

# The Influence of Inclusive Leadership on Employees' Innovation Performance with the Mediating Effect of Organizational Learning Capacity and Knowledge Sharing in Manufacturing Industry of Guangzhou City, China

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**Abstract:** The manufacturing industry in Guangzhou, China, has undergone a significant transformation from labor-intensive processes to high-tech operations, necessitating continuous innovation to maintain competitive advantage. This study aims to investigate the influence of inclusive leadership on employees' innovation performance, with organizational learning capacity and knowledge sharing as mediating factors. Utilizing a quantitative research method, data was collected through structured questionnaires distributed to 400 employees in Guangzhou's manufacturing sector. Findings reveal that inclusive leadership positively impacts innovation performance by fostering an environment conducive to organizational learning capacity and knowledge sharing. This research contributes to understanding the critical role of inclusive leadership in driving innovation and provides practical recommendations for enhancing innovation capabilities in the manufacturing industry.

**Keywords:** inclusive leadership, employees' innovation performance, organizational learning capacity, knowledge sharing

## 1. Introduction

The manufacturing industry in China has long been a cornerstone of the global economy, showcasing unprecedented growth and transformation over the past few decades (Liu et al., 2020). Encompassing a broad spectrum of sectors from electronics and textiles to automotive production, China's manufacturing landscape has transitioned from labor-intensive processes to highly sophisticated, technology-driven production lines (Wu, 2021). This shift is driven by substantial investments in research and development, aimed at climbing the value chain and diminishing reliance on low-skill labor. As the world's largest manufacturing hub, China's industry plays a critical role in global supply chains but also faces

significant challenges such as rising labor costs, environmental concerns, and the need for sustainable practices (Cai & Luo, 2020). These evolving dynamics underscore the importance of continuous innovation for maintaining competitive advantage.

In this context, Guangzhou, a key city in China's economic miracle, exemplifies the diverse manufacturing base that characterizes the nation's industrial prowess. Known for its robust sectors in electronics, automotive, and textiles, Guangzhou's manufacturing firms are navigating the transition from traditional, labor-intensive practices to high-tech, sustainable operations (Peng et al., 2022). This transformation highlights the critical need for fostering an environment conducive to innovation.

Inclusive leadership emerges as a pivotal factor in this environment, defined by its emphasis on fair treatment, openness to diversity, shared understanding in communication, and fostering a sense of belonging (Perry et al., 2021). In Guangzhou's diverse workforce, such leadership is not just beneficial but essential (Chen, 2022). It helps in creating an organizational culture where every employee, regardless of their background or role, feels valued and empowered to contribute ideas. This inclusion is a key driver of innovation (Siyal et al., 2023).

Additionally, organizational learning capacity plays a crucial role. This capacity is built on several pillars: managerial commitment, systems perspective, openness to experimentation, and knowledge transfer and integration (Cabrilo & Dahms, 2020). In Guangzhou's fast-paced manufacturing sector, the ability to learn from both successes and failures and integrate these lessons into everyday practices is vital for sustained innovation.

Complementing this is the mechanism of knowledge sharing, which involves the dissemination of explicit, implicit, and tacit knowledge within the organization (Diab, 2021). A workplace that promotes free knowledge sharing significantly enhances the innovation process (Akram et al., 2020). In Guangzhou, where rapid dissemination and application of knowledge can determine market leadership, fostering a culture of knowledge sharing is crucial.

The interplay between inclusive leadership, enhanced organizational learning capacity, and robust knowledge-sharing practices aims to drive innovation performance. This performance is evidenced by the generation of new ideas, supportive innovation behaviors, and tangible outcomes—new or improved products, processes, and services (Hameed et al., 2021). For Guangzhou's manufacturing firms, the ability to innovate is not just a measure of current success but a predictor of future growth and sustainability.

At the heart of China's economic engine lies the manufacturing industry of Guangzhou, a sector integral to the country's rapid rise on the global stage (Wen et al., 2022). This industry, characterized by a diverse mix of electronics, automotive, and textile manufacturing, has evolved from labor-intensive operations to become a leader in technology-driven progress (Qu et al., 2020). However, despite this remarkable transformation, the sector faces significant challenges that could impede its continued success and innovation capacity. The shift towards high-tech and sustainable operations, while necessary, introduces a complex array of issues that must be addressed to maintain the industry's competitiveness and growth.

Central to these challenges is the need for inclusive leadership within Guangzhou's diverse workforce. Leadership that fosters fairness, openness, and a sense of belonging is critical (Ashikali et al., 2021). Without these qualities, there is a risk of creating environments where employees do not feel valued or empowered, stifling potential innovation and collaboration. This leadership gap is a fundamental issue: without inclusive and empowering leadership, the manufacturing industry cannot fully harness the creative and innovative potential of its workforce.

Moreover, the industry's need for a robust organizational learning capacity is pressing. The global manufacturing landscape's dynamic nature demands constant adaptation and learning (Lu et al., 2022). However, many firms struggle to build this capacity, especially in areas like managerial commitment, openness to experimentation, and knowledge integration and transfer (Dai et al., 2021). A deficiency in a learning-oriented culture can lead to stagnation, hindering effective responses to emerging challenges and opportunities. Without enhanced organizational learning, the industry's innovation engine risks sputtering.

Furthermore, effective knowledge sharing within organizations is a crucial component of the innovation process. The seamless exchange of explicit, implicit, and tacit knowledge is vital for sustaining innovation efforts (Kumar et al., 2024). Barriers to free information flow can significantly impede innovation, curtailing the sector's ability to adapt swiftly to market changes. Inadequate knowledge-sharing mechanisms thus pose a critical hurdle, slowing innovation and diminishing the industry's competitive edge in a rapidly evolving global market.

In summary, these leadership and organizational challenges hinder the industry's ability to sustain high levels of innovation performance. Generating new ideas, fostering supportive innovation behaviors, and achieving tangible outcomes are all jeopardized (Al Daboub et al., 2024). This poses a significant risk to the sector's competitive standing and future growth prospects. Therefore, there is an urgent need to explore the factors driving or hindering innovation in Guangzhou's manufacturing sector.

In addressing these issues, this study aims to bridge gaps in understanding the interplay between inclusive leadership, organizational learning, and knowledge sharing, and their collective impact on employees' innovation performance. By tackling these core challenges, the research seeks to provide practical recommendations for Guangzhou's manufacturing firms and contribute to the global discourse on fostering innovation in industries at the forefront of technological and sustainable transformation. This exploration holds potential to chart a path for ensuring the long-term viability and competitiveness of the manufacturing sector, both within China and globally.

## **2. Literature Review**

### **2.1 Previous Studies on Inclusive Leadership and Employees' Innovation Performance**

This section aims to explore the relationship between inclusive leadership and employees' innovation performance. By examining various studies, this section intends to uncover how leadership practices that emphasize inclusivity, respect, diversity, and open communication can significantly bolster innovation performance.

Recent studies endorse the notion that inclusive leadership plays a pivotal role in amplifying employees' innovation performance. Shafi et al. (2023) elaborate on how such leadership practices foster an environment ripe for innovation by encouraging a culture where diversity is celebrated, and open communication is prioritized, thus enabling a plethora of experiences and viewpoints to come to the fore. This approach is seen as fundamental in creating a conducive atmosphere for novel ideas. In a similar vein, Siyal et al. (2023) underscore the significance of making every team member feel valued and heard, positing that involving diverse team members in the decision-making process not only strengthens their sense of belonging but also elevates their motivation to engage creatively. The study points out that by employing strategies like structured brainstorming and acknowledging diverse contributions, leaders can democratize the innovation process, tapping into the collective intelligence of the team. On the other hand, Bataineh et al. (2022) emphasized the importance of promoting a culture of continuous learning and adaptability, arguing that by creating a safe space for employees to experiment and learn from failures, inclusive leaders are laying the groundwork for sustained innovation and competitive advantage. These viewpoints underscore the complexity of the relationship between leadership practices and innovation performance, suggesting that a multifaceted approach, incorporating elements of cultural celebration, procedural inclusivity, and a supportive learning environment, is crucial for harnessing the full potential of inclusive leadership in fostering employee innovation.

### **2.2 Previous Studies on Inclusive Leadership and Organizational Learning Capacity**

This section aims to explore the pivotal role of inclusive leadership in enhancing organizational learning capacity. Through a review of existing literature, this section analyzes how leadership practices that emphasize inclusivity, diversity, and openness contribute significantly to enhancing organizational learning capacity.

In exploring the dynamics between inclusive leadership and organizational learning capacity, Tran & Choi (2019) posit that leaders who embrace inclusivity and diversity are pivotal in fostering a conducive environment for

organizational learning. They highlight how such leadership enhances communication and collaboration among diverse team members, thereby broadening the organization's knowledge base and encouraging innovation. Similarly, Walker (2020) underscores the significance of inclusive leadership in creating a culture that perceives mistakes as learning opportunities, promoting a shift towards valuing trust, openness, and psychological safety. This environment encourages employees to take calculated risks, facilitating rapid adaptation to change through iterative learning. Both studies accentuate the role of inclusive leadership in promoting diversity of thought and a supportive atmosphere where failures are seen as steps towards innovation, thus enriching the organization's pool of ideas and strategies for problem-solving. Conversely, Hassan & Jiang (2021) focus on the mechanism through which inclusive leadership bolsters organizational learning capacity by engaging all team members in the decision-making process, thereby fostering a sense of ownership and commitment. This approach not only harnesses a wider array of perspectives but also cultivates a cohesive and motivated team atmosphere conducive to learning and innovation. These findings showcase the nuanced ways through which inclusive leadership facilitates a learning-oriented culture, emphasizing the need for a diverse and engaged workforce capable of responding to changing market demands through continuous learning and adaptation.

### **2.3 Previous Studies on Organizational Learning Capacity and Employees' Innovation Performance**

This section aims to explore the intricate relationship between organizational learning capacity and employees' innovation performance. Through an analysis of various studies, this section analyzes how organizations that prioritize learning and knowledge sharing create a fertile ground for innovation, enabling employees to continuously generate novel ideas and solutions.

Recent studies highlight a strong agreement among scholars regarding the beneficial impact of organizational learning capacity on employees' innovation performance. Otioma (2023) underscores the significance of cultivating a learning culture within organizations to bolster employee innovation, positing that a continuous learning environment not only fosters curiosity and experimentation but also seamlessly incorporates learning into daily operations, thereby making innovation a regular, rather than intermittent, process. This approach encourages employees to venture beyond their usual boundaries, facilitating the creation of new products, services, and methodologies. In a similar vein, Ashraf et al. (2023) argue that a robust learning culture serves as a foundation for innovation by enabling the acquisition and dissemination of new knowledge. They suggest that such a culture transcends formal training, embedding itself within daily interactions and workflows, which renders the innovation process more instinctive and accessible to all staff members. Furthermore, leadership practices that support learning and tolerate innovative failures play a pivotal role in empowering employees to explore and implement novel ideas. Inthavong et al. (2023) also find a positive link between organizational learning capacity and innovation performance, emphasizing the role of collaborative learning environments and access to diverse knowledge sources in enhancing both individual creativity and collective intelligence. They advocate for the strategic development of learning practices, such as mentoring programs, cross-functional teams, and knowledge management systems, to magnify employees' innovative capabilities. These opinions underscore the complex interplay between organizational learning practices and innovation performance, illustrating the strategic importance of cultivating a learning-centric organizational environment in today's rapidly evolving business landscape.

### **2.4 Previous Studies on Inclusive Leadership and Knowledge Sharing**

This section aims to dissect the ways in which inclusive leadership practices contribute to creating a culture where knowledge is freely exchanged, valued, and utilized as a strategic asset.

Recent studies converge on the understanding that inclusive leadership significantly benefits knowledge sharing within organizations. Morinaga et al. (2023) delineate how leaders who foster diversity and inclusivity are crucial in creating an environment where knowledge exchange is prevalent. They argue that such leadership qualities as empathy,

openness, and a dedication to equality not only establish psychological safety among team members but also actively encourage the dissemination of insights and information, thereby enhancing collective intelligence and organizational innovation. In a similar vein, Shafi et al. (2020) highlight the role of inclusive leadership in dismantling hierarchical and interpersonal barriers that impede knowledge flow. They note that by promoting values of equality, respect, and open dialogue, inclusive leaders cultivate a collaborative culture that surpasses organizational silos, thereby augmenting the organization's capacity for learning and adaptation. Further echoing these findings, Yoo et al. (2022) underscore the strong positive correlation between inclusive leadership and a culture conducive to knowledge sharing. They point out that inclusive leadership practices, such as instilling trust, involving all members in decision-making, and valuing diverse perspectives, not only encourage knowledge exchange but also enhance the organization's agility and responsiveness to change. These studies not only affirm the strategic advantage of inclusive leadership in fostering an environment where knowledge sharing thrives but also detail the mechanisms through which such leadership molds the organizational culture, thereby enhancing performance, adaptability, and resilience amidst complex challenges.

## **2.5 Previous Studies on Knowledge Sharing and Employees' Innovation Performance**

This section aims to explore the intricate relationship between knowledge sharing and employees' innovation performance. It explores the foundational premise that fostering an environment where knowledge is freely exchanged among employees not only enriches the innovative capabilities of individuals but also propels the innovation performance.

Recent studies converge on the notion that knowledge sharing plays a pivotal role in bolstering employees' innovation performance. Kumar et al. (2024) emphasized the direct positive impact of knowledge exchange among employees, noting that this practice spurs a significant uptick in innovative ideas and solutions by fostering fertile grounds for the emergence of novel concepts and substantially reducing the learning curve for newcomers. This, in turn, speeds up the skill enhancement across the workforce, creating an environment ripe for innovation. They point to mechanisms such as enhanced opportunities for cross-functional collaboration and the dismantling of organizational silos as key contributors to innovation. In a similar vein, Zan et al. (2024) underscore the importance of structured knowledge dissemination across organizational levels and departments, arguing that it not only democratizes information access but also nurtures a culture of mutual learning and respect. This accessibility to a variety of insights and competencies encourages a holistic and multifaceted approach to problem-solving, thereby fostering innovation. They highlight the role of mentorship programs and interdisciplinary teams in catalyzing innovation by encouraging exploration beyond one's immediate expertise, thus enriching the organization's innovation ecosystem. Conversely, Le & Ha (2023) focus on the mechanisms of facilitating knowledge sharing, like digital collaboration tools and structured knowledge exchange sessions, and their profound impact on organizational innovation. They argue that such systematic efforts enable employees to leverage each other's ideas and expertise, cultivating a collaborative atmosphere conducive to innovation. Additionally, they discuss the psychological advantages of knowledge sharing, including heightened employee engagement and a stronger sense of belonging, which further motivate individuals to partake in innovative activities. These studies affirm the critical importance of fostering a knowledge-sharing culture to unlock the innovative potential of employees, though they advocate for varying approaches to optimizing this practice within organizations.

## **3. Research Methodology**

### **3.1 Research Design**

The research design adopted for this study is the quantitative research method. Quantitative research is characterized by the systematic empirical investigation of observable phenomena via statistical, mathematical, or computational techniques (Bloomfield & Fisher, 2019). The main purpose of using a quantitative approach in this study is to quantify the relationship between inclusive leadership and employees' innovation performance while assessing the mediating effects of organizational learning capacity and knowledge sharing in the manufacturing industry of Guangzhou, China.

Quantitative research is suited to this study for several reasons. Firstly, it allows for precise measurement of variables and the examination of relationships among them (Hodge, 2020). Variables such as leadership styles, innovation outputs, and the frequency and quality of knowledge sharing activities are quantifiable and can be systematically analyzed to infer causal relationships. Secondly, this approach facilitates the generalization of results to a broader population (Mohajan, 2020). By employing techniques such as surveys and structured observations, data collected from a sample can be extrapolated to represent a larger group, provided the sampling is done appropriately (Skinner, 2020).

Moreover, quantitative methods enable the researcher to test hypotheses developed from the theoretical framework (Sürücü & Maslakçi, 2020). In this research, hypotheses concerning the influence of inclusive leadership on innovation performance are tested using statistical methods. The use of statistical analysis helps in validating the hypotheses with a degree of certainty that qualitative methods may not provide (Sardana et al., 2023). The clarity and preciseness of quantitative data also support the objectivity of the research findings, minimizing personal biases in data interpretation (Habes et al., 2021). Considering the extensive manufacturing sector in Guangzhou, the study can benefit from a method that efficiently processes and analyzes large volumes of data to produce statistically significant insights. In conclusion, the quantitative research method is indispensable for this study due to its precision, objectivity, and the ability to generalize findings. By employing a quantitative approach, this research aims to provide a comprehensive understanding of how inclusive leadership influences innovation performance through mechanisms like organizational learning capacity and knowledge sharing within the manufacturing industry of Guangzhou, China.

### 3.2 Population and Sample Size

The research focuses on the manufacturing industry in Guangzhou, which, as reported by the "Research report on the reform of the construction of workers in the manufacturing industry in Guangzhou," employed approximately 1.167 million individuals as of 2023. Given the sizeable population of employees in the manufacturing sector of Guangzhou, determining an appropriate sample size for the quantitative portion of the study is critical for ensuring the reliability and validity of the research findings. Utilizing the Raosoft sample size calculator, a widely recognized tool for statistical sampling analysis, the calculated sample size necessary for the quantitative research component is 385 individuals. However, accounting for potential issues such as non-response, incomplete questionnaires, and other factors that might result in unusable data, the study plans to distribute 400 surveys to employees working in Guangzhou's manufacturing industry. This decision to exceed the calculated sample size is a precautionary measure to ensure that the final sample is representative and robust enough for meaningful analysis.

The rationale for selecting 400 as the sample size extends beyond compensating for potential data loss; it also aligns with scholarly precedents that demonstrate the adequacy of this sample size for quantitative studies within similar research domains. Literature on organizational behavior and industrial psychology often cites sample sizes in the range of 300 to 500 participants as sufficient for capturing diverse employee perspectives and for conducting complex statistical analyses (D'souza et al., 2020; Hemming et al., 2020), such as Structural Equation Modeling (SEM), which is planned for this study. Moreover, the choice of a random sampling method to distribute the surveys reinforces the study's commitment to obtaining a sample that accurately reflects the broader population of manufacturing employees in Guangzhou. Random sampling minimizes selection bias, enhancing the generalizability of the research findings to the entire population of interest.

### 3.3 Sampling

The sampling strategy for the quantitative component of this study is designed to accurately reflect the dynamics within the manufacturing industry in Guangzhou. Recognizing the critical role of a well-constructed sample in the validity and reliability of research findings, a cluster sampling method is employed to select participants from this extensive population. Cluster sampling involves the division of a population into smaller units referred to as clusters. By randomly

selecting and sampling from these clusters, this process enhances the validity of the research results. Random sampling is chosen for its strength in minimizing selection bias, ensuring that every individual within the target population has an equal chance of being included in the study (Berndt, 2020).

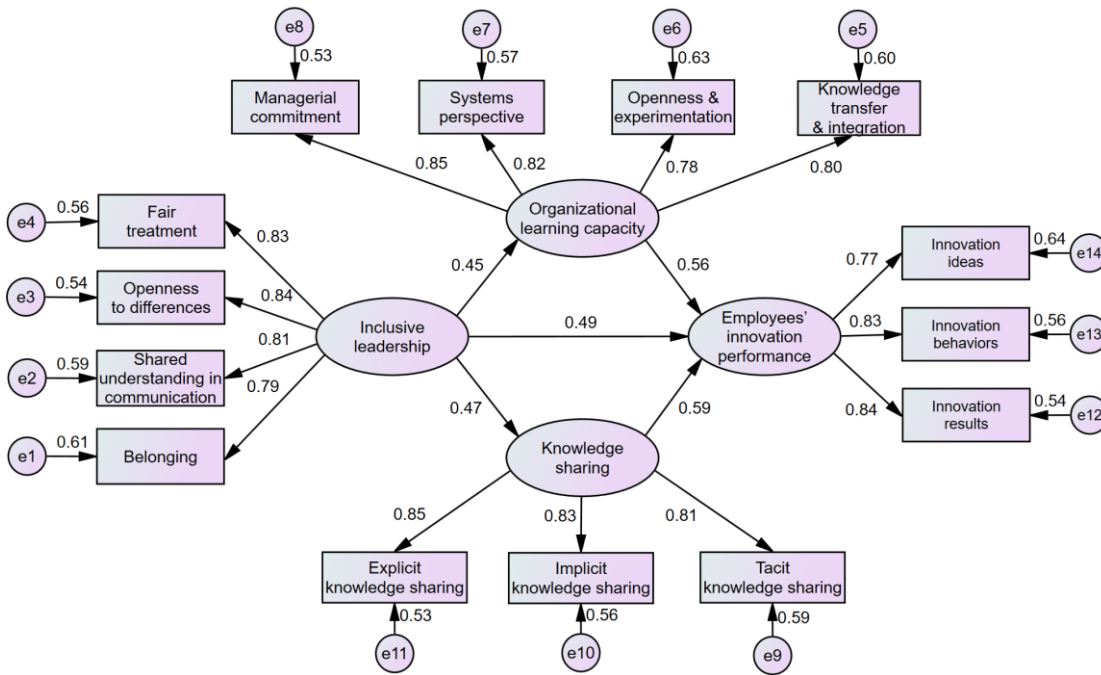
### **3.4 Research Instrument**

The primary research instrument for the quantitative analysis in this study is a structured questionnaire, designed to gather comprehensive data from employees in the manufacturing industry of Guangzhou. This questionnaire is divided into two distinct sections, each serving a specific purpose in the context of the research objectives. The first section of the questionnaire is dedicated to collecting demographic information from the respondents. This includes age, gender, education level, years of work experience, and position within the company. The purpose of gathering these demographic variables is twofold. Firstly, it allows for a thorough understanding of the composition of the research sample, ensuring that it is representative of the broader population within Guangzhou's manufacturing sector. Secondly, this demographic data provides the basis for subsequent analyses to explore potential variations in the impact of inclusive leadership, organizational learning capacity, and knowledge sharing on innovation performance across different employee segments.

The second section of the questionnaire focuses on the main latent variables of the study: inclusive leadership, organizational learning capacity, knowledge sharing, and innovation performance. The question items in this section are carefully designed and adjusted based on scales and items from previous studies that have demonstrated reliability and validity in measuring these constructs. This approach ensures that the questionnaire is grounded in established theoretical frameworks while being tailored to the specific context of this research. By employing a structured questionnaire that combines demographic data with detailed assessments of the core constructs of the study, the quantitative analysis method is poised to yield rich, actionable insights. This research instrument is meticulously designed to capture the nuances of how inclusive leadership and organizational practices influence innovation performance, providing a solid foundation for data analysis and interpretation in the context of Guangzhou's manufacturing industry.

## **4. Research Findings and Discussion**

To explore the relationship between inclusive leadership (IL), organizational learning capacity (OLC), knowledge sharing (KS) and employees' innovation performance (EIP) in Manufacturing Industry of Guangzhou City, China, the study utilized SEM (Structural Equation Modeling) path analysis and acquired the following analysis results presented in figure 1.



**Figure 1** SEM (Structural Equation Modeling) path analysis results

Bootstrap method was utilized to explore the mediating effect of organizational learning capacity and knowledge sharing, with analysis results presented in **Table 1**.

**Table 1** Analysis results of mediating effect of organizational learning capacity and knowledge sharing

Standard effect	Path	Effect coefficient	95% confidence interval		S.E.	P-value	Results
			Lower	Upper			
Total effect	IL --->EIP	0.748	0.697	0.799	0.026	***	Mediating effect
Direct effect	IL --->EIP	0.494	0.447	0.541	0.024	***	
Indirect effect	IL-->OLC---> EIP	0.254	0.213	0.295	0.021	***	
Total effect	IL --->EIP	0.769	0.720	0.818	0.025	***	Mediating effect
Direct effect	IL --->EIP	0.494	0.447	0.541	0.024	***	
Indirect effect	IL-->KS---> EIP	0.275	0.232	0.318	0.022	***	

Based on above analysis results, the study summarizes the major findings as follows:

(1) Inclusive Leadership Influences Employees' Innovation Performance

The analysis reveals a strong positive correlation between inclusive leadership and employees' innovation performance in Guangzhou's manufacturing industry. Inclusive leadership, characterized by fairness, openness, and encouragement of diverse perspectives, creates an environment where employees feel valued and empowered to share and implement innovative ideas. The data indicates that employees under inclusive leadership are more likely to engage in creative problem-solving and propose new methods and products, thus enhancing overall innovation performance. This finding aligns with the works of Shafi et al. (2023) and Siyal et al. (2023), who emphasize that inclusive leadership fosters a culture conducive to innovation by promoting a sense of belonging and motivation among employees.

(2) Inclusive Leadership Influences Organizational Learning Capacity

The study further demonstrates that inclusive leadership significantly enhances organizational learning capacity.



Leaders who prioritize inclusivity facilitate better communication and collaboration across diverse teams, which broadens the organization's knowledge base and fosters an environment of continuous learning. Tran & Choi (2019) and Walker (2020) support these findings, highlighting that inclusive leadership promotes a culture where mistakes are seen as learning opportunities, thus encouraging employees to take risks and experiment. This environment is crucial for organizational learning, as it allows for the integration of new knowledge and practices, ultimately leading to sustained innovation.

### (3) Organizational Learning Capacity Influences Employees' Innovation Performance

A strong organizational learning capacity is shown to positively impact employees' innovation performance. The data suggests that organizations that prioritize learning and adaptability enable their employees to generate and implement innovative ideas more effectively. Otioma (2023) and Ashraf et al. (2023) argue that a culture of continuous learning fosters curiosity and experimentation, which are essential for innovation. By embedding learning into daily operations and encouraging knowledge dissemination, organizations can maintain a steady flow of innovation. This capacity for organizational learning not only facilitates the generation of new ideas but also ensures that these ideas are successfully integrated and implemented.

### (4) Inclusive Leadership Influences Knowledge Sharing

Inclusive leadership is also found to have a significant positive effect on knowledge sharing within organizations. Leaders who foster inclusivity and respect create a psychologically safe environment where employees feel comfortable sharing their knowledge and insights. Morinaga et al. (2023) and Shafi et al. (2020) highlight that inclusive leadership dismantles barriers to knowledge flow, promoting open dialogue and collaboration. This, in turn, enhances the collective intelligence of the organization and drives innovation. The study confirms that inclusive leadership not only facilitates the exchange of explicit knowledge but also encourages the sharing of tacit knowledge, which is crucial for innovation.

### (5) Knowledge Sharing Influences Employees' Innovation Performance

The findings indicate that knowledge sharing significantly enhances employees' innovation performance. Organizations that promote the free exchange of knowledge create an environment where employees can learn from each other and build on each other's ideas. Kumar et al. (2024) and Zan et al. (2024) emphasize that structured knowledge dissemination and collaboration across departments foster a culture of mutual learning and respect, which is conducive to innovation. By enabling employees to leverage a diverse array of insights and competencies, organizations can enhance their problem-solving capabilities and drive innovation.

### (6) Organizational Learning Capacity as a Mediating Role

The study confirms that organizational learning capacity mediates the relationship between inclusive leadership and employees' innovation performance. Inclusive leadership enhances organizational learning capacity, which in turn positively impacts innovation performance. This mediating role is critical as it highlights the importance of creating a learning-oriented culture to fully realize the benefits of inclusive leadership. Hassan & Jiang (2021) and Inthavong et al. (2023) support this view, arguing that inclusive leadership fosters a sense of ownership and commitment among employees, which enhances their learning and innovation capabilities. The data underscores that without a strong organizational learning capacity, the potential of inclusive leadership to drive innovation may not be fully realized.

### (7) Knowledge Sharing as a Mediating Role

Similarly, knowledge sharing mediates the relationship between inclusive leadership and employees' innovation performance. Inclusive leadership fosters an environment conducive to knowledge sharing, which in turn enhances innovation performance. This mediating effect highlights the importance of facilitating open communication and collaboration to maximize the impact of inclusive leadership on innovation. Yoo et al. (2022) and Le & Ha (2023) emphasize that inclusive leadership practices, such as involving all team members in decision-making and valuing diverse perspectives, create a culture where knowledge is freely exchanged and utilized strategically. The study confirms that effective knowledge sharing mechanisms are essential for translating the inclusive leadership into tangible innovation

outcomes.

## 5. Conclusion

The study concludes that inclusive leadership significantly enhances employees' innovation performance in Guangzhou's manufacturing industry by fostering a culture of fairness, openness, and diverse perspectives. This leadership style promotes organizational learning capacity and knowledge sharing, both of which are critical mediating factors that amplify the impact of inclusive leadership on innovation. By cultivating an environment where employees feel valued and empowered to share and implement new ideas, inclusive leadership drives continuous learning and the free exchange of knowledge, thus ensuring sustained innovation performance. These findings underscore the importance of strategic leadership practices in maintaining the competitive edge and growth of Guangzhou's manufacturing sector.

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