practical Interpretation
H3a1: Systemic Fairness – Innovation Initiative	0.305	$p < 0.001$	Strong, direct, and positive. A supportive system directly empowers proactive innovation.
H3a2: Systemic Fairness – Advocacy Belief	0.052	$p = 0.503$	No direct effect. A fair system alone does not shape core innovative convictions.

H3b2: Tangible Equity – Advocacy Belief	0.061	p = 0.462	No direct effect. Tensions over pay/agility alone do not shape core beliefs.
H3b3: Combination – Advocacy Belief	-0.161	p = 0.047	Significant negative interaction. The coexistence of both climate perceptions actively undermines foundational beliefs.

6.5.4. Hypothesis 4 – Inclusive Leadership impacts both the Inclusive Climate and Stimulation of Employee Digital Creativity.

6.5.4.1. Nuanced Hypothesis Review

The empirical factor structure, established through EFA, provided the foundational logic for the analytical strategy. In contrast to the unidimensional structure of IL, both IC and EC emerged as multidimensional constructs. To respect the distinct nature of these empirical dimensions and to avoid the conceptual and statistical confounding inherent in aggregating multifaceted constructs (Edwards, 2001), the hypothesis-testing framework was elaborated into a series of splinter hypotheses. This approach facilitated a nuanced investigation of the unique relationships between specific facets of the constructs.

Building on this, a multivariate Generalised Linear Model (GLM) was employed to test a critical theoretical refinement: whether the dimensions of IC moderate the impact of IL on the components of EC. This analysis is essential for establishing the boundary conditions of leadership influence (Aguinis et al., 2005) within different climate contexts (Schneider et al., 2013). The results, revealing a predominant pattern of non-significant interactions, provide crucial nuance by demonstrating that the direct effect of IL is robust and generalizable across varying climate perceptions, thereby clarifying the limits of contextual influence on this core relationship (Bennett, 2000).

- a) **Predominance of Non-Significant Interactions:** The vast majority of the interaction terms, including the higher-order three-way and four-way interactions, are not statistically significant (all p-values > 0.05, except one at 0.054). This is a critical result. It indicates that the positive, direct relationships between IL and the creative components, which were established in previous analyses, are robust and consistent. These relationships hold true across different levels of organisational climate factors.

In other words, good IL boosts EC regardless of whether the broader organisational climate is perceived as highly fair and supportive or as fraught with tensions between equity and progress.

- b) One Notable Near-Significant Interaction: The interaction between Proactive Innovation, Systemic Fairness, and Tangible Equity approaches conventional significance ($p = 0.054$).
 - c) The coefficient is negative ($B = -0.160$), suggesting a potential complex three-way effect. This tentatively implies that in a specific climate context, the effectiveness of IL in stimulating proactive innovation might be slightly diminished. This aligns thematically with earlier findings that identified "Tangible Equity Versus Progressive Intent" as a point of negative tension and friction within the climate.
 - d) This model integrates the key constructs from your previous analyses:
 - IL: Previously shown to be a strong, direct predictor of both IC and EC.
 - EC: Previously decomposed into two factors: Proactive Innovation (strongly impacted by leadership) and Advocacy (not impacted by leadership).
- IC: Previously decomposed into two factors: Systemic Fairness (strongly impacted by leadership) and Tangible Equity vs. Intent (weakly impacted by leadership).

6.5.4.2. Critical Triangulation with Literature

The overarching finding reveals that IL is a robust and direct driver of the Proactive Innovation pathway (H1a, H2a), a relationship that holds against climate contingencies (Tables 23 and 27). This indicates that the social exchange and psychological safety mechanisms governing the leader-employee relationship (Shore & Chung, 2022) create a powerful local motivational field sufficient to stimulate innovative action, regardless of the broader organisational context (Johns, 2006). Thus, IL can be attributed a universal quality in its ability to drive impactful innovative behaviour (Leroy et al., 2022), particularly the kind of proactive initiative that defines career and organisational success (Parker et al., 2019).

The findings support a dual model of climate factors: an enabler and a friction point. The first key finding (H3a1, $B = 0.305$) revealed that Systemic Organisational Fairness and Support acts as a direct enabler, providing contextual reinforcement for innovative behaviour that runs parallel to leadership influence. The second key finding (H3b3, $B = -0.161$, $p = 0.047$) identifies Tangible Equity versus Progressive Intent as a specific friction point. While inert alone, its interaction with fairness perceptions creates a unique negative antecedent to beliefs, likely by inducing a state of cognitive dissonance where

conflicting climate signals (Schneider et al., 2013) undermine core innovative convictions.

When performing synthesis, it was clear that IL's influence has a clear boundary. It is evident that it can influence the innovation pathway, but it does not moderate the relationship between IC factors and outcomes. This phenomenon is not clearly delineated in the literature. This supports the view that leadership is potent within the realm of behavioural activation and situational perceptions (Zhang & Bartol, 2010) but is unable to directly reshape the deep-seated, stable cognitive structures of employee beliefs, which are core components of self-concept (Lord & Brown, 2004). Thus, while IL effectively shapes climate perceptions and behavioural outcomes (H2a, H3a1), its influence hits a ceiling at the threshold of employees' foundational belief systems (H2b, H3a2), see Table 25.

Table 25: Inclusive Leadership vs. Inclusive Climate vs. Employee Creativity Comparative Analysis - Weaving the Causal Tapestry

Hypothesis Family	Key Finding	Triangulated Interpretation
IL-EC (H1a, H1b, H2a, H2b)	H1a/H2a Supported ($B=0.627/0.371$): Strong direct effect of IL on Proactive Innovation. H1b/H2b Not Supported ($B=0.041$, $p=0.600$): No direct effect of IL on Advocacy Beliefs.	Establishes the Differential Impact Principle: IL's influence is potent for observable behaviours but disconnected from deep-seated beliefs.
IC-EC (H3a1, H3a2, H3a3, H3b1, H3b2, H3b3)	H3a1 Supported ($B=0.305$): Systemic Fairness drives Proactive Innovation. H3b3 Supported ($B=-0.161$, $p=0.047$): Interaction of climate factors negatively impacts Advocacy Beliefs.	Establishes the Dual Climate Pathway: Systemic Fairness is a positive, direct antecedent, while the interaction of fairness and equity tension is a unique negative antecedent to beliefs.

Integrative Model (Table 21)	Predominance of Non-Significance: The IL-Innovation path is not moderated by IC factors.	Establishes the Contextual Independence Principle: The positive effect of IL on behaviour is robust and generalizable across different climate contexts.
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The results confirm the fundamental role of IL in establishing a climate of Systemic Fairness, which acts as a direct, parallel antecedent to proactive innovation. However, the findings also delineate a critical boundary for leadership influence: IL demonstrates no significant direct effect on employees' Advocacy and Foundational Beliefs. This suggests that while leadership is indispensable for shaping the behavioural and perceptual climate, these deep-seated cognitive structures are influenced by other factors, such as the negative interaction between climate perceptions revealed in H3b3. Therefore, organisational efforts to foster strong innovative conviction must extend beyond leadership development to address systemic issues, such as equity in rewards, that lie outside a leader's direct sphere of influence.

6.5.5. Summary - Synthesis and "Sense-Making"

This study's findings critically refine existing theoretical models of how IL fosters EC. While some literature posits IC primarily as a contextual moderator, this research reveals a more complex antecedent model. The results demonstrate that IL and the Systemic Organisational Fairness and Support facet of IC function as parallel, independent antecedents to Proactive Innovation.

This conclusion is supported by three key findings: First, Hypotheses 1 and 2 established robust, direct effects of IL on both climate factors and innovative behaviour. Second, the data show that Systemic Organisational Fairness exerts a significant direct effect on Proactive Innovation, independent of IL, as evidenced by the non-significant interaction effects. This indicates that a systemically fair environment is not merely a conduit for leadership but is itself a powerful, standalone driver of creativity (Schneider et al., 2013).

However, a critical boundary condition to this positive model was identified. The unique vulnerability of advocacy beliefs to the negative interaction of climate factors suggests that these deeper cognitive structures are influenced more by complex contextual tensions than by direct leadership or fairness (Lord & Brown, 2004). Therefore, while IL

and Systemic Organisational Fairness and Support independently fuel the behaviour of innovation (Proactive Innovation), the foundational beliefs required to sustain it (Advocacy) are highly sensitive to conflicting climate signals, delineating the limits of leadership's direct influence.

The research findings are consistent with the principles of SET, which provides a robust framework for understanding the reciprocal relationships underpinning this study (Cropanzano & Mitchell, 2005). Employees reciprocate IL and a climate of Systemic Fairness with greater discretionary effort, which manifests as proactive innovation. This exchange is facilitated by a climate of psychological safety. A shared belief that the environment is safe for interpersonal risk-taking (Edmondson, 1999). When such a climate is established, employees feel acknowledged and supported, which encourages the exploration and learning from errors that are essential for creativity (Carmeli et al., 2010; Leroy et al., 2022). Therefore, the relationship between IL, IC, and EC is sustained by a foundation of reciprocal social exchange and the psychological safety it helps to create.

The IC requires actors who will reciprocally operate within the environment; thus, the establishment of a leader-employee relationship is fundamental to facilitating the reciprocity outlined by SET (Lee et al., 2022; Cropanzano & Mitchell, 2005). The research findings confirm that IL has a direct impact on EC, and that IC (specifically, Systemic Fairness) also has a direct impact on EC. This indicates that IC acts not merely as a passive conduit for leadership influence but as a substantive, contextual platform that independently fosters the social exchange relationships necessary for maintaining this dynamic triad. Therefore, the findings support a model of parallel antecedents, where both leadership and climate provide distinct yet complementary sources of motivational energy for creativity, rather than a simple sequential pathway.

Table 26: IL-IC-EC Comparative Analysis - From Direct Effects to Integrative Non-Effects

Analysis Level	Key Finding	Triangulated Interpretation
Bivariate (Previous)	H1/H2: Strong direct effects of IL on IC factors and Proactive Innovation.	Established the foundational, standalone power of IL.

Bivariate (Previous)	H3: Systemic Fairness directly drives Proactive Innovation; Tangible Equity has null/negative effects on beliefs.	Established the differential potency of climate factors and the unique vulnerability of advocacy beliefs.
Multivariate (Current GLM)	Predominance of Non-Significant Interactions ($p > 0.05$).	The core finding: The direct pathways from IL to outcomes are robust and generalizable. The climate context does not qualify or nullify the leader's influence. IL's effect is not conditional.

6.5.5.1. Hypothesis Analysis (Table 26)

Hypothesis 1: IL has a significant impact on IC.

The findings deemed IL to have a direct and significant impact on IC, particularly the “Systemic Organisational Fairness”; however, it predominantly set the foundational climate. See H1a for a detailed and supported hypothesis.

H1a: Inclusive Leadership has an impact on Systemic Organisational Fairness and Support.

Hypothesis 2: IL significantly influences EC.

The findings deemed IL to have a significant and direct impact on EC, particularly the “Proactive Innovation and Initiative”. See H2a for a detailed and supported hypothesis.

H2a: Inclusive Leadership has an impact on Proactive Innovation and Initiative.

Hypothesis 3: An IC environment has a direct impact on EC.

The findings (H3a1) deemed an IC through “Systemic Organisational Fairness and Support” to have a direct impact on EC through “Proactive, Innovative and Initiative”.

The findings (H3b3) deemed an IC through “Systemic Organisational Fairness and Support” to have a direct impact on EC through “Tangible Equity Versus Progressive Intent” has an impact on “Advocacy and Foundational Belief”. This finding was supported with a significant negative effect, and thus will not be included in the theoretical framework; however, it shall be noted by leadership and HR because of the negative impact it poses in the system.

H3a1: A Systemic Organisational Fairness and Support has a direct impact on Proactive Innovation and Initiative.

H3b3: A combination of “Systemic Organisational Fairness and Support” and “Tangible Equity Versus Progressive Intent” has an impact on “Advocacy and Foundational Belief”

Hypothesis 4: IL impacts both the IC and the stimulation of employee digital creativity. The findings deemed IL to have impacts on both IC through “Systemic Organisational Fairness and Support” and “Proactive, Innovative and Initiative”.

H4: IL impacts both the Systemic Organisational Fairness and Proactive Innovation and Initiative.

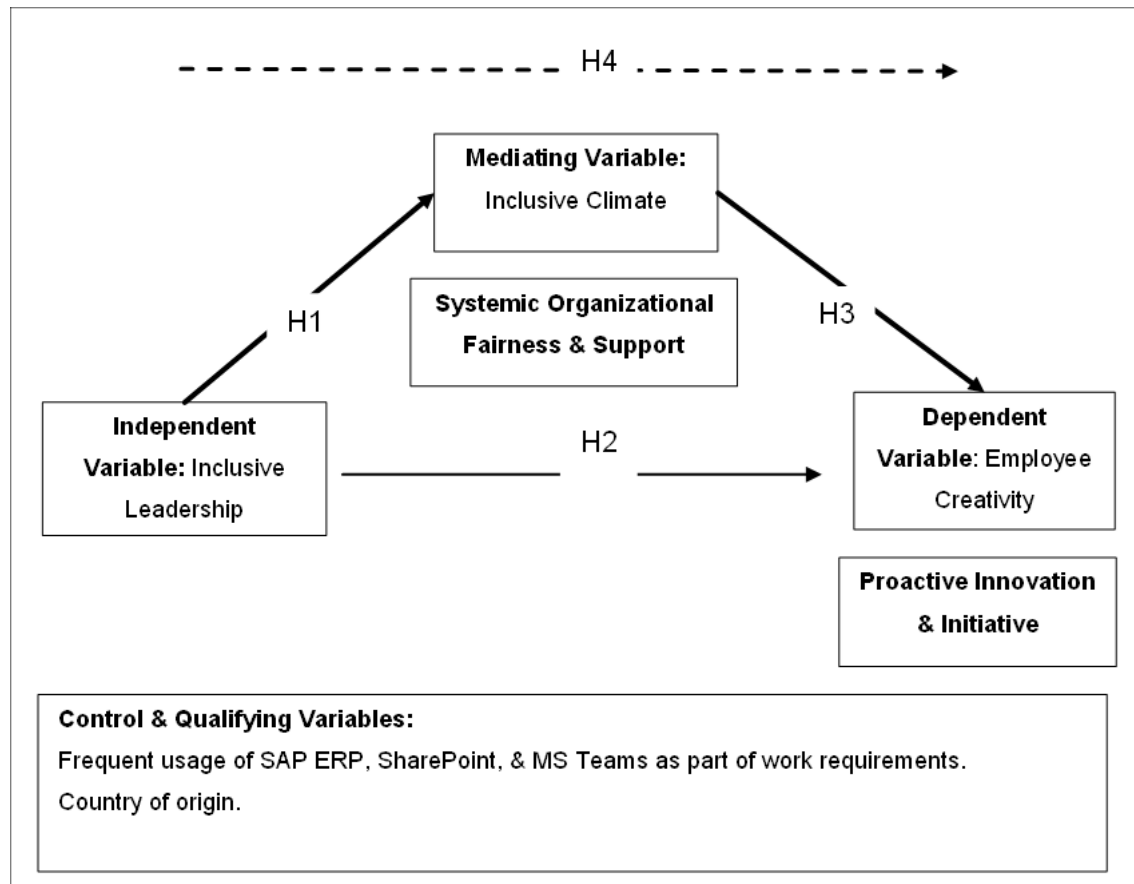


Figure 10: Theoretical Framework

The analysis of Figure 10 confirms that the theoretical framework is defined by a mediation model, where the IC is the primary mediating mechanism through which IL influences EC, Proactive Innovation and Initiative. The relationship is sequential: IL behaviours must first cultivate the shared perceptions of psychological safety, fairness, and value-in-diversity that constitute an IC (IL → IC), which in turn enables the cognitive and motivational processes necessary for EC (IC → EC).

Furthermore, for this mediated pathway to function effectively, the model is contingent upon a foundational layer of Systematic Organisational Fairness and Support. Core organisational systems such as equitable reward structures, transparent procedures, and supportive policies act as critical contextual antecedents. These systems establish the legitimate and trustworthy environment in which IL is perceived as authentic and where the psychological safety promised by an IC is substantiated. Therefore, while not a direct part of the mediation pathway, these fair and supportive systems are a necessary condition that enables the entire IL → IC → EC model to operate effectively.

6.6. Conclusion

The analysis chapter employed a rigorous comparative approach, progressing from bivariate to multivariate models to derive robust insights from the data. This process enabled a critical evaluation of the existing literature, leading to a refined theoretical model.

The core structure of the model was confirmed: IL is a critical antecedent that exerts a significant direct influence on both IC and EC. SET provided a powerful framework for explaining these direct, reciprocal relationships, wherein leader support fosters a climate of obligation and reciprocation. However, the analysis crucially refined our understanding of the underlying mechanism, demonstrating that IC functions not as a moderator, but as the primary mediating pathway through which IL achieves its most significant effects on EC.

7. Conclusion and Recommendations

7.1. Introduction

This final section consolidates the summary of key findings, synthesises the main and key points, re-states the thesis, and re-examines why this research was conducted in the first place. Furthermore, the implications of the study are presented, suggesting the future research approach and what should be covered, and presenting final thoughts regarding the researcher's experience throughout the research journey.

7.2. Reflection on Research Relevance

This research was conceived to address a critical dilemma facing legacy organisations. These organisations face the persistent failure to harness digital transformation despite significant technological investment. Focusing on Eskom, a quintessential South African power utility grappling with this challenge, the study investigated the role of human-centric factors as a potential root cause. Specifically, it examined the influence of Inclusive Leadership on both an Inclusive Climate and Employee Creativity, theorising that these elements are the crucial, yet often overlooked, enablers of digital adaptation in a resistant environment (Hanelt et al., 2021; Vial, 2019).

The analysis confirmed the foundational premise that IL is a significant antecedent to both IC and EC. However, the principal contribution of this research lies in its nuanced revelation of the conditions under which this influence flourishes or falters. The findings delineate critical mediating mechanisms and boundary conditions, such as the complex relationship of climate factors and the essential role of foundational organisational fairness, that fundamentally refine our theoretical and practical understanding of how to cultivate innovation in a legacy context.

7.3. Research Question and Adopted Methodology

This study investigated the critical role of human-centric factors in overcoming digital transformation challenges within Eskom, a legacy organisation. The analysis provides robust empirical evidence that inclusive leadership is a significant driver of both an inclusive climate and employee creativity.

Crucially, the findings move beyond confirming simple positive relationships to delineate the underlying architecture of this influence. The data establishes that Inclusive Climate

functions as the primary mediating mechanism through which Inclusive Leadership unlocks Employee Creativity, revealing the “how” of this process. Furthermore, the study identified key boundary conditions, where specific contextual factors were found to negatively impact this pathway, thereby offering a more nuanced and actionable understanding of how to foster innovation (creativity) in a complex, resistant environment.

This study employed a quantitative, cross-sectional research design to test the hypothesised model empirically. To ensure reliability and validity, the construct measures were operationalised using established scales from the seminal literature (e.g. Leroy et al., 2022), which have demonstrated strong psychometric properties in prior organisational research. Data were collected within a large, legacy public utility in South Africa. A convenience sampling approach was utilised to access participants across a range of departments involved in the organisation's digital transformation initiatives. While this method imposes limitations on the generalisability of the findings, it provided critical, context-rich data from a difficult-to-access population, offering a robust test of the theoretical model within a relevant and under-researched setting.

7.4. Summary of Findings

This section consolidates the empirical contributions of this research by synthesising the key findings, evaluating their support for the hypothesised model, and delineating the resultant theoretical implications.

a) Positive relationship between Inclusive Leadership and Inclusive Climate

The findings of this study strongly align with established theoretical models, which state that an inclusive climate is not a passive occurrence but is actively cultivated by leadership (Shore & Chung, 2022). The results confirm that leadership behaviours are a primary antecedent to the shared perceptions that constitute an inclusive climate.

A pivotal contribution of this research, however, is the identification of Systematic Organisational Fairness and Support (SOFS) as the salient contextual factor within the studied organisation. This finding nuances the broader literature by suggesting that while the leader's role in fostering belongingness is universally critical (Randel et al., 2018), the specific organisational mechanisms, such as SOFS, psychological safety, or empowerment structures that leaders must leverage, are likely contingent on the pre-existing organisational culture and the specific leadership approach enacted.

b) Positive relationship between Inclusive Leadership and Employee Creativity

The present findings corroborate established literature confirming that a psychologically safe environment, fostered by leadership, is a critical antecedent for employee creativity (Newman et al., 2020; Carmeli et al., 2010). A significant nuance emerged from the data, revealing that employee creativity within this context is best characterised as Proactive Innovation and Initiative.

This suggests that in a legacy organisation undergoing digital transformation, creativity is not merely about generating novel ideas, but about employees voluntarily and proactively driving those ideas forward. This finding aligns with the foundational componential theory of creativity (Amabile, 1988), which posits that creative outcomes are a function of the intersection of intrinsic motivation (the 'want-to') and domain-relevant skills (the 'can-do'). The manifestation of Proactive Innovation and Initiative observed in this study represents the behavioural synthesis of these very factors.

c) Positive relationship between Inclusive Climate and Employee Creativity.

Consistent with existing literature, this study found that an inclusive climate – characterised by fairness and support – serves as a foundational catalyst for employee creativity (Song et al., 2020). The efficacy of this climate is rooted in perceptions of organisational justice, which enhance psychological safety and, in turn, encourage employees to engage in the risk-taking inherent to creative work (Newman et al., 2020; Colquitt et al., 2001).

The analysis confirmed two primary positive pathways: first, that an inclusive climate directly enhances general employee creativity, and second, that Systemic Organisational Fairness and Support is a pivotal factor specifically enabling Proactive Innovation and Initiative.

However, a critical and nuanced finding emerged, establishing a boundary condition for the theory. The data indicated a countervailing negative impact on employee Advocacy and Foundational Belief systems. This suggests that certain configurations of climate factors can create perceived pressures that inadvertently suppress employees' willingness to champion ideas or weaken employees' core belief in the organisation's inclusive values, instead of universally fostering all positive outcomes. This paradox underscores a vital managerial imperative: cultivating an inclusive environment requires careful attention to its complex effects, as initiatives designed to foster creativity may,

under specific conditions, simultaneously undermine other pillars of a healthy organisational culture.

d) Inclusive Climate provides a positive ‘mediation’ between Inclusive Leadership and Employee Creativity

The empirical findings of this study necessitated a critical refinement of the initial theoretical model. While the research was designed to test the potential moderating role of an inclusive climate, the data robustly supported a model of mediation. The analysis demonstrates that inclusive leadership fosters employee creativity primarily through the cultivation of an inclusive climate, rather than the climate simply strengthening a pre-existing direct relationship.

This mediated pathway (IL–IC–EC) was found to operate through specific mechanisms: IL's influence was channelled through establishing Systemic Organisational Fairness and Support, which is a core component of the inclusive climate. This supportive and fair climate, in turn, enabled employee creativity, which manifested specifically as Proactive, Innovative, and Initiative behaviours among employees. This refined model provides a more precise and actionable understanding of the causal chain through which inclusive leadership translates into creative outcomes.

7.5. Synthesis of Points

This research investigated how legacy organisations can harness employee creativity for digital transformation through inclusive leadership. The key findings or points of synthesis are as follows:

The Human-Centric Gap in Digital Transformation: The study confirms that legacy organisations like Eskom face high DT failure rates due to an overemphasis on technological advancement and a systematic neglect of the human and cultural factors that are fundamental to enabling change.

The Mediated Pathway of Inclusion: The research robustly demonstrates that the relationship between Inclusive Leadership and Employee Creativity is not direct but is mediated by an Inclusive Climate. This refutes a moderation model and establishes the causal chain: IL-IC-EC. Leaders must first cultivate the climate to unlock creative potential.

The Mechanism of Climate Creation: The most critical lever for building an effective IC is Systemic Organisational Fairness and Support. Leaders who institute fair policies,

equitable rewards, and supportive structures create a legitimate and trustworthy environment. This establishes the foundational credibility for the inclusive climate.

The Outcome of a Robust Climate: Within a climate characterised by Systemic Organisational Fairness and Support and psychological safety, Employee Creativity manifests as tangible, discretionary behaviours: Proactive Innovation and Initiative. Employees reciprocate the fair and supportive treatment they receive by voluntarily championing and implementing new ideas.

A Critical Boundary Condition: A pivotal finding is the identification of a boundary condition. The research found that certain configurations of climate factors can negatively impact Employee Advocacy and Foundational Beliefs. This paradox reveals that initiatives to foster creativity can, under specific conditions, inadvertently create cognitive dissonance and suppress the very empowerment they aim to promote, posing a serious threat to sustainable cultural change.

7.6. Implications

This section synthesises the significant findings of this research and delineates the contributions to both theory and practice. For organisational management, particularly within legacy institutions such as Eskom, the findings provide a clear, actionable roadmap for leveraging human-centric strategies to enable digital transformation. For the academic community, this study offers substantive contributions to the literature on digital transformation, organisational behaviour, and leadership by refining theoretical models and introducing critical boundary conditions.

7.6.1. Practical Implications for Organisational Management and Leadership

- a) Executive and Senior Leadership - Mandate a Human-Centric DT Strategy
 - Digital Transformation must be reframed from a mere technological upgrade to a strategic cultural transformation. Senior leadership is responsible for embedding this principle into the organisation's core strategy.
 - This requires a systematic audit and redesign of HR systems – including performance management, rewards, and promotions – to ensure these are universally perceived as equitable and supportive (Systemic Organisational Fairness and Support). This foundation of fairness is the bedrock upon which a successful, human-centric digital transformation is built.
- b) Line Managers and Leadership - The Imperative of Climate Engineering

The primary role of line managers shifts from task supervision to active climate cultivation. The line managers must be equipped and assessed on their ability to be accessible, open, and fair to foster psychological safety.

Managers should be trained to encourage and measure outcomes like Proactive Innovation and Initiative, which include calculated risk-taking, process improvement suggestions, and voluntary leadership of new projects. This moves the focus from idea generation to tangible innovative behaviours.

c) Organisational Development and HR Processes - Institutionalise Inclusive Leadership
Leadership development programs must be intentionally redesigned to move beyond abstract values. These development programs must provide managers with the specific, measurable competencies required to build psychological safety, manage diverse teams, and champion Systemic Organisational Fairness and Support.

HR should implement mechanisms (e.g., nuanced pulse surveys) to monitor employee Advocacy and Foundational Beliefs proactively. A decline in these metrics is an early warning signal of cultural backslide, allowing for intervention before the inclusive climate is eroded.

d) Discernment of Cultural Dynamics versus Technology

- The organisation must internalise that technology is an amplifier of culture, not a substitute for it. Attempting to implement digital tools atop a weak or dysfunctional cultural foundation will inevitably amplify existing problems. The cultural bedrock, established through inclusive leadership and fairness, must be solidified before a digital transformation can succeed.

7.6.2. Theoretical Implications for Academic Knowledge and Contributions

a) Refinement of the Inclusive Leadership Model

This study provides robust empirical evidence that Inclusive Climate functions as the primary mediating mechanism, not a moderating condition, in the relationship between Inclusive Leadership and Employee Creativity. This clarifies the causal pathway (IL-IC-EC) and represents a significant refinement of the theoretical model.

b) Critical Boundary Condition

The research identifies a pivotal boundary condition: the negative impact on employee Advocacy and Foundational Beliefs. This finding introduces crucial nuance to Social

Exchange Theory, demonstrating that the leader-employee reciprocity cycle can be disrupted by conflicting climate signals, leading to cognitive dissonance and disengagement.

c) Contextual Application and Limitation of Social Exchange Theory

The study successfully demonstrates the explanatory power of Social Exchange Theory within the complex context of digital transformation in a legacy organisation. Simultaneously, it reveals the theory's limitations by showing how the social exchange process breaks down in the presence of systemic unfairness or inconsistent organisational cues.

d) Operationalisation of Abstract Constructs

This research moves the field forward by deconstructing broad constructs into measurable, managerial realities. It identifies Systemic Organisational Fairness & Support as the core of an effective IC and Proactive Innovation & Initiative as the key behavioural manifestation of EC. This provides future researchers with more precise and actionable variables for empirical study.

7.7. Conclusion

The findings reveal that the organisational climate presents a critical duality. On one hand, Systemic Organisational Fairness and Support is identified as the foundational element that generates positive effects and enables Proactive Innovation and Initiative. On the other hand, the climate carries the pivotal risk of eroding Employee Advocacy and Foundational Beliefs. This creates a core tension for leadership: well-intentioned initiatives to foster innovation can, absent nuanced management, inadvertently undermine the very trust and empowerment required for their success.

In conclusion, this research demonstrates that within a legacy organisation, Inclusive Leadership is a critical catalyst for Digital Transformation, but its influence is not direct. It functions by fostering an Inclusive Climate, which acts as the essential mediating mechanism to unlock Employee Creativity. The central challenge, therefore, is not technological but cultural, and it is one that can be effectively addressed through this leadership and climate pathway.

However, the climate itself presents a critical duality. The study identifies Systemic Organisational Fairness and Support as the foundational element that generates positive effects. Conversely, it reveals the pivotal risk of eroding Employee Advocacy and

Foundational Beliefs. This creates a core tension for leadership: initiatives designed to foster innovation can, without nuanced management, inadvertently undermine the very trust and empowerment they require to succeed.

For legacy institutions, this duality is the central cultural challenge. It leads to the study's paramount practical implication: a healthy organisational culture is not an outcome of Digital Transformation, but its essential prerequisite. Technology does not fix a broken culture; it amplifies it. Therefore, successful transformation is contingent upon first cultivating a climate that is both fair enough to trust and safe enough to dare.

7.8. Limitations of the Research

- The study's use of a convenience sampling strategy, while practical for accessing a difficult-to-reach population within a legacy organisation, limits the generalisability of the findings. As a non-probability method, it introduces the potential for selection bias and may not fully represent the entire workforce, constraining the ability to make broad statistical inferences.
- The construct of Employee Creativity, though measured with established scales, is inherently complex and multifaceted. Its manifestation in a resistant, legacy environment is an under-explored area. The quantitative operationalisation used in this study, while reliable, may not have fully captured the rich, contextual nuances of how creativity and proactive initiative are enacted by employees in this specific setting.
- This research was conducted as a single, in-depth case study of Eskom. The organisation's unique status as South Africa's primary electricity utility, with its specific historical, regulatory, and political context, means the findings are deeply embedded within this environment. This limits the direct transferability (external validity) of the results to other sectors or even to similar utilities in different national contexts.
- The cross-sectional design captures data at a single point in time, providing a snapshot of relationships between variables but not definitively establishing causality. A longitudinal design would be required to observe how an inclusive climate evolves and how it subsequently influences employee creativity throughout a digital transformation journey.
- The monopolistic nature of the South African electricity generation sector precluded a comparative analysis with other similar domestic companies. The absence of a comparative case limits the ability to distinguish which findings are unique to the

specific organisational culture of the case study and which are common to legacy utilities more broadly, thereby affecting the generalizability of the conclusions.

- The exclusive use of a quantitative methodology, while excellent for testing hypotheses and measuring relationships, inherently limits the depth of understanding. A mixed-methods approach, incorporating qualitative interviews or focus groups, would have provided a richer, more nuanced exploration of the how and why behind the statistical relationships, particularly for complex findings like the erosion of advocacy beliefs.

7.9. Recommendation

This study adopted a quantitative methodology, utilising a survey instrument derived from established academic scales to empirically investigate the human-centric barriers to Digital Transformation within a legacy organisation. While this approach successfully identified and modelled the core relationships between leadership, climate, and creativity, it also revealed a specific, nuanced finding: a near-significant interaction effect. This finding indicates a critical avenue for future research: a targeted qualitative inquiry is recommended to delve into the specific contextual conditions and underlying perceptions that, in certain circumstances, can challenge the predominant positive model. Such an investigation would provide the depth and narrative understanding needed to explicate the complex cultural dynamics at play fully.

The overarching conclusion remains clear and actionable. Legacy organisations are fundamentally constrained by deeply embedded cultural pathologies. Therefore, Executive Leadership and Human Resources must prioritise cultural transformation as a strategic prerequisite. Technological solutions will only ever be effective once the foundational organisational culture has been redesigned to be supportive, fair, and safe for innovation.

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9. Appendices

9.1. Survey questionnaire

ANNEXTURE 1

INTERVIEW QUESTIONNAIRE

REQUEST TO CONDUCT A SURVEY AT ESKOM

Name of employer: **Eskom Rotek Industries**

Division: **Transformer & Switchgear Services**

Name and surname: **Sifiso Mthethwa**

Position: **Head of Department, Maintenance**

Cell phone & email address: **079 496 5128 & MthethPS@eskom.co.za**

Supervisor email address: chippk@gibs.co.za

Dear Sir/Mam

Subject: Invitation to Participate in Research Survey – Digital Transformation in the Public Electricity Sector

Thank you for considering participation in this academic research survey. Your insights are invaluable to advancing understanding of digital transformation and leadership dynamics within South Africa's public electricity generation sector.

I am an MPhil Corporate Strategy student at the Gordon Institute of Business Science (GIBS). I am conducting research on: *"The influence of inclusive leadership on inclusive climate and digital creativity in the public electricity generation industry."*

To that end, you are asked to complete a survey relating to my topic. The survey should take no more than 20 minutes. Your participation is voluntary, and you can withdraw at any time without penalty. Your participation is anonymous, and only aggregated data will be reported. By completing the survey, you indicate that you voluntarily participate in this research. If you have any concerns, please contact my supervisor or me. Our details are provided above.

Confidentiality & Consent:

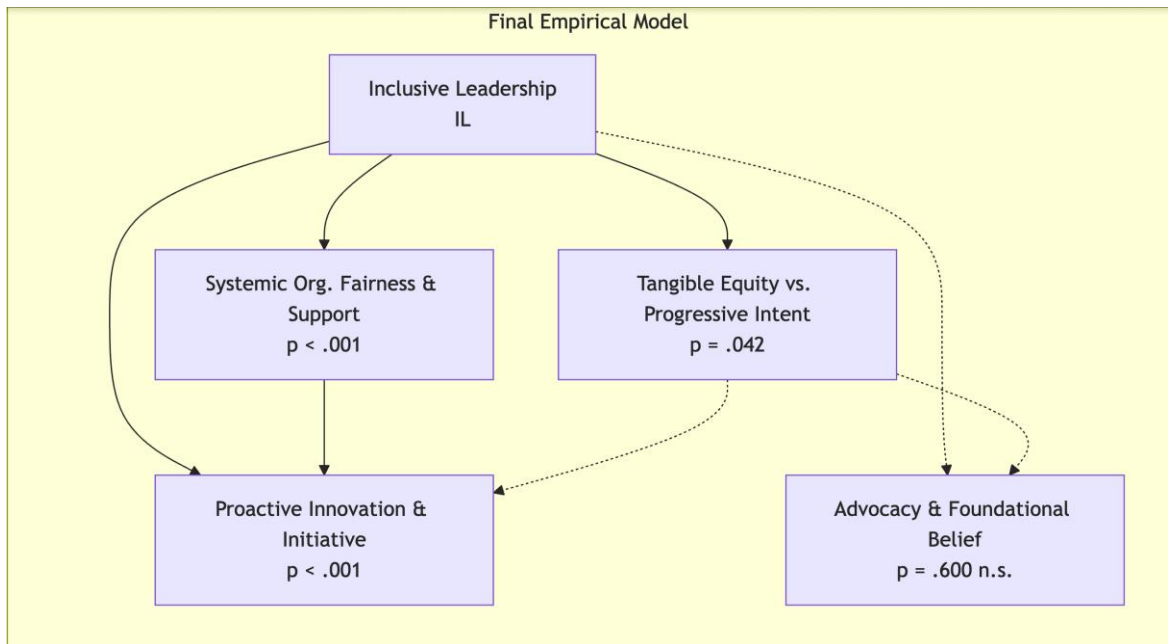
- All responses are **anonymous** (no personal identifiers required).
- Data will be used **solely for academic purposes** and handled confidentially.

To proceed, please tick "I confirm" below to acknowledge your consent and acceptance of these terms.

#	Participant Consent (Y/N)					
Qualifying question (control variable/s)						
1	Does the respondent use one or all these technologies: SAP ERP; SharePoint; MS Teams & any technology-based system.	ERP SAP	Share Point	MS Teams	None	
Respondent details adapted from Diesel and Scheepers (2019)						
3	Age group: 18-29; 30-39; 40-49; 50-59; 60+	18-29	30-39	40-49	50-59	60+
4	Gender: Male/Female	Male	Female			
5	Race (ethnicity group)	African	Coloured	Indian	White	
6	Tenure: employment duration of time the employee has worked for an employer.	0-4 yrs	5-9 yrs	10-14 yrs	15-19 yrs	20 yrs
7	What is your position task grade.	T	M	F	S	Other
8	What is the highest level of academic qualification do you hold.	Tech. national cert.	National high diploma	Matric	Degree/ Btech Degree	Post grad.
9	Are you a South African citizen.	Yes	No			
10	Which continent are you originally from.	Africa	Asia	Europe	Australia	America
Focus on Inclusive leadership Leroy et al., 2022						
11	We feel comfortable being creative in an environment created by our leader.					
12	We are encouraged by our leader to see our differences as a unique strength and advantage.					
13	Our organization is characterised by rapid and unpredictable change thus encourages experimentation and acknowledges failures as a learning opportunity.					
14	We are encouraged by our leader to see differences among us as a value add to our team.					
15	Our leader inspires us to constantly improve our skills on the existing technologies.					
16	We are encouraged by our leader to constantly enhance and build functionalities upon the existing infrastructure.					
17	We feel that our contributions are noticed and valued by our leader.					
18	We feel encouraged to express our thoughts and feelings to our leader.					
19	We are encouraged by our leader to solve our own problems so that we can learn from the challenges we experience.					
20	We are encouraged by our leader to listen to views that are different from our own so that we can understand the situation.					
21	We are encouraged by our leader to be unique.					
22	We feel that our unique strengths are put to good use through appropriate work allocation by our leader.					
23	We are encouraged by our leader to bring differentiated concepts from the existing solutions.					
Focus on Employee Creativity from Chen et al., 2025						
24	I believe digital technologies enable me to do my work more easily.					
25	I encourage my colleagues to embrace digital technologies.					
26	I sometimes find myself imagining solutions to problems related to my job.					
27	I strongly believe that creativity is a precursor to innovation.					
28	I embrace digital technologies in the workplace earlier than other employees.					
29	I am an early adopter of useful and novel ideas in the workplace.					
30	I often find new approaches to work smarter using technology.					
31	I have accepted that change is inevitable; hence, I always search for alternative working methods and techniques.					
32	I reframe problems to gain deeper insights.					
33	I wonder what more I can do to improve my workplace.					
34	I find myself generating novel solutions when it comes to digital technologies.					
35	I put concerted effort into finding new ways of working.					
Focus on Inclusive Climate from Zahoor et al., 2024 & Cetindamor et al., 2024 & Ashikali et al., 2021						
36	Our organization encourages work-life balance for all employees.					
37	Our organization recognizes and respects employees' unique differences, qualities, perspectives, and experiences.					

38	Our organization has effective procedures for conflict management.					
39	Our organization creates platforms for employees to learn from each other's skills.					
40	Our organization embraces industry evolution to enhance workplace processes.					
41	Our organization values employee input when it comes to work-related matters.					
42	Our organization is willing to borrow initiatives implemented by other businesses to improve our workplace performance.					
43	Our organization applies fair and transparent processes when it comes to promotion opportunities.					
44	Our organization has an effective performance review system.					
45	Our organization motivates us to be comfortable with making decision even if we are not sure of the consequence.					
46	Our organization values and treats all employees equally.					
47	Our organization grants equal opportunities to all employees for learning and development.					
48	Our organization employs fair and equitable remuneration for all employees.					

9.2. Final Empirical Model



Solid arrows (→): Represent statistically significant relationships ($p < .05$).

Dashed arrows (- - →): Represent relationships that are not statistically significant ($p > .05$).

$p < .001$: Highly significant relationship.

$p = .042$: Significant relationship ($p < .05$).

$p = .600$ n.s.: Not a significant relationship.

Greyed-out text & dashed box: Represents a factor that was hypothesised but found to be non-significant in the final model.