

Unlocking the secret to happiness at work: the power of inclusive leadership, organizational justice and workplace inclusion

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Abstract

Purpose – The purpose of this study is to investigate the impact of Inclusive Leadership (IL) and Organizational Justice (OJ) on employees' Happiness at Work (HAW). Utilizing a mediation mechanism, the study additionally uncovers the mediating impact of Workplace Inclusion (WI).

Design/methodology/approach – The research involved a cross-sectional study with a quantitative methodology, collecting data from 311 employees working in IT sector firms in India by administering standardized questionnaires. Statistical analyses, including Partial Least Square Structural Equation Modelling using SmartPLS4.0, were conducted to examine the relationship between constructs.

Findings – The hypothesized mediation model was supported. WI mediated the relationship partially between OJ and HAW, whereas there is a full mediating effect of WI on the IL–HAW relationship. Overall, the study shows that by providing fair treatment, inclusive leaders promote inclusivity among employees, further enhancing HAW.

Research limitations/implications – The study's implications suggest that leaders, with their inclusive behaviour and fair practices, can have a significant positive impact on employees' workplace happiness when accompanied by a sense of inclusivity among employees.

Practical implications – Organizations and leaders can utilize this study's findings to promote inclusiveness and HAW, which can be a key to organizational growth and development in a post-pandemic era.

Originality/value – This study contributes to the research literature by addressing the unexplored relationship between IL, OJ and HAW. The exclusive as well as inclusive focus on the mediating role of WI adds new insights and enriches the understanding of the intricate conceptualization of the variables under study.

Keywords Inclusive leadership, Workplace inclusion, Happiness at work, Organizational justice

Paper type Research paper

1. Introduction

Societies and individuals have considered happiness as the ultimate goal of human existence (Diener *et al.*, 2002; Erdogan *et al.*, 2012). Happiness has gained the attention of scholars for a very long time, and with the emergence of positive psychology in the recent era, the focus on happiness has obtained even more importance (Fisher, 2010; Kun and Gadanez, 2022). In today's world, where people spend a significant amount of their time at work, the need to study the happiness of individuals in the workplace becomes essential for organizations and academics. With the growing recognition of the positive impact of happiness on individual well-being, productivity and organizational success (Bellet *et al.*, 2019; Bhatia and Mohsin, 2020; Kun and Gadanez, 2022; Rowland and Hall, 2012), understanding the factors that contribute to happiness in the workplace has become a critical area of research and inquiry. As workplace dynamics continue to evolve, and the top echelon of business started recognizing human capital as their greatest asset (Behrani, 2017), organizations have acknowledged that fostering a positive work environment and promoting the well-being of their employees are essential for achieving long-term success.



Happiness at Work (HAW) has gained even more significance in the post-pandemic world, as with the changes the global pandemic brought to the workspace and remote work becoming the norm for many organizations (Singh and Banerji, 2022), employee happiness has emerged as a critical factor that affects individual satisfaction, engagement and commitment (Fisher, 2010; Salas-Vallina and Alegre, 2021). A line of thought has shown that happy employees are more productive, innovative and loyal to their organizations (Fisher, 2010; Singh and Banerji, 2022). They not only contribute to their own well-being but also take initiative in bringing substantial positive outcomes to their organization (Ravina-Ripoll *et al.*, 2019). With the huge impact of pandemic in the IT sector and due to the changing dynamics of business, it has become quite imperative for organizations and academicians to march into the avenue of employee HAW. Being one of the crucial concepts associated with that of Positive Psychology and Subjective Well-being, HAW has direct and indirect effects on various work-related factors. Empirical research has suggested that happy employees tend to demonstrate higher level of loyalty and have an increased likelihood of remaining with their organization (Bataineh, 2019; Rando Cueto *et al.*, 2023). Their happiness fosters a sense of attachment and dedication, reducing turnover rates and increasing employee retention (Santiago Antony Selvi and Madhavkumar, 2023). Moreover, HAW enhances creative performance, fostering innovation and problem-solving (Khan and Abbas, 2022). It impacts productivity and performance positively, as happy employees are found to be more motivated and engaged (Ravina-Ripoll *et al.*, 2019). Furthermore, happy employees demonstrate a greater capacity for learning and growth, being receptive to new experiences and building up skills (Salas-Vallina *et al.*, 2017a). In other words, promoting HAW may result in increased loyalty, enhanced creativity, improved productivity, developed learning capabilities, etc. As a consequence, employees may demonstrate higher degree of extra-role behaviour driving overall organizational success.

Organizations prioritizing HAW are committed to creating a positive work environment where employees feel valued, respected and included and where their well-being is nurtured and prioritized (Fisher, 2010). This includes promoting a culture of Organizational Justice (OJ), where employees perceive fairness in decision-making processes, resource allocation and treatment at work (Colquitt, 2001). Since, when employees feel that organization is providing a fair environment at work, it will certainly enhance the sense of relaxation among individuals resulting in a positive effect on happiness and satisfaction of employees (Mert *et al.*, 2022). As employees who perceive to have fair treatment are likely to show positive behaviour towards organizations and have high sense of satisfaction at work, resulting in high degree of happiness (Barling and Phillips, 1993). However, Mert *et al.* (2022) in their study have mentioned that this perception of justice is highly subjective and can be different for everyone, therefore, there should be a mediating variable present to mould the OJ–HAW relationship. Further, being popular in the Western world, the concept of HAW is relatively new in Indian context and there is a dearth of study in the domain, providing scope for further research in the same avenue (Singh and Banerji, 2022).

On the other hand in organizations that are committed to provide a happy working environment to employees, it is important to recognize the role of leaders in the organizations (Semedo *et al.*, 2019). Leaders through their fair practices and respectful behaviour provide motivation and positivity to their followers (Salas-Vallina *et al.*, 2020) resulting in a better working environment in organization, and this positive environment helps employees to thrive and improve their well-being and happiness (Gilbreath and Benson, 2004). Being a part of a service-oriented industry, relational leadership styles are more effective in IT sector firms (Bhutto *et al.*, 2021) than traditional leadership styles. Therefore, the Inclusive Leadership (IL) style has been considered to have an impact on HAW, since by exhibiting openness, availability and accessibility (Carmeli *et al.*, 2010), inclusive leaders create a positive work environment that fosters positive emotions and improves well-being of employees (Ahmed *et al.*, 2021; Choi *et al.*, 2017), resulting in happy and satisfied employees.

Furthermore, it has been argued that the mechanism of impact of IL and OJ on HAW in IT sector is dynamic and complex, with certain intervening variable that may improve or reshape the relationship (Mert *et al.*, 2022). As both OJ and IL are organizational-level factors that affect employees' perception, however, HAW is also greatly influenced by other work-related factors such as acceptance of employees in their workgroup and freedom to express themselves without any fear or consequences. In this regard, Workplace Inclusion (WI), representing the perception of employees regarding their uniqueness and belongingness (Brimhall and Mor Barak, 2018; Roberson and Scott, 2022; Shore *et al.*, 2011) can play a crucial role in enhancing employees' happiness (Mousa, 2021). By providing equal employment opportunities, implementing affirmative actions and accepting employees from various demographical backgrounds, organizations create a working environment in which everyone is welcome and is able to express themselves freely. This supportive climate created by organization through inclusivity is one of the key factors that promotes well-being, satisfaction and ultimately happiness of employees. Based on these arguments, researchers propose WI as a mediating variable that may enhance the OJ–HAW and IL–HAW relationships.

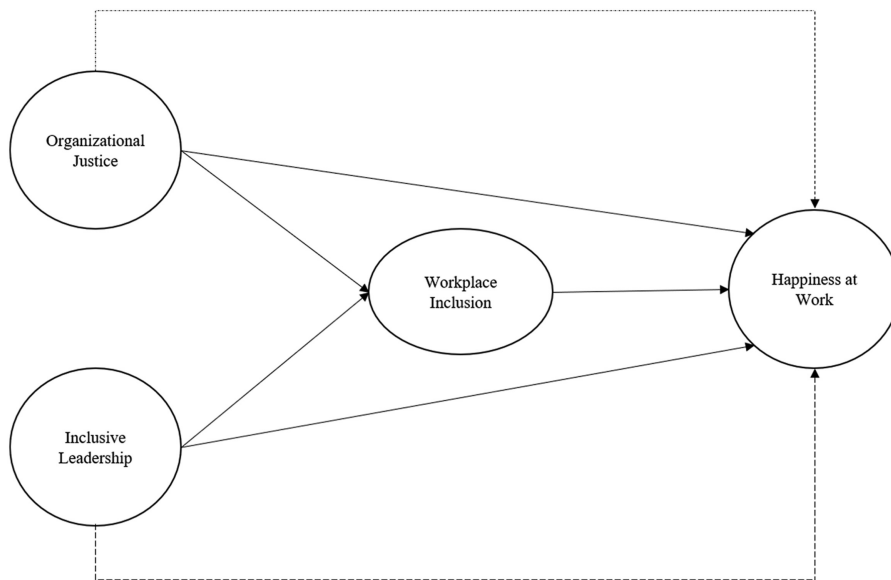
The link between OJ, IL, WI and HAW in Indian IT sector remains mostly unexplored (Singh and Banerji, 2022), demonstrating an urgent need to examine the mechanisms through which organizational factors such as justice and leaders' inclusive behaviour motivate employees and provide them HAW, improving their well-being and resulting in highly satisfied and committed employees (Fisher, 2010; Kun and Gadancz, 2022; Salas-Vallina *et al.*, 2017a). Therefore, the study attempts to answer the following research questions:

- (1) How do IL and OJ affect employees' HAW in the context of Indian IT sector?
- (2) To what extent does WI mediate the relationship between IL and HAW?
- (3) To what extent does WI mediate the relationship between OJ and HAW?

Accordingly, the authors propose a conceptual model (see Figure 1) with WI as the contextual variable representing the organizational effort and perception of employees that they belong to the workplace and are accepted by their group members while maintaining their unique self, this inclusivity leads to perception of employees that it is safe to take risk beyond their role in enhancing confidence of employees, resulting in higher degree of happiness among employees.

The present study addresses a notable research gap in the literature by explicitly focusing on the relationship between IL, OJ, WI and HAW in the context of IT sector. While previous research studies have examined the impact of IL and OJ on employee well-being and satisfaction (Le *et al.*, 2018; Maham *et al.*, 2020; Mert *et al.*, 2022), there is a limited understanding of how these factors combinedly and specifically contribute to HAW. Hence, the present study acknowledges that HAW is influenced not only by macro-level organizational factors such as IL and OJ but also by certain micro-work-related factors like acceptance in workgroups and freedom of expression. In this context, as indicated by Mert *et al.* (2022), the OJ–HAW relationship needs to be explored with some mediating mechanism, the present study has considered WI as an intervening variable that may mediate the relationship between IL, OJ and HAW.

Focussing on the dearth of research on HAW in the Indian context, the study has attempted to emphasize the need for further exploration in this research domain (Singh and Banerji, 2022). Furthermore, the review of contemporary empirical research literature reveals mixed findings regarding the impact of OJ on HAW (Behrani, 2017; Maham *et al.*, 2020), indicating a lack of clarity in understanding this relationship. In summary, the study endeavours to enrich the existing research literature by providing insights into the dynamics



Source(s): Author's own work

Figure 1.
Theoretical framework

of IL, OJ, WI and HAW in the context of the Indian IT sector, considering the mediating role of WI and addressing the lack of clarity surrounding the impact of OJ on HAW. In order to address these relevant research gaps, the study attempts to understand the contributory role of the factors that bear an impact on Employee Happiness and Employee Well-being in the workplace.

The novel contribution of this study comes from (a) investigating a relatively new variable – Inclusive Leadership – which has been minimally examined before in the HAW literature, especially in the context of the Indian IT sector, (b) illustrating the complicated interplay of antecedents of HAW in the IT sector by conceptualizing the mediation effect of Workplace Inclusivity between the relationship of IL, OJ and HAW and (c) formulating a conceptual model by pinpointing modern variables that are in line with the nature and structure of the IT Sector, where turnover rate is relatively higher (Krishnamoorthy and Aisha, 2022) and employees have distinct set of satisfaction and happiness perception as compared to other sectors.

2. Literature review and theoretical framework

HAW, as a significant work-centric variable, is one of the significant components of subjective well-being; it may also be considered to be a multidimensional concept that refers to a positive emotional state, satisfaction and sense of meaning that individuals experience in relation to their work (Diener *et al.*, 2002; Salas-Vallina *et al.*, 2017a). It encompasses a sense of fulfilment, engagement and contentment in relation to one's job and work environment (Behrani, 2017). The overarching concept of HAW encompasses three key components: affective commitment, job satisfaction and work engagement (Fisher, 2010). Affective commitment represents employees' emotional attachment to the organization (Mousa *et al.*, 2020). Job satisfaction is a positive emotional state that arises from employees' evaluation

of their job characteristics and experiences (Bhatia and Mohsin, 2020). Work engagement refers to the various ways in which employees are motivated to contribute to the organization (Salas-Vallina *et al.*, 2020).

With the change, COVID brings to the workplace, the working norms have transformed dramatically (Mousa *et al.*, 2020). IT sector has too faced the consequences of these changes in the forms of flexible work hours, hybrid work culture, overburdened work, lay-offs and resignations across the industry (Bailey and Breslin, 2021). In this dynamic time, organizations have also started prioritizing an employee-friendly work environment, where well-being and happiness have gained even more importance. A line of researchers has established that workplace happiness leads to productivity (Singh and Banerji, 2022). In support to that, Forbes in their research has highlighted that happiness increases productivity by 20% (Preston, 2017). This suggests that when employees are satisfied with their jobs, engaged in their work and emotionally attached to their organization, they are more likely to become high-performance productive employees (Salas-Vallina and Alegre, 2021; Singh and Aggarwal, 2018). Despite being popular in the Western world and developed countries, the growing body of literature on employees' HAW has not gained enough attention among Indian scholars, and researchers have called for further exploration of the avenue (Rastogi, 2020; Singh and Banerji, 2022).

2.1 Organizational Justice and HAW

OJ comprehends employees' perceptions of fair treatment by the organization, including ethical, accurate, consistent and standardized policies and practices (Demir and Zincirli, 2021; Roberson and Colquitt, 2005). Colquitt (2001) has proposed four dimensions of justice: distributive justice (fair outcomes), procedural justice (employee voice and adherence to procedural rules), informational justice (reasonable and timely explanations) and interpersonal justice (polite and respectful treatment) (Workman-Stark, 2021).

Prior studies have exhibited that when employees are treated fairly in terms of distributive and procedural justice, they are more likely to feel valued, respected and satisfied with their jobs (Workman-Stark, 2021). Similarly, receiving timely explanation and information and polite treatment can foster higher levels of affective commitment and engagement at work. Further, OJ and fair treatment can also impact employees' level of stress by reducing the stress related to perceived unfairness or discrimination. Overall, this sense of satisfaction, less stress, commitment and engagement will lead to a happy employee with higher level of well-being making the employees feel more secure and valued in their roles. Previous study has also exhibited a positive association between OJ and employees' well-being and happiness (Le *et al.*, 2018; Mert *et al.*, 2022; Workman-Stark, 2021), whereas Maham *et al.* (2020) in their study have proposed and established a positive impact of perceived OJ and HAW in the context of Islamic spirituality. However, Behrani (2017) has found a negative correlation between these two variables in Indian organizations, therefore, there is lack of clarity in the workplace happiness literature regarding the impact of OJ on HAW. Hence, with the purpose to add value to existing literature and explore the HAW avenue, the study proposes that when employees are treated fairly, they are more likely to have a higher HAW.

H1. Organizational Justice has a significant positive impact on employees' Happiness at Work.

2.2 Inclusive Leadership and HAW

Inclusive Leadership refers to the "leaders who exhibit openness, accessibility, and availability in their interactions with followers" (Carmeli *et al.*, 2010; Nembhard and Edmondson, 2006). Prior studies have considered IL as one of the predictors of employee

well-being (Choi *et al.*, 2017; Liu *et al.*, 2022), as inclusive leaders are always supportive and by promoting open communication, valuing members' inputs, demonstrating concern for their interests, expectations, and being available and willing to provide assistance when needed (Hollander, 2012; Nembhard and Edmondson, 2006), they make their group members believe that their opinions and problems are valued (Choi *et al.*, 2017). Further, through trust-building, job satisfaction and enhanced role clarity, IL is promoting well-being of employees. Trust in the leader reduces perceived risk, vulnerability and stress, while job satisfaction is stimulated by the leader's supportive behaviour. Additionally, the leader's openness and accessibility enhance role clarity, reducing work stress and improving employee well-being and employee happiness. Brimhall (2019), Gilbreath and Benson (2004) and Yangchun *et al.* (2022) in their study have proposed and established the role of IL in promoting job-related happiness among Chinese workers. Similarly, Liu *et al.* (2022) have also proposed a theoretical framework, mentioning the role of disability-inclusive leadership in promoting well-being and happiness of employees. Moreover, researchers in prior studies have established the role of different leadership styles such as authentic leadership (Semedo *et al.*, 2019), spiritual leadership (Srivastava *et al.*, 2022), inspirational leadership (Salas-Vallina *et al.*, 2020) and transformational leadership (Salas-Vallina *et al.*, 2017b) in promoting employees' happiness. However, the impact of IL on HAW in Indian context is yet to be explored. Therefore, based on the above arguments, the study proposes that IL has a positive impact on HAW of employees.

H2. Inclusive Leadership has a significant positive impact on employees' Happiness at Work.

2.3 Workplace Inclusion as a mediator

The present study has considered WI as a mediator in OJ–HAW and IL–HAW relationships, answering the call of Mert *et al.* (2022) to explore mediating variables in the context of HAW. Prior studies have demonstrated a positive association between OJ and WI (Panicker and Sharma, 2020; Shore *et al.*, 2011; Workman-Stark, 2021). The relationship can be viewed using the lens of Social Identity Theory (SIT) (Tajfel, 2010), as individuals are more likely to feel included and valued when they perceive that their group memberships are acknowledged and valued by organization (Leary *et al.*, 2003). OJ practices such as fair treatment, equal opportunities and transparency may signal to employees that their group memberships are respected, which can foster a sense of inclusion and belongingness (Workman-Stark, 2021).

Whereas, the relationship between IL and WI can be obtained through Optimal Distinctiveness Theory (ODT) (Brewer, 1991) that propagates that the sense of inclusion among employees is a consequence of fulfilment of two opposite personal needs (i.e. need for uniqueness and need for belongingness) (Shore *et al.*, 2011). By exhibiting openness, availability and accessibility in their behaviour (Carmeli *et al.*, 2010) and through frequent interaction with members, leaders facilitate uniqueness and belongingness among members (Al-Atwi and Al-Hassani, 2021; Brimhall *et al.*, 2017; Nair and Vohra, 2015), resulting in developing high sense of inclusion among employees (Randel *et al.*, 2018; Shore *et al.*, 2011). A line of researchers have established the relationship between IL and WI, Chung *et al.* (2020) in their 809-employee study have established a positive relationship between IL and WI, whereas by taking interviews from experts, Kuknor and Bhattacharya (2021) in their study have confirmed the same in Indian companies. Additionally, Al-Atwi and Al-Hassani (2021) in their study have also postulated a similar result.

Similarly, the relationship between WI and HAW may be observed using Self-Determination Theory (SDT) as a background (Deci and Ryan, 2004), as individuals who feel included and valued at work are more likely to have positive relationships with their colleagues, feel competent in their work and have a sense of autonomy in their job. This,

in turn, can lead to greater HAW. When employees develop a sense of belongingness in the workplace and feel valued for who they are, they tend to be motivated and engaged in their work, leading to greater job satisfaction and HAW (Liu *et al.*, 2022; Mor Barak *et al.*, 1998; Pal *et al.*, 2022). A line of studies has demonstrated strong association between WI and well-being of employees (Le *et al.*, 2018; Liu *et al.*, 2022; Mor Barak *et al.*, 1998; Shore *et al.*, 2011), and since HAW is an indicator of subjective well-being (Diener *et al.*, 2002), therefore, the study proposes a positive relationship between WI and HAW. A similar relationship has been exhibited by Mousa (2021), in which the author has established WI as a predictor of HAW.

Additionally, WI has been considered as a mediator for this study. IL and OJ both are organizational-level factors that affect the working environment and psychology of employees. Being predictors of WI, IL and OJ both help employees to enhance their perception of uniqueness and belongingness towards organization. Organizational fair treatment and standardized policies, and leaders' inclusive behaviour promote inclusivity among employees. Employees with a feeling of inclusion and acceptance at workplace are expected to have higher degree of happiness at workplace. Employee happiness and well-being will enhance if employees perceive that organizational procedures and treatment are fair and that their opinions are valued (Shore *et al.*, 2011). In consistence with the above proposition, Liu *et al.* (2022) in their study have provided a theoretical framework consisting of an association between IL, WI and HAW. On the other hand, researchers have suggested a positive association between OJ, WI and well-being (Le *et al.*, 2018; Panicker and Sharma, 2020). Therefore, based on the above arguments, the researchers propose a significant impact of IL and OJ on WI, whereas WI promotes HAW among employees. Furthermore, WI significantly mediates the relationship between IL, OJ and HAW.

- H3. Organizational Justice has a significant positive impact on Workplace Inclusion.
- H4. Inclusive Leadership has a significant positive impact on Workplace Inclusion.
- H5. Workplace Inclusion has a significant positive impact on employees' Happiness at Work.
- H6. Workplace Inclusion mediates the relationship between Organizational Justice and employees' Happiness at Work.
- H7. Workplace Inclusion mediates the relationship between Inclusive Leadership and employees' Happiness at Work.

3. Methods

3.1 Designs and sample

The present study is exploratory in nature and emphasizes in exploring relationships between IL, OJ, WI and HAW. Whereas WI mediates the relationship between IL and HAW, and OJ and HAW. In this regard, the cross-sectional approach and quantitative methodology have been applied. Furthermore, the data needed for the present study were collected from Kolkata, India. The sample subjects of the current study consisted of employees working in IT sector firms. The participant's minimum age criteria were 21 years, and their organizations have a functional organizational structure with standard HR practices. There are manifold reasons to select the Indian IT sector. First, as the IT sector employs a large number of employees from diverse demographic backgrounds (Goyal and Shrivastava, 2013), promoting a sense of inclusivity among employees is quite challenging yet essential for better work dynamics. Second, most IT firms have a group-based organic structure; thus, the contribution of the team leader is more immense than in other sectors. Third, since the churn rate of the IT sector is higher than other industries, most organizations are facing a challenge

in retaining their employees (Punia and Sharma, 2008), and therefore, promoting a sense of happiness among IT professionals may help organizations to formulate their retention strategies in a better and more effective way. Therefore, through this study, the researcher will try to contribute to HAW literature by providing empirical evidence into the potential of IL and OJ to provide inclusiveness and ultimately happiness to employees. The structured questionnaire was prepared, and the snowball sampling technique was adopted for collecting data. The questionnaire was administered through a web-based survey via Google Forms. Participants were also informed that the survey was voluntary and that their responses would only be utilized for research purposes. Although 330 data were collected initially, 311 data were found suitable for further processing for the present study.

3.2 Measures

3.2.1 General information schedule (GIS). Information with respect to the demographic features of the sample, like age, gender and work experience, were collected (displayed in Table 1).

Along with GIS, the survey included four standard scales to measure OJ, IL, WI and HAW; the following standardized tools were used in the study:

3.2.2 Inclusive Leadership (IL) scale. The variable IL has been measured based on a 9-item scale adapted from Carmeli *et al.* (2010); the items were divided into three dimensions: openness (item numbers 1 to 3), availability (item numbers 4 and 5) and accessibility (item numbers 6 to 8), respectively. One example of a sample item is “The manager is accessible for discussing emerging problems.” The participants rate their level of agreement with each item on a 5-point Likert scale (1 = “Not At All” to 5 = “Great Extent”). Cronbach’s alpha was found to be 0.897 with respect to the present sample under study. The scoring rationale was that a higher score indicated a higher prevalence of the variable, i.e. IL.

3.3 Workplace Inclusion (WI) scale

The WI was measured by using an adapted a 10-item questionnaire, as constructed by Chung *et al.* (2020). The 10 items were divided into two fractions: belongingness (item numbers 1 to 5) and uniqueness (item numbers 6 to 10). One example of a sample item is “I am treated as a valued member of my work group.” The participants rate their level of agreement with each

Variable	Indicator	Frequency	(%)
Gender	Female	148	47.59
	Male	163	52.41
	Total	311	100
Experience	Less than 4 years	95	30.55
	4–8 years	92	29.58
	9–12 years	61	19.61
	13–16 years	43	13.83
	17 years and above	20	6.43
	Total	311	100
Age	Less than 25 years	73	23.47
	26–30 years	92	29.58
	31–35 years	69	22.19
	36–40 years	51	16.40
	41 years and above	26	8.36
	Total	311	100

Source(s): Authors’ own work

Table 1.
Respondents’ profile

item on a 5-point Likert scale (1 = “Strongly Disagree” to 5 = “Strongly Agree”). Cronbach’s alpha was found to be 0.892 with respect to the present sample under study. The scoring rationale was that a higher score indicated a higher prevalence of the variable, i.e. WI.

3.3.1 Organizational Justice (OJ) Scale. The OJ was measured by using an adapted a 12-item questionnaire, developed by Hansen *et al.* (2013) from adapting the Justice scale developed by Colquitt (2001). The 12 items were divided into four fractions: Distributive Justice (item numbers 1 to 3), Procedural Justice (item numbers 4 to 6), Interpersonal Justice (item numbers 7 to 9) and Informational Justice (item numbers 10 to 12). One example of a sample item is “Does your outcome reflect the effort you have put into your work?” The participants rate their level of agreement with each item on a 7-point Likert scale (1 = “Strongly Disagree” to 7 = “Strongly Agree”). Cronbach’s alpha was found to be 0.951 with respect to the present sample under study. The scoring rationale was that a higher score indicated a higher prevalence of the variable, i.e. OJ.

3.3.2 Happiness at Work (HAW) scale. The variable HAW has been measured based on a 9-item scale adapted from the conceptual work of Salas-Vallina and Alegre (2021); the items were divided into three dimensions: Engagement (item numbers 1 to 3), Satisfaction (item numbers 4 to 6) and Affective Commitment (item numbers 7 to 9), respectively. One example of a sample item is “At my job, I feel strong and vigorous.” The participants rate their level of agreement with each item on a 7-point Likert scale (1 = “Strongly Disagree” to 7 = “Strongly Agree”). Cronbach’s alpha was found to be 0.929 with respect to the present sample under study. The scoring rationale was that a higher score indicated a higher prevalence of the variable, i.e. HAW.

4. Result

The researchers used the software SmartPLS4.0 to perform Partial Least Square Structural Equation Modelling (PLS-SEM) in order to analyze the data and test their hypothesized relationship. PLS-SEM is a type of Structural Equation Modelling that is commonly used to study the relationships between different variables in a data set that has non-normal data (Hair *et al.*, 2011). Compared to traditional techniques such as Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA), PLS-SEM offers greater interpretability. It enables easier visualization of the importance of each predictor and the nature of their relationships. PLS-SEM can also handle complex models with numerous mediating and moderating effects that may not be feasible with other SEMs like CFA and EFA (Hair *et al.*, 2014, 2019).

4.1 Measurement model

Initially, the data was analyzed for missing values, reliability, validity and multicollinearity prior to proceeding with hypothesis testing. Out of 330 responses, 19 responses were identified, consisting of missing values of more than 15%, and were excluded from the analysis (Ahmad *et al.*, 2021; Chaudhary and Islam, 2022). Further, the analysis was conducted in a two-step approach in SmartPLS4.0. In the first step, the measurement model was evaluated to ensure that only constructs with adequate reliability and validity are used in the structural path model. Initially, 40 items were included through adapted measures. However, one item (IL5) was eliminated due to lower factor loading than the widely accepted threshold value of 0.60 (Dash and Paul, 2021; Hair *et al.*, 2010). The indicator loading for the reflective structures seemed adequate (ranging from 0.637 to 0.855), with a few exceptions. Table 2 exhibits the reliability and validity of variables, initially, Cronbach’s alpha of all constructs ranges from 0.852 to 0.951, exceeding the acceptable value of 0.70 (Hair *et al.*, 2011) confirming the reliability of constructs; furthermore, composite reliability for constructs

	Loading	Alpha	Composite reliability	AVE	VIF
<i>Happiness at Work</i>		0.929	0.941	0.64	
HAW1	0.754				2.556
HAW2	0.83				2.965
HAW3	0.77				2.246
HAW4	0.789				2.952
HAW5	0.778				3.073
HAW6	0.82				3.539
HAW7	0.825				3.513
HAW8	0.81				2.851
HAW9	0.819				2.601
<i>Inclusive Leadership</i>		0.897	0.918	0.583	
IL1	0.797				2.354
IL2	0.792				2.383
IL3	0.773				2.382
IL4	0.662				1.71
IL6	0.747				1.991
IL7	0.788				2.498
IL8	0.775				2.155
IL9	0.763				2.047
<i>Organizational Justice</i>		0.951	0.957	0.652	
OJ1	0.807				3.451
OJ10	0.84				4.682
OJ11	0.819				3.887
OJ12	0.826				3.084
OJ2	0.84				3.989
OJ3	0.855				3.538
OJ4	0.809				3.343
OJ5	0.703				2.32
OJ6	0.78				3.062
OJ7	0.802				3.018
OJ8	0.823				3.17
OJ9	0.773				3.172
<i>Workplace Inclusion</i>		0.892	0.912	0.509	
WI1	0.681				1.835
WI10	0.718				1.931
WI2	0.762				2.219
WI3	0.732				2.082
WI4	0.637				1.595
WI5	0.67				1.675
WI6	0.763				2.009
WI7	0.715				1.83
WI8	0.714				1.919
WI9	0.732				1.962

Source(s): Authors' own work

Table 2.
Reliability analysis

ranges from 0.912 to 0.952, which meets the acceptable level of 0.60 (Fornell and Larcker, 1981). As a result, the model's latent constructs all have composite reliability (see Table 2 and Figure 2).

After establishing the reliability of the model's construct, further validity of model's constructs was investigated. Primarily, the indicator of convergent validity, Average Variance Extracted (AVE), ranges from 0.516 to 0.590, higher than the adequate threshold of 0.5 (Hair et al., 2011, 2019), establishing the validity for the present constructs (see Table 1). The discriminant validity of the constructs is evaluated using the Heterotrait-Monotrait

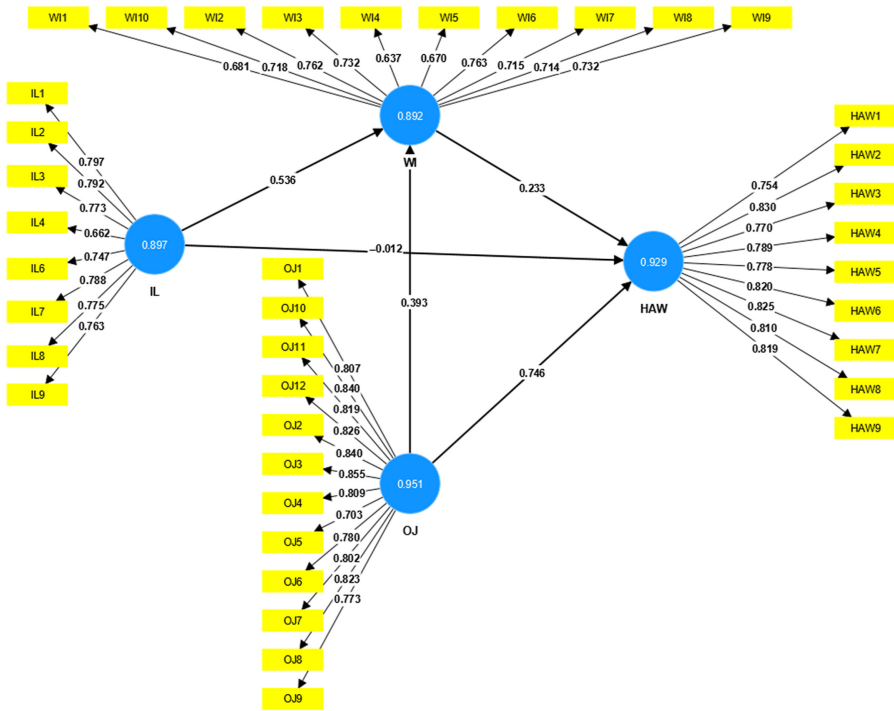


Figure 2.
Measurement model

Source(s): Authors’s own work (Output using SmartPLS 4.0)

(HTMT) ratio approach. Furthermore, the discriminant validity has been established using HTMT ratio (Hair Jr et al., 2021), although a threshold of >0.90 is considered by many authors, however, Henseler et al. (2015) have argued that HTMT ratio must be less than 1 to ensure the discriminant validity of constructs, conforming the validity for all the constructs (mentioned in Table 3).

4.2 Structural model

In structural model assessment, initially collinearity has been examined by assessing VIF value of items to ensure that it does not skew the findings of the regression. In the present study, VIF value for all the items is < 5 meeting the threshold limit (Hair et al., 2014), which indicates that there are no issues related to the collinearity (see Table 2). The structural model demonstrates the relationships (as path) between the constructs of the proposed research model. The value of coefficient of determination (R^2) for HAW and WI are 0.887 and 0.804,

	HAW	IL	OJ	WI
HAW				
IL	0.913			
OJ	0.93	0.935		
WI	0.942	0.973	0.926	

Table 3.
HTMT criterion

Source(s): Authors’ own work

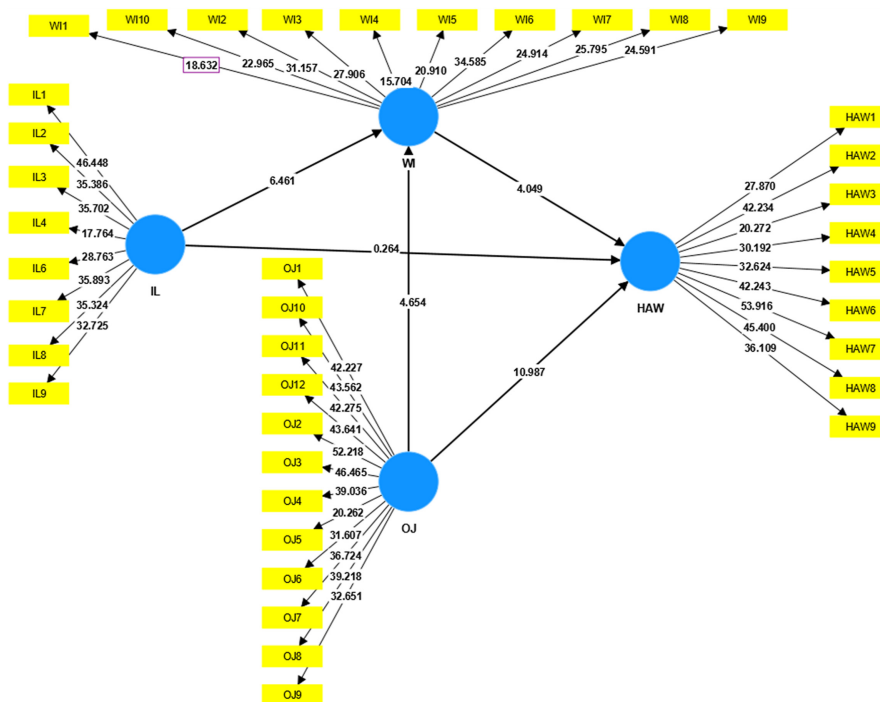
respectively. R^2 values support the model's in-sample predictive power since they are above the required threshold level of 0.20 (Hair *et al.*, 2011), and are substantial for both HAW and WI, as it is higher than 0.75 (Hair *et al.*, 2011, 2014). Another measure to assess PLS path model's predictive accuracy is through calculating the value of Q^2 (Geisser, 1974; Hair *et al.*, 2019). As a rule of thumb, Q^2 values higher than 0, 0.25 and 0.50 illustrate small, medium and large predictive relevance of the PLS-path model (Hair *et al.*, 2019), for the present analysis, the value of Q^2 predicts 0.799 and 0.874 for WI and HAW, respectively, indicating a large predictive relevance of path model.

After that, the path coefficient for the structural model was evaluated to assess the statistical significance of the relationship among constructs (Ahmad *et al.*, 2023; Islam *et al.*, 2022). The hypotheses were tested with bootstrapping procedure using 5,000 bootstrap samples, no sign change option and 95% bias-corrected confidence intervals. Table 4 and Figure 3 show the result of the path analysis.

Hypothesis	Relationship	β -value	SD	t-value	p-value	Decision
H1	OJ \rightarrow HAW	0.746	0.068	10.987	0.000	Supported
H2	IL \rightarrow HAW	-0.012	0.046	0.264	0.396	Unsupported
H3	OJ \rightarrow WI	0.393	0.084	4.654	0.000	Supported
H4	IL \rightarrow WI	0.536	0.083	6.461	0.000	Supported
H5	WI \rightarrow HAW	0.233	0.057	4.049	0.000	Supported

Source(s): Authors' own work

Table 4. Path coefficient table



Source(s): Authors's own work (Output using SmartPLS 4.0)

Figure 3. Bootstrapping (t-value) for the model

The path coefficient shows that OJ has a positive significant impact on employees' HAW ($\beta = 0.746, t = 10.987, p < 0.001$), conforming the first hypothesis. However, there is no significant positive impact of IL on HAW ($\beta = -0.012, t = 0.264, p = 0.396$), rejecting the second hypothesis (H2). Further, a significant positive effect of both OJ on WI ($\beta = 0.393, t = 4.654, p < 0.001$) and IL on WI ($\beta = 0.536, t = 6.641, p < 0.001$) has been noted. Moreover, the path coefficient of WI on HAW ($\beta = 0.233, t = 4.049, p < 0.001$) further connotes a significant impact of WI on HAW. These results confirmed and supported the next three hypotheses predicting significant positive impact (H3, H4 and H5).

4.3 Mediation analysis

Finally, the mediation analysis was conducted by examining the indirect path between IL, OJ and HAW via WI, whereby the beta coefficient of independent-mediating and mediating-dependent variables were multiplied. The indirect path between OJ and HAW through WI was significant ($\beta = 0.393 \times 0.233 = 0.091, t = 2.697, p = 0.004, LL = 0.045, UL = 0.158$), whereas the total effect ($\beta = 0.837, t = 18.475, p < 0.001$) along with direct effect ($\beta = 0.746, t = 10.987, p < 0.001$) after introducing mediator was also significant. Therefore, the result confirms the complementary partial mediating role of WI in OJ and HAW relationship. Similarly, the mediation analysis of indirect path between IL and HAW via WI was examined, and the result illustrates that the indirect path between IL and HAW through WI was significant ($\beta = 0.536 \times 0.233 = 0.125, t = 3.818, p < 0.001, LL = 0.075, UL = 0.181$), whereas the total effect ($\beta = 0.113, t = 2.431, p = 0.008$) was also significant, however, the direct effect ($\beta = -0.012, t = 0.264, p = 0.396$) after introducing the mediator was insignificant, indicating that there is a full mediating role of WI in the association of IL and HAW (Baron and Kenny, 1986; Zhao *et al.*, 2010). In other words, the effect of the variable IL to HAW is completely transmitted with the help of mediator WI (result displayed in Table 5).

5. Discussion

The aim of the present study is an attempt to explore the mechanisms through which IL, OJ and WI promote employees' HAW. Based on the conceptual inputs from the SIT (Tajfel, 2010) and SDT as a background (Deci and Ryan, 2004), it was hypothesized that OJ and IL have a positive significant impact on HAW and WI mediates the relationship between OJ and HAW, and IL and HAW. The findings of the study provided empirical support to the proposed model, and all hypotheses except H2 (i.e. IL has a significant positive impact on employees' HAW) were supported by the empirical finding of the study implying that IL and OJ are significantly positively related to WI, and WI significantly promotes HAW among Indian IT employees. Fascinatingly, the indirect effect of both IL and OJ was found to be significant via mediating role of WI, providing further insight into the relationship between different constructs and the nature of HAW.

The first hypothesis H1 proposed that OJ significantly affects the employees' HAW and was strongly supported by the empirical finding of the study, aligning with the previous research that has indicated a positive association between OJ and the well-being of employees (Le *et al.*, 2018; Mert *et al.*, 2022; Workman-Stark, 2021) and is in corroboration with the study (Maham *et al.*, 2020) that has assumed OJ as a predictor of HAW; however, it contradicts the study of Behrani (2017) that demonstrated a negative correlation among these two variables in Indian organizations. This explains that when employees perceive that their organization is fair and just, they are likely to experience higher levels of happiness and well-being. This is because a sense of justice provides employees with a sense of security, predictability and control over their work environment, which in turn, leads to greater job satisfaction, commitment and engagement (Fisher, 2010). As for H2, the hypothesis has presumed that IL

Indirect effect Hypothesis	Coefficient	SE	t-value	p-value	Percentile bootstrap		Total effects			Direct effects			Decision
					Lower	Upper	Coefficient	t-value	p-value	Coefficient	t-value	p-value	
H6: OJ → WI → HAW	0.091	0.034	2.697	0.004	0.057	0.158	0.837	18.475	0.000	0.746	10.987	0.000	Supported (Partial Mediation)
H7: IL → WI → HAW	0.125	0.033	3.818	0.000	0.075	0.181	0.113	2.431	0.008	-0.012	0.264	0.396	Supported (Full Mediation)

Source(s): Authors' own work

Table 5.
Mediation analysis

has a significant positive impact on HAW. This proposition was based on the theoretical framework of [Liu et al. \(2022\)](#), and supported by the previous study done by [Yangchun et al. \(2022\)](#) among Chinese workers. However, the empirical findings of the study are in contrast with the previous study, implying a complex relationship between IL and HAW and the possibility of certain work-centric variables that may remould the relationship.

Hypotheses [H3](#) and [H4](#) postulated a significant positive impact of OJ and IL on WI. Whereas the OJ–WI relationship is based on the background of SIT ([Tajfel, 2010](#)), and the IL–WI relationship was framed using the background of ODT ([Brewer, 1991](#)) taken from the conceptual framework developed by [Shore et al. \(2011\)](#). The findings of the study support both the hypotheses, suggesting that OJ and IL have a positive impact over WI; hereby adding another layer of empirical support to SIT and ODT framework. The findings are in line with the previous study that suggested that by treating members fairly and equitably, organizations foster a sense of inclusion and belongingness among employees ([Workman-Stark, 2021](#)). Simultaneously, the results also corroborate with previous IL and WI research, and aligned with the previous studies that recommended that IL significantly impacts inclusiveness of employees ([Al-Atwi and Al-Hassani, 2021](#); [Chung et al., 2020](#); [Kuknor and Bhattacharya, 2021](#)). The findings also provided compelling empirical evidence in favour of the theoretical framework developed by [Shore et al. \(2011\)](#), and validated that IL and fairness in the system are essential to incubate a sense of inclusion among employees.

Likewise, [H5](#) that examined the positive effect of WI on HAW was based on the background of SDT ([Deci and Ryan, 2004](#)); and the result confirms that when employees develop a sense of belongingness in the workplace and feel valued for who they are, they tend to be motivated and engaged in their work, leading to greater job satisfaction and HAW. The results are in line with the previous study of [Mousa \(2021\)](#), providing empirical evidence to the theoretical model of [Liu et al. \(2022\)](#). Adding empirical support to the SDT, the findings imply that individuals who feel included at work are likely to have a positive relationship with their peers, gaining a sense of autonomy and competency in their job, thereby resulting in greater well-being of employees. And since HAW is an indicator of well-being ([Diener et al., 2002](#)), therefore this well-being will result in higher HAW among employees.

Finally, in the last two hypotheses [H6](#) and [H7](#), WI was considered as a mediator that mediates the relationship between IL, OJ and HAW. This proposition is based on the theoretical framework developed by researchers in the past ([Liu et al., 2022](#); [Shore et al., 2011](#)). The empirical findings of the study support both the hypotheses and stated a partial mediating effect of WI on OJ–HAW relationship, and a full mediating effect of WI on IL–HAW relationship. This finding provides empirical support to the theoretical models of [Liu et al. \(2022\)](#) and [Shore et al. \(2011\)](#) and is in line with the study of previous researchers that established a positive association between OJ, WI and well-being ([Le et al., 2018](#); [Panicker and Sharma, 2020](#)). Whereas, the full mediating effect of WI on IL–HAW relationship implies a complex relationship between these variables, where the effect of the variable IL to HAW is completely transmitted with the help of mediator WI.

5.1 Managerial implication

IT sector is one of the largest and most employable sectors of the service-oriented Indian economy, as it employs a huge chunk of the workforce ([Phadnis, 2022](#)) that too with a highly diversified demographic background. However, in the post-COVID era, the Indian IT sector, along with the global IT industry has seen a paradigm shift in the form of hybrid work culture, overburdened work, lay-offs and resignations across the industry. These crises have created mental unrest among employees of IT industry, which is already suffering from the issue of lower retention of employees for a long time ([Krishnamoorthy and Aisha, 2022](#)). Therefore, it is the utmost responsibility of organizations and managers to support them and provide them with a happy work environment.

By describing the role of fair and standardized practices along with leaders' inclusive behaviour in promoting happiness and well-being of the employees, the present study provides various implications for managers and decision-makers in the IT sector. Firstly, this study highlights the importance of prioritizing the development of IL practices within IT organizations. This involves promoting leaders who demonstrate inclusive behaviours and cultivating a culture that values diversity and collaboration. By emphasizing IL, organizations can create a positive work environment that contributes to employee happiness and well-being.

Secondly, in addition to IL, organizations also need to ensure justice in their policies and practices by safeguarding fairness in decision-making processes and the treatment of employees. Transparent policies and procedures can help minimize bias and favouritism, fostering trust, satisfaction and commitment among employees. As being rapidly blooming and highly service-oriented, this sector requires high involvement of employees at the workplace, thus promoting a sense of satisfaction with life among employees will provide positive results for employees and the organization. Furthermore, through justice and fairness in policies and procedures, organizations will also be able to create a sense of belongingness, acceptance and safety for employees (Workman-Stark, 2021), resulting in a higher degree of perceived inclusiveness among employees. Perception of inclusion will not only create a sense of autonomy but will also promote a higher level of happiness among employees at work. This inclusivity can be achieved by encouraging open communication channels, promoting teamwork and collaboration, and providing opportunities for employee growth and development coupled with creating an environment where employees feel valued, respected and included, contributing to their overall job satisfaction and happiness.

Moreover, as suggested by the findings of this study and given the paradigm shift in the post-COVID era, it is crucial for organizations to prioritize the well-being and work-life balance of employees. This can be done by offering flexible work arrangements, providing resources and support for mental and physical health, and promoting a healthy work-life integration. Recognizing the importance of work-life balance and supporting employees in achieving it will contribute to their happiness, productivity and overall satisfaction.

To effectively implement these practices, organizations should actively seek feedback from employees and involve them in decision-making processes. This inclusive approach ensures that organizational policies and practices align with employee needs, leading to increased well-being and job satisfaction. Recognizing and rewarding employee contributions and achievements is another important implication that can foster a positive work environment. Establishing recognition and reward systems that acknowledge and value employees' efforts in an unbiased and fair manner enhances their self-esteem, job satisfaction and overall happiness. In conclusion, organizations prioritizing fair and inclusive practices, along with fostering a positive work environment, not only contribute to the happiness and well-being of their employees but also reap the benefits of a highly motivated and engaged workforce. Happy employees are more likely to exhibit higher levels of productivity, creativity and loyalty, leading to improved organizational performance and a competitive edge in the post-pandemic IT industry.

6. Conclusion

The study provides extensive useful ramifications for the workplace inclusivity and HAW literature by ratifying the theoretical relationship between OJ, IL and HAW through the mediation of WI in the Indian IT sector. Empirically tested assumptions confirmed the positive and significant linkage between these variables. This exhibits that in the presence of an inclusive leader (who exhibits openness to ideas and feedback, availability for consultation and accessibility for work-related problems), IT employees perceive high inclusiveness at the

workplace, and this inclusivity leads to a happy and satisfied employee. Similarly, when an organization treats employees fairly, and there is justice in procedure and resource allocation, employees perceive themselves to be valued members of the group and that they belonged to their group; this sense of belongingness boosts employees' morale, and they are more likely to exhibit a higher degree of HAW.

Indian workplace is a perfect reflection of India's great and highly diverse society, where employees from different linguistic groups, castes, religions and cultural backgrounds work together. Thus, while working with this diverse workgroup, it is the role of the leader to ensure that employees feel included in the workgroup; thus, it is recommended for IT sector decision-makers and top echelon to emphasize the development of inclusive practices at the workplace through IL fostering a positive work atmosphere while improving relationships with employees. As the world is recovering from the realm of the recent pandemic, there is immense pressure on organizations and leaders to deal with employees' behaviour and provide them with a happy working environment, and it is recommended for organizations provide an inclusive workplace through their fair practices and by leaders' inclusiveness to employees, making them feel at home and enhancing their level of happiness. Being relatively novel concepts in Indian corporate houses and academic literature, Workplace Inclusivity and employee HAW have received little attention from researchers; therefore, this study will guide future researchers to explore further a new boulevard.

7. Limitations and scope for future research

As is always the case while going through the study, limitations arose in conducting this research. With the new insight contributed by this paper, some limitations must be acknowledged. First, HAW is an emerging and unexplored field in the Indian subcontinent context, and there is a lack of empirical studies with working samples; although the current study has tried to fill the gap with a study in the Indian IT sector, a similar result can be confirmed by testing the model in other sectors, and in different Southeast Asian countries where work culture is different from India and is influenced by cultural factors such as power distance and other forces. Secondly, the data for the current study was collected through a web-based survey, as there was no physical interaction with the respondents that might impact the data quality. Thirdly, because of the nature and limitations of the study, a non-probabilistic sampling, i.e. snowball sampling, was employed to select the sample for the study without considering stratification based on employee designation and level of management. To avoid category asymmetries in the future, we suggest probability sampling to test control variable-related hypotheses. This present study is cross-sectional and unable to test behavioural change over time; therefore, further longitudinal research based on a multilevel framework may be conducted to draw more conclusive results. The present study investigates the relationship between IL, OJ and HAW with a single mediating variable WI; therefore, in future studies, research can incorporate a different set of mediators, such as self-efficacy, psychological safety, and diversity management in the OJ–HAW relationship association. Additionally, this study explored the role of a single leadership style (i.e. IL). Thus, to generalize the impact of leadership on employee life satisfaction, future researchers can consider other contemporary leadership styles, such as knowledge leadership, self-leadership, instrumental leadership and ethical leadership, to assess their impact on satisfaction with life among employees as well. Apart from leadership style, it will also be interesting to see the role of leader–member exchange in promoting the happiness of employees. Furthermore, the study found an insignificant direct relationship between IL and HAW, which is contrary to the expected assumption. Hence, future studies may investigate the relationship between IL and HAW with different moderating variables such as job satisfaction, work–life balance, diversity-related HR practices and power distance.

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