

Antecedents of Workplace Inclusion and Happiness at Work in AWACH SACCOS, Ethiopia: The Moderating Role of Perceived Organizational Support

By

Hermon Gebremariam

A thesis submitted to the College of Business and Economics of Addis Ababa University in partial fulfillment of the requirements for MSc in Management (International Business)

Advisor: Zelalem Gebretsadik (PhD)

June, 2026

Addis Ababa, Ethiopia

Declaration

I hereby declare that the research project entitled “Antecedents of Workplace Inclusion and Happiness at Work in AWACH SACCOS, Ethiopia: The Moderating Role of Perceived Organizational Support” submitted in partial fulfillment of the requirements for the award of the degree of master of Business and Economics of Addis Ababa University. This project work has not been submitted to any other school/institute. This project work has been carried out under the guidance and supervision of my advisor, Dr. Zelalem Gebretsadik.

Researcher’s Name: Hermon G/mariam

Signature: 

Date: 23/06/2026

Approval Page

Addis Ababa University

College of Business and Economics

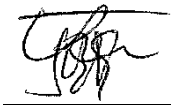
Department of Management

"Antecedents of Workplace Inclusion and Happiness at Work in AWACH SACCOS, Ethiopia: The Moderating Role of Perceived Organizational Support"

By: Hermon Gebremariam (GSE/8936/16)

Advisor: Zelalem Gebretsadik

Members of the Board of Examiners

Dr Zelalem Gebretsadik		23/06/2023
Advisor	Signature	Date
Dr Muhammedamin Hussen		23/06/2023
External examiner	Signature	Date
Dr Yohannes Workaferahu		23/06/2023
Internal Examiner	Signature	Date

Acknowledgments

First and foremost, I would like to thank the Almighty God for giving me the ability and knowledge to pursue this research study. I also would like to thank St. Virgin Mary.

Next, I would like to express my deepest gratitude to my supervisor, Dr Zelalem Gebretsadik, who has been a very loyal friend to me and has given me endless advice and guidance, which has helped me achieve this result. Finally, I would like to thank my friend seme and my sister who have been by my side, supporting, helping and encouraging me in many ways. Thank you so much this is what I can say.

Table of Contents

Declaration 2
Acknowledgments 4
Abstract 8
List of Tables 9
List of Figures 9
List of Abbreviations 10
CHAPTER ONE 11
1. INTRODUCTION 11
1.1. Background of the study 11
1.2 Statement of the Problem 13
1.3 Objective of the study 15
1.4 Research Hypotheses 15
1.8 Limitation of the study 19
1.9 The flow of the Study 19
CHAPTER TWO 20
2. LITERATURE REVIEW 20
2.1 Introduction 20
2.2 Theoretical Framework 20
2.2.1 Organizational Support Theory (OST) 20
2.2.2 Social Exchange Theory (SET) 21
2.2.3 Leader-Member Exchange (LMX) Theory 22
2.2.4. Optimal Distinctiveness Theory (ODT) 24
2.3 Empirical Review 26
2.3.1 Happiness at Work 26
2.3.2 Antecedent Factors 27
2.4 Interrelationships among the Constructs and Hypothesis Development 31
2.4.1 Psychological Safety and Workplace Inclusion (Direct Effect) 32
2.4.2 Inclusive Leadership and Workplace inclusion 33
2.4.3 Organizational Justice and workplace Inclusion 34

2.4.4 Mediating Effect 35
2.4.5 Moderating effect 38
2.5 conceptual framework 40
2.6 The Research Gap 41
2.7 Empirical Context of AWACH SACCOS 42
CHAPTER THREE 43
3. RESEARCH METHODOLOGY 43
3.1 Introduction 43
3.2 Research approach and design 43
3.3 Sample Size Determination 43
3.4 Study Area and Target Population 44
3.5 Sampling Technique 45
3.6 Instruments and Measurement 45
3.6.1 General information schedule (GIS) 46
3.6.2 Measurement of Inclusive Leadership 46
3.6.3 Measurement of organizational justice 46
3.6.4 Measurement of Psychological safety 46
3.7 Data collection 48
3.8 Data Analysis 48
3.9 Ethical Considerations 48
CHAPTER FOUR 49
4. DATA ANALYSIS AND INTERPRETATION 49
4.1 Introduction 49
4.2 Data examination 49
4.3 Response Rate 49
4.5 Descriptive statistics 50
4.6 The PLS-SEM Algorithm and Bootstrapping. 52
4.7 Measurement Model Assessment 53
4.7.1 Reliability Assessment 54
4.7.2 Validity Assessment 58
4.8 Structural model Analysis 62
4.8.1 Assessment of Collinearity Issues between Constructs 64

4.8.2 Assessment of the significance and relevance of the structural relationships 65
4.8.3 Coefficient of determination (R2) 71
4.8.4 Predictive Relevance (Q2) 72
4.8.5 F-square analysis 73
4.8.6. Moderation Analysis Results 74
CHAPTER FIVE 82
CONCLUSIONS AND RECOMMENDATIONS 82
5.1 Conclusion 82
5.2. Discussion and Theoretical Implications 84
5.3 Recommendation 86
5.4 Limitations 87
5.5 Future Research Directions 87
Reference 88
Appendices 99

Abstract

The purpose of this study is to examine the relationships between Inclusive Leadership, psychological safety and Organizational Justice on employees' Happiness at Work. Utilizing the mediating impact of Workplace Inclusion and the moderating effect of perceived organizational support. The research involved a cross-sectional study with a quantitative methodology, collecting data from 200 employees working in AWACH SACCOS. The data was collected online using Google Forms through a questionnaire and analyzed using smart PLS version 4.1.0.6.The hypothesis testing outcomes reveal several key findings, positive significant relationship between PS and WI, H1 supported (β= 0.274, p = 0.000); positive correlation between WI and IL, H2 supported (β= 0.219, p = 0.003); no statistically significant relationship between WI and OJ, H3 not supported (β= -0.000, p = 1.000); positive significant relationship between WI and HAW ,H4 supported (β= 0.255, p = 0.008). Significant direct effect (β= 0.274, p = 0.000) of PS on WI and significant indirect effect (*β*=0.070, *p*=0.012*)* of PS on HAW through WI. H5, is a partial mediation. Significant direct effect (β= 0.219, p = 0.003) of IL on WI and significant indirect effect (*β*=0.056, *p*=0.055*)* of IL on HAW through WI, H6 is partial mediation. Insignificant direct effect (β= -0.000, p = 1.000) of OJ on WI and an insignificant indirect effect (β= -0.000, p = 1.000) of OJ on HAW through WI, H7, there is no mediation. No statistical evidence for a significant moderating effect of POS on the PS-WI relationship (p = 0.763 > 0.05, t = 0.302 < 1.96), H8 is rejected. T-value of 2.618 (which exceeds the standard 1.96 threshold) and a p-value of 0.009 (p < 0.05), therefore, H9 is rejected. Significant effect of POS on the OJ-WI (p = 0.007 < 0.05, t = 2.701 > 1.96, β = 0.149).Therefore, H10 is accepted. The relationship (p = 0.148 > 0.05, t = 1.446 < 1.96, f^2 = 0.012) therefore, H11 is rejected. Addressing a gap in the literature on employee well-being in African cooperative institutions, this study is among the first to empirically test a moderated mediation model linking PS, IL, and OJ to HAW via WI in an Ethiopian SACCOS. This study drawing on Organizational Support Theory (OST), Social Exchange Theory (SET), Leader-Member Exchange (LMX) Theory and Optimal Distinctiveness Theory (ODT), the study develops and tests 11 hypotheses.

Keywords- *Inclusive Leadership, Organizational justice, Psychological safety, Workplace inclusion, perceived organizational support and Happiness at work.*

List of Tables

Table 1: Operational Definition 17
Table 2: Theory-hypothesis mapping table 25
Table 3: Response rate 49
Table 4: Demographic characteristics 50
Table 5: Descriptive Statistics 51
Table 6: Reliability 56
Table 7: Outer loadings 57
Table 8: Fornell-Larcker criterion for discriminant validity 60
Table 9: Heterotrait-monotrait ratio (HTMT) – Matrix 61
Table 10: Cross-Loading 61
Table 11: Collinearity Statistics (VIF)-Inner model 64
Table 12: Hypothesis testing results (Direct effects) 68
Table 13: Mediation Analysis Results 71
Table 14: Explanatory power (R2) 72
Table 15: predictive relevance (Q2) 73
Table 16: Effect size (f2) 74
Table 17: Moderation effect Analysis Results 75

List of Figures

Figure 1 Conceptual framework model 41
Figure 2: PLS-SEM working model 53
Figure 3: Bootstrapping Working model 63
Figure 4: slope analysis graph POS x PS 76
Figure 5: slope analysis graph POS x IL 77
Figure 6: slope analysis graph POS x OJ 79
Figure 7: slope analysis graph POS x WI 81

List of Abbreviations

AVE	Average Variance Extracted
CB-SEM	covariance-based techniques Structural Equation Modeling
CR	Composite Reliability
GIS	General information schedule
HAW	Happiness at Work
HTMT	Heterotrait-monotrait
IL	Inclusive Leadership
LMX	Leader-Member Exchange
LV	Latent Variable
ODT	Optimal Distinctiveness Theory
OJ	Organizational Justice
OST	Organizational Support Theory
PLS-SEM	partial least square equation modeling
POS	Perceived Organizational Support
PS	Psychological Safety
SACCOS	saving and credit cooperative Society
SEM	Structural Equation Modeling
SET	Social Exchange Theory
SIT	Social Identity Theory
SPSS	Statistical Product and Service Solutions
VIF	Variance Inflation Factor
WI	Workplace Inclusion

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

"Happiness" is a widely recognized phenomenon, acknowledged as a fundamental human need across diverse cultures(Roy[1] & Konwar, 2023). Happiness encompasses feelings of hope, optimism, and satisfaction, representing a subjective state of human emotions characterized by joy, contentment, and a sense of well-being, derived from perceiving life as meaningful and rewarding (Boehm & Lyubomirsky, 2008). It is intricately linked to an individual's subjective well-being, encompassing their overall assessment of life, including both emotional and cognitive evaluations of moods and emotions (Kesebir & Diener, 2014). The two well-known stances of happiness are hedonism and eudemonism (DeHaan & Ryan, 2014). The hedonic approach points to subjective well-being, which refers to the existence of positive and absence of negative emotions and feeling of life satisfaction (Goel & Singh, 2025) On the other hand, eudemonic happiness indicates psychological well-being as a result of living a healthy and meaningful life filled with chances for self-progression (Goel & Singh, 2025) .Happiness is the ultimate term that is used to characterize a healthy and prosperous life. People's happiness is greatly influenced by their workplaces, which give them access to resources that meet their primary and secondary needs on material, social, psychological, and emotional levels (Rego et al., 2011). Organizations usually acknowledge that their workforce gives them a competitive advantage. Most organizations find it challenging to keep their employees inspired and satisfied, as due to the highly competitive business environment, long working hours, excessive workload, and work-life imbalance, employees are constantly struggling to cope with their mental health and happiness (Russell, 2008). One of the main challenges facing the modern organizational world is keeping a happy workforce. However, keeping engaged and satisfied employees is a challenge for most organization. The cooperative sector in East Africa is particularly challenging in this regard. A significant portion of this workforce is disengaged due to poor labor relations, unsupportive workplace cultures, and ineffective management practices, despite the fact that cooperatives rely heavily on the enthusiasm and commitment of their employees to meet performance goals (Muteshi et al., 2025).

This trend is highly visible in Ethiopia's rapidly growing cooperative landscape. Within the cooperative sector specifically, Ethiopian SACCOs face documented challenges of weak institutional capacity, poor governance, and insufficient staff training and management practices conditions that research consistently links to low motivation and high employee exit intentions. While institutions like the AWACH SACCOS have achieved unprecedented structural and membership growth trajectories over the past decade, empirical evidence demonstrates that such rapid institutional expansion often exposes critical vulnerabilities in internal governance practices and administrative frameworks (Debela, Abegaz, Gebre, et al., 2025). According to (Debela, Abegaz, Gebre, et al., 2025); (Muteshi et al., 2025), Ethiopian cooperative financial institutions experience widespread employee burnout, decreased psychological safety, and increased turnover intentions when rapid growth surpasses internal administrative capacity, compromising organizational justice and weakening perceived organizational support. HAW is defined as "happy feelings toward the job itself, job characteristics, and the organization as a whole"(Salas- Vallina et al., 2017), (Goel & Singh, 2025) conceive HAW as a subjective feeling of well-being at work that entails interaction between employee and organizational experiences. They define HAW as "an experience of subjective well-being at work reflected through a high amount of positive individual (highly valuing one's work, feeling engaged to work) and organizational (providing supportive work environment) experiences and low amount of negative individual and organizational experiences." HAW refers to the degree to which people experience positive emotions and job satisfaction (Choi, 2021). The level of employee happiness directly influences several positive organizational outcomes. Compared to unhappy workers, happy workers are more likely to be active, approachable, enthusiastic, engaged in their work, empathetic toward their co-workers, and tenacious when facing challenges (Choi, 2021). Employee creativity, leadership skills (Thakur & Roy, 2025), and innovation escalate when they are at peace or happy at work, which in turn results in a positive influence on organizations (Bani-Melhem et al., 2022).

The theoretical foundation of this study includes five key factors that affect HAW. Organizational justice, how workers perceive fairness at work. According to (Saygili et al., 2022),inclusive leadership is a management strategy that celebrates diversity, advances equity, and creates a setting where everyone feels valued, heard, and empowered. (Salas-Vallina et al., 2020); and psychological safety, which is the ability to take chances with others, speak up, dispute honestly,

and voice concerns without worrying about unfavorable consequences or being pressured to hide undesirable news (Petrov et al., 2023). These foundational drivers are hypothesized to converge and positively influence Workplace Inclusion, which acts as the central mediator in this framework. Fairness, leadership, and psychological safety all contribute to increased levels of engagement, contentment, and enjoyment. It also symbolizes an environment where workers feel valued and empowered (Qi et al., 2019). The addition of Perceived Organizational Support (POS), which measures how much workers feel their company appreciates their contributions and is concerned about their welfare, further complicates the approach (Aslan, 2019). Although earlier studies indicate that IL and OJ promote a sense of belonging and that strong POS amplifies this impact, ultimately increasing happiness (Jha et al., 2023); (Aslan, 2019), there is still a substantial gap. In particular, little research has been done on how POS might be strategically used as a moderator to increase the relationship between the independent variables, Workplace Inclusion, and HAW in the particular context of SACCOS (Debela, Abegaz, Bedada, et al., 2025); (Mamuli et al., 2025). In order to fill this gap, the current study looks into the complex relationships between PS, IL, and OJ (independent variables), the mediator WI, the moderator POS, and the dependent variable HAW specifically within AWACH SACCOS.

1.2 Statement of the Problem

Happiness at work (HAW) has emerged as a critical driver of employee engagement, productivity, and organizational sustainability. According to (Croitoru et al., 2025), organizations that fail to cultivate happy and inclusive work environments experience measurable declines in employee performance and retention. Research consistently identifies psychological safety, inclusive leadership, organizational justice, and perceived organizational support as foundational determinants of employee well-being and workplace inclusion (Jha et al., 2023; (Kurtessis et al., 2017). Within the cooperative sector, these challenges are especially acute. Cooperative organizations, including Savings and Credit Cooperative Societies (SACCOs), operate under unique structural constraints limited resources, weak governance frameworks, and inadequate management systems that make it difficult to sustain inclusive and supportive work cultures (El Azhari et al., 2024); (Mamuli et al., 2025). These internal and external barriers frequently result in employee disengagement, high turnover, and reduced organizational creativity, undermining the very member-centered mission that cooperatives are built upon (Mamuli et al., 2025). In the

Ethiopian context, these problems are compounded by a documented absence of inclusive leadership and systematic organizational support in cooperative institutions. According to (Debela, Abegaz, Bedada, et al., 2025) and (Njoki et al., 2021),leadership in Ethiopian SACCOs usually lacks the inclusive and supportive traits required to promote psychological safety and a sense of belonging among employees. Despite these acknowledged difficulties, there is still essentially no empirical study on how organizational justice, inclusive leadership, and psychological safety work together to create employee satisfaction in Ethiopian SACCOs.

In the context of AWACH SACCOS exemplifies this unresolved problem. Internal observations reveal persistent issues with fairness, unequal leadership, communication barriers, and insufficient organizational support all of which negatively affect employees' sense of fulfillment and belonging. While the cooperative has achieved notable operational successes, these are attributed to strategic decisions rather than deliberate, systematic efforts to enhance perceived organizational support or workplace inclusion (Debela, Abegaz, Bedada, et al., 2025). No study has yet examined how PS, IL, and OJ work together to influence HAW within this institution, how WI mediates and POS moderates these relationships. The problem is the absence of empirical evidence on how the combination of PS, IL, and OJ translates into employee happiness via workplace inclusion, and how perceived organizational support conditions this process, in the context of AWACH SACCOS. Without this evidence, organizational leaders and HR policymakers lack the data needed to design effective support systems and inclusive practices (Mamuli et al., 2025); (Debela, Abegaz, Bedada, et al., 2025). If these gaps are not filled, the cooperative's long-term viability may be jeopardized by employee disengagement and decreased production (Wardana et al., 2025).

Research Questions

1. What is the direct effect of Psychological Safety, Inclusive Leadership and Organizational Justice on Workplace Inclusion in AWACH SACCOS?
2. Does Workplace Inclusion mediate the relationship between Psychological Safety, Inclusive Leadership, Organizational Justice and Happiness at Work in AWACH SACCOS?
3. What is the direct effect of Workplace Inclusion on Happiness at Work in AWACH SACCOS?

4. To what extent does Perceived Organizational Support moderate the relationship between Workplace Inclusion and Happiness at Work in AWACH SACCOS?
5. To what extent does Perceived Organizational Support moderate the relationship between Psychological safety and Workplace Inclusion in AWACH SACCOS?
6. To what extent does Perceived Organizational Support moderate the relationship between Inclusive Leadership and Workplace Inclusion in AWACH SACCOS?
7. To what extent does Perceived Organizational Support moderate the relationship between Organizational Justice and Workplace Inclusion in AWACH SACCOS?

1.3 Objective of the study

The main objective of the research is to examine how psychological safety, inclusive leadership, and organizational justice influence happiness at work, with workplace inclusion as a mediator and perceived organizational support as a moderator, in AWACH SACCOS.

The specific objectives of the study are:

1. To examine the direct effect of Psychological Safety, Inclusive Leadership and Organizational Justice on Workplace Inclusion.
2. To investigate the mediating role of Workplace Inclusion in the relationship between Psychological Safety, Inclusive Leadership, Organizational Justice and Happiness at Work.
3. To analyze the direct effect of Workplace Inclusion on Happiness at Work.
4. To determine the moderating effect of Perceived Organizational Support on the relationship between Workplace Inclusion and Happiness at Work.
5. To examine the moderating effect of Perceived Organizational Support on the relationship between the independent variables (PS, IL, OJ) and Workplace Inclusion.

1.4 Research Hypotheses

Based on the research objective and current literature, the following hypotheses are proposed to guide the study of the relationship between inclusive leadership, organizational support, Psychological safety and happiness at work, both directly and through workplace inclusion.

H1: Psychological Safety (PS) is positively related to Workplace Inclusion (WI) in AWACH SACCOS.

H2: Inclusive Leadership (IL) is positively related to Workplace Inclusion (WI) in AWACH SACCOS.

H3: Organizational Justice (OJ) is positively related to Workplace Inclusion (WI) in AWACH SACCOS

H4: Workplace Inclusion (WI) is positively related to Happiness at Work (HAW) in AWACH SACCOS.

H5: Workplace Inclusion (WI) mediates the relationship between Psychological Safety (PS) and Happiness at Work (HAW).

H6: Workplace Inclusion (WI) mediates the relationship between Inclusive Leadership (IL) and Happiness at Work (HAW).

H7: Workplace Inclusion (WI) mediates the relationship between Organizational Justice (OJ) and Happiness at Work (HAW).

H8: Perceived Organizational Support (POS) positively moderates the relationship between Psychological Safety (PS) and Workplace Inclusion (WI), such that the relationship is stronger when POS is high.

H9: Perceived Organizational Support (POS) positively moderates the relationship between Inclusive Leadership (IL) and Workplace Inclusion (WI), such that the relationship is stronger when POS is high.

H10: Perceived Organizational Support (POS) positively moderates the relationship between Organizational Justice (OJ) and Workplace Inclusion (WI), such that the relationship is stronger when POS is high.

H11: Perceived Organizational Support (POS) positively moderates the relationship between Workplace Inclusion (WI) and Happiness at Work (HAW), such that the relationship is stronger when POS is high.

1.6 Operational Definition of Terms

Table 1: Operational Definition

Term	Definition	Operationalization	Source
Organizational Justice (OJ)	The perception of fairness in organizational processes, resource distribution, and interpersonal treatment, including distributive, procedural, and interactional justice. Fair treatment is consistently linked to higher workplace happiness and positive organizational behavior.	Measured using 8-item scale adapted from (Ndjaboué et al., 2012), rated on a 5-point Likert scale (1=strongly disagree, 5 = strongly agree).	(Fonsêca & Dourado, 2023)
Inclusive Leadership (IL)	Leadership behaviors that foster employee uniqueness, belongingness, appreciation, and support for organizational inclusion efforts IL motivate employees through respect, fair treatment, and supportive behavior, fostering well-being and happiness	Measured using 9-item scale adapted from (Carmeli et al., 2010a), rated on a 5-point Likert scale (1=strongly disagree, 5 = strongly agree).	(Jha et al., 2023)(I. Lee & Shin, 2018), (Salas-Vallina et al., 2020).
Psychological Safety (PS)	refers to a shared belief among team members that the workplace is safe for interpersonal risk-taking meaning individuals feel comfortable expressing ideas, asking questions, admitting mistakes, or voicing concerns without fear of embarrassment, rejection, or negative consequences to their status or career	Measured using 5-item scale adapted from (A. C. Edmondson, 1999), rated on a 5-point Likert scale (1=strongly disagree, 5 = strongly agree).	(Behavior et al., 2023).
Workplace Inclusion (WI)	Employees feel they belong, are respected, and have equal opportunities to participate and contribute in the workplace regardless of differences.	Measured using 8-item scale adapted from (Shore et al., 2011), rated on a 5-point Likert scale (1=strongly disagree, 5 = strongly agree).	(Jha et al., 2023).
Perceived Organizational Support (POS)	Employees' belief that the organization values their contributions and cares about their well-being, development, and overall welfare The extent to which employees believe their organization values their contributions and cares about their well-being	Measured using 8-item scale adapted from (Eisenberger et al., 1986), rated on a 5-point Likert scale (1=strongly disagree, 5 = strongly agree).	(Kurtessis et al., 2017).
Happiness at Work (HAW)	A state of well-being characterized by job satisfaction, engagement, and positive emotional experiences at work	Measured using 9-item scale adapted from (Salas-Vallina & Alegre, 2021), rated on a 5-point Likert scale (1=strongly disagree, 5 = strongly agree).	(Jha et al., 2023).

1.5 Significance of the Study

From a theoretical standpoint, this study contributes to the body of knowledge on the relationship between inclusive leadership, organizational justice, psychological safety, and happiness, using workplace inclusion as a mediating variable and perceived organizational support as a moderator. There has been little research on applying this concept to emerging economies such as Ethiopia. By conducting research in AWACH SACCOS, the study provided evidence-based guidance on how to foster an inclusive and positive workplace that improves employee engagement, well-being, and productivity. Furthermore, by examining workplace inclusion as a mediating factor, the study deepens understanding of how and why inclusive leadership, organizational justice, and psychological safety promote employee happiness. The role of perceived organizational support as a moderator enabled leadership to adopt support-driven strategies that improve employee happiness, reduce turnover, and enhance service quality for members this helps to close the gap between leadership behaviors and employee outcomes, especially in service-based sectors. The results can be served as a foundation for further studies on inclusion, organizational culture, and employee well-being in comparable financial institutions and other industries.

1.7 Scope of the Study

The study focused on AWACH SACCOS one of Ethiopia's top and rapidly expanding cooperative financial institutions, and has been limited to the head office and all branches full-time employees at various levels, including management, operational staff, and support personnel included. The study combines inclusive leadership, organizational justice, psychological safety, workplace inclusion, happiness at work, and perceived organizational support into a unified, comprehensive analytical framework. The study examines how WI mediates these interactions, how PS, IL, and OJ individually influence employee experiences, and how POS either preconditions or amplifies the impact of inclusion on happiness. The study looks at how PS, IL, and OJ independently affect employee experiences, how WI mediates these relationships, and how POS either preconditions or enhances the impact of inclusion on happiness. The study employs a cross-sectional design, with data collected during May–April 2026. This design provides a single-point-in-time snapshot of employee perceptions within AWACH SACCOS.

1.8 Limitation of the study

In this study there are several limitations. First, the cross-sectional design prevents causal inference, as data collected at a single point in time cannot confirm directional relationships among variables (Podsakoff et al., 2003). Second, the single-organization focus on AWACH SACCOS limits generalizability, since organizational culture, leadership styles, and support structures vary across different SACCOs and industries(Yin, 2018). Third, the post-hoc removal of five items during data purification to meet statistical thresholds alters the original theoretical scope and psychometric integrity of pre-validated scales, limiting direct comparisons with previous studies (Hair Jr et al., 2010). Finally, social desirability bias may have affected responses on sensitive constructs such as psychological safety and organizational justice, as employees may have been reluctant to report candid perceptions given the power dynamics inherent in their workplace (Tourangeau & Yan, 2007). Acknowledging these limitations helps contextualize the findings appropriately and provides a clear direction for future research in Ethiopian cooperative settings.

1.9 The flow of the Study

The study is organized into five chapters, each of them aims to give a thorough summary of the study's methodology, scope, and foundation: The first chapter contains an introduction, problem statement, research questions, research objectives, hypotheses, study scope, significance of the study, and limitation of the study and proposal organization of the paper. Chapter Two explores Review of Related Literature, This chapter presents a review of relevant theoretical and empirical research of variables and identification of research gaps and outlining the formulation of a conceptual framework.

Chapter Three contains Research Methodology, This chapter describes the research design and technique used in the study. It includes the data collection tools, techniques, sampling strategy, and sample size determination.

Chapter Four: This chapter described the data analysis, including the testing of research hypotheses and the interpretation of the findings in relation to the study's objectives.

Chapter Five: Summery, Conclusion and Recommendations, The final chapter summarized the main findings, draw conclusions based on results, and make practical and theoretical recommendations. It suggested a direction for further research.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Introduction

This chapter provides both theoretical and empirical foundations for the constructs employed in the research, offering a comprehensive understanding of the variables involved. Based on the reviewed literature, the hypotheses has been formulated to guide the empirical analysis, and a conceptual framework has been developed.

2.2 Theoretical Framework

2.2.1 Organizational Support Theory (OST)

Organizational support theory (OST) was originally developed by Eisenberger, Huntington, Hutchison, and Sowa in 1986. It is a psychological theory that focuses on the relationship between employees and their organizations. OST suggests that employees form general beliefs about the extent to which their organization values their contributions and cares about their well-being. These beliefs, known as perceived organizational support (POS), influence employees' motivation, job satisfaction, and job performance. OST has attracted considerable interest because of the potential value of viewing the employee organization relationship from the employees' viewpoint, the clarity of the POS construct, and the strong associations of POS with affective organizational commitment, job satisfaction, and other attitudinal outcomes (Eisenberger et al., 2020). Meta-analytic evidence confirms the positive role of POS in gendering employees' favorable attitudes (job satisfaction) and enhancing desirable behaviors (task performance) (Kurtessis et al., 2017). This assumption is rooted in the notion of reciprocity norm (Gouldner, 1960). whereby employees tend to invest their resources in their organizations which can fulfill their needs (Eisenberger et al., 2020). POS is shaped and enhanced by several antecedents including favorable working conditions, supervisor and coworker support, participation in decision making, fairness, growth opportunity, and error tolerance (Wang & Wang, 2020). In the same way that people try to gauge another person's level of commitment to a friendship or romantic relationship, employees try to determine the organization's willingness to reward their efforts and meet their needs by making inferences about the organization's level of support for them (Eisenberger et al., 1986). According

to the theory, employees develop some degree of POS based on the organization's treatment of them. When an organization treats its members well or poorly, those members make attributions concerning why the organization treated them in that way. Employees who perceive that the organization treats them well because of a sincere regard for their welfare are therefore likely to develop high POS (Kirkland, 2017). According to OST, employees integrate organizational membership into their self-identity as a result of this perception acting as a fundamental "organizational safety net" that satisfies socioemotional demands (Kurtessis et al., 2017).

In the context of this study, the moderating role of POS is theoretically justified by OST. While inclusive leadership and organizational justice are important aspects of employee well-being, OST argues that their effectiveness depends on the company's broader culture. POS is specifically meant, when employees have strong organizational support, they see fair treatment and inclusive leadership practices as real, institutionalized commitments rather than as one-time acts. This synergy strengthens the positive impacts of these inclusive behaviors on workplace inclusion and, ultimately, job satisfaction (Aboramadan et al., 2022). However, in the absence of perceived support, even inclusive acts could be viewed suspiciously or as transactional, which would lessen their ability to foster true satisfaction.

2.2.2 Social Exchange Theory (SET)

Social Exchange Theory (SET) developed largely by Peter Blau (1964), the theory suggests that the relationship between leaders and employees is fundamentally one of reciprocity. When leaders provide socio-emotional resources, such as inclusiveness, trust, and support, employees feel a sense of mutual obligation to reciprocate. Social exchange theory (SET) is one of the gold standards to understand workplace behavior (Cropanzano & Mitchell, 2005). It is such a common phenomenon that is deeply inculcated in our daily lives. (Cropanzano et al., 2017) defined the SET as (i) an initiation by an actor toward the target, (ii) an attitudinal or behavioral response from the target in reciprocity, and (iii) the resulting relationship. Relationships in the corporate world today are becoming increasingly complex (Chernyak-Hai & Rabenu, 2018). Hence, there is a need to update SET with the increasing complexity of how organizations operate and how employees behave (Smollan et al., 2024). SET serves as a cornerstone theoretical framework for understanding the reciprocal nature of the employee-organization relationship. SET suggests that relationships in the workplace are fundamentally based on a series of exchanges. SET justifies the

positive links between fairness/leadership and employee well-being, and it underpins the logic of why POS effects reciprocity is enhanced when support is evident (Bhatnagar & Sudhakar, 2022).

In the context of this study, employees view an organization's efforts to treat them fairly (OJ), create a sense of belonging (IL), and build trust (PS) as high-value organizational investments in their well-being. Employees respond with positive attitudes and behaviors, such as increased engagement, creative activity, and ultimately, more Happiness at Work, when a company or its leaders treat them fairly (OJ, IL) and create a safe, supportive atmosphere (PS) (H.-W. Lee & Rhee, 2023). Employees respond to this perceived investment with favorable emotional and psychological states. The underlying reasoning for the positive relationships among the Nexus factors is provided by SET, which explains why justice and leadership are social catalysts for worker well-being rather than just administrative duties. Additionally, SET supports the justification for POS's moderating role; when organizational support is apparent, employees feel more secure and motivated to repay the support through increased emotional commitment and deeper workplace integration (Bhatnagar & Sudhakar, 2022) . This strengthens the reciprocity loop. SET provides an effective explanation of how employee perceptions and organizational inputs combine to produce a cycle of mutual value that leads to job satisfaction.

2.2.3 Leader-Member Exchange (LMX) Theory

Leader-member exchange (LMX) theory examines the dynamics between leaders and their subordinates, highlighting that interactions are not uniform across all relationships (Almazrouei et al., 2020). Leader-member exchange (LMX) theory Developed in the 1970s by researchers including George B. Graen and Mary Uhl-Bien. Psychological safety and perceived organizational support are preceded by mutual trust, support, and obligation, all of which are produced by high-quality LMX connections(Graen & Uhl-Bien, 1995a),(A. Edmondson, 1999) . The High-quality exchanges tend to foster professional growth and provide opportunities for advancement, while low-quality exchanges can limit engagement and development for those in the out-group(Fang et al., 2019). theory unfolds in three developmental stages: role-taking, where new members are assessed; role-making, where initial collaboration begins and members are often categorized into in-groups and out-groups; and routinization, where established patterns of interaction solidify (Almazrouei et al., 2020). The theory underscores the importance of leaders recognizing their unconscious biases in sorting team members and encourages efforts to build stronger relationships

with all employees, particularly those in the out-group. Prior to LMX, two assumptions prevailed in the leadership models. First, it was assumed that leaders treat all their followers in the same way, by enacting a single leadership style toward them (Graen & Uhl-Bien, 1995b) Second, it was believed that followers who report to the same leader are sufficiently homogeneous in such a way that they can be considered as a single entity called a 'workgroup' (Dansereau et al., 1975). LMX theory challenges these assumptions by proposing that leaders treat followers differently from each other, which results in different quality relationships within the same team. The basic tenet of LMX theory is rooted in the idea that relationships are built over time through a series of social exchanges. Indeed, social exchange theory (SET); (Blau, 2017) has been the core foundation of the LMX perspective. According to LMX theory, some leader-member relationships may evolve into high-quality exchanges, characterized by high trust, support, and rewards, resulting in employees and supervisors being loyal to one another and sharing mutual feelings of liking and respect(Psychology & Elgar, 2024). Conversely, other relationships remain of lower quality and are based primarily on the formal employment contract (i.e., low-quality LMX). Thus, in LMX theory, the leader follower relationship is the central unit of analysis and thus, from the LMX perspective, leadership is viewed as a dyadic phenomenon. LMX theory provides valuable insights into the importance of leader follower relationships in the workplace and highlights the significance of fostering positive relationships between leaders and followers(Psychology & Elgar, 2024). This helps explain the fact that, with nearly fifty years of influence since its conceptualization, the theory still inspires leadership research and remains heavily studied. Thus, the present essay aims to trace the evolution of LMX by providing readers with a comprehensive understanding of the main developments in LMX theory and research and to offer prospects for future research. Overall, the accumulated findings suggest that LMX quality is an important factor in employee outcomes and that fostering positive relationships between leaders and employees can have significant benefits for individuals and organizations, supporting positive effects of LMX on follower job satisfaction, citizenship behaviors, job performance, among many other positive outcomes (Dulebohn et al., 2012).

In the context of this study LMX theory provides a crucial perspective for understanding the principles of inclusive leadership. By establishing high-trust relationships, IL serves as an effective antecedent to both the mediator (WI) and the moderator (POS), according to this theory (Bhatnagar & Sudhakar, 2022). By definition, inclusive leaders aim to minimize the "in-group" and "out-

group" divisions that are frequently present in traditional LMX contexts by fostering excellent interactions with every team member, regardless of their background or status (Bhatnagar & Sudhakar, 2022). High-quality LMX inclusive leaders directly promote psychological safety and a sense of workplace inclusion by offering high levels of emotional support and accessibility. According to LMX theory, employees feel more empowered and psychologically comfortable when they believe they are having a high-quality interaction with their leader. This immediately results in better levels of Happiness at Work(H.-W. Lee & Rhee, 2023). Furthermore, LMX theory complements Social Exchange Theory by narrowing the focus to the interpersonal level; it explains how the specific social investments made by an inclusive leader create a personalized sense of value for the employee. When these high-quality leader-member exchanges are backed by broad institutional support (POS), the employee's sense of belonging and well-being is maximized. Thus, LMX theory provides the theoretical bridge between the behavior of the leader and the individual emotional outcome of the employee.

2.2.4. Optimal Distinctiveness Theory (ODT)

Optimal Distinctiveness Theory (ODT) developed by Marilynn Brewer (1991), suggests that individuals are motivated to satisfy two opposing core psychological needs within social groups: the need for belonging and the need for uniqueness. When employees enter an organization, they seek to fit into the collective culture while simultaneously striving to maintain their distinct personal identities. Optimal Distinctiveness Theory is one of the gold standards to understand inclusion dynamics in workplace behavior (Shore et al., 2011). It is such a common phenomenon that is deeply inculcated in our daily lives. Brewer (1991) defined ODT as a tension management framework where true inclusion is only achieved when a group simultaneously honors an individual's need for belongingness within the collective and validates their unique value. Environments in the corporate world today are becoming increasingly complex (Chernyak-Hai & Rabenu, 2018). Hence, there is a need to utilize ODT to understand the increasing complexity of how diverse organizations operate and how employees behave(Shore et al., 2011) . ODT suggests that inclusion is not merely about group assimilation, but rather about balancing a series of identity needs. ODT justifies the positive links between leadership- safety and workplace inclusion, and it underpins the operational measurement of WI as inclusion is maximized only when both belonging and uniqueness are highly evident (Chung et al., 2020).

In the context of this study, employees view an organization's efforts to promote inclusive leadership and establish psychological safety as the primary mechanisms for achieving this optimal balance. Employees experience high levels of Workplace Inclusion when a company or its leaders cultivate an environment where individuals feel securely accepted by the group (belonging) while being actively encouraged to share diverse, non-conforming perspectives without fear of negative consequences (uniqueness) (Shore et al., 2011). Consequently, ODT directly supports the measurement of the WI construct, which is explicitly operationalized through scales that assess these dual dimensions of belongingness and uniqueness (Chung et al., 2020). This framework provides the underlying structural logic for the IL-WI and PS - WI hypotheses. It explains that inclusive leadership acts as a social catalyst that satisfies the dual human needs by welcoming unique inputs while maintaining group cohesion, whereas psychological safety eliminates the social costs of standing out. Additionally, ODT provides an effective explanation of how employee perceptions of safety and leadership combine to translate these internal balances into an integrated sense of workplace inclusion, which ultimately serves as the vital mediating bridge to Happiness at Work (HAW).

Table 2: Theory-hypothesis mapping table

Theory	Hypothesis	Explanation	
Optimal Distinctiveness Theory (ODT)	H1: PS → WI	PS satisfies employees' dual need to belong and their unique identity, directly enabling WI	(Brewer, 1991)
	H5: WI mediates PS → HAW	Safety increases inclusion, interpreted as organizational care ,fulfilling producing happiness	(Eisenberger et al., 1986)
	H6: WI mediates IL → HAW	IL activates belonging and uniqueness needs through WI, translating leadership behavior into employee happiness	(Brewer, 1991)
Social Exchange Theory (SET)	H3: OJ → WI	Employees perceive fair treatment, greater openness and willingness to participate, strengthening inclusion	(Blau, 1964)
	H4: WI → HAW	Employees feel included reciprocate the organization with positive emotional states, producing HAW	(Blau, 1964)
	H7: WI mediates OJ → HAW	Justice reciprocal engagement via inclusion, which then elevates happiness as part of the exchange cycle	(Blau, 1964)

	H10: POS moderates OJ → WI	POS is high, the loop between justice and inclusion is strengthened, as employees feel invested by organization	(Blau, 1964)
Organizational Support Theory (OST)			
	H8: POS moderates PS → WI	High POS safety signal, employees' confidence that the organization supports their authentic participation	(Eisenberger et al., 1986)
	H11: POS moderates WI → HAW	POS acts as resource; when support is perceived, the inclusion-happiness pathway stronger and more direct	(Eisenberger et al., 1986)
Leader-Member Exchange(LMX) Theory	H9: POS moderates IL → WI	High-quality LMX enhanced by POS the trust and mutual obligation that translate IL into inclusion experiences	(Graen & Uhl-Bien, 1995)
	H2: IL → WI	IL signal that both belonging and uniqueness are valued, fulfilling fostering inclusion	(Brewer, 1991)

2.3 Empirical Review

2.3.1 Happiness at Work

Happiness at Work is 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 (Salas-Vallina et al., 2017). It encompasses a sense of fulfilment, engagement and contentment in relation to one's job and work environment (Behrani, 2017). Happiness at Work is the central dependent variable of this study, conceptualized as a multidimensional state of well-being that reflects an employee's overall positive evaluation of their professional life rather than a fleeting emotion, HAW is characterized by the integration of job satisfaction, engagement, and positive emotional experiences at work (Katsaros, 2024). Job satisfaction this refers to a positive emotional state that arises from employees' evaluation of their job characteristics and experiences (Bhatia & Mohsin, 2020). It represents the thinking aspect of happiness whether the job meets the individual's expectations and needs. Work engagement refers to the various ways in which

employees are motivated to contribute to the organization (Salas-Vallina et al., 2020). This captures the vigor, dedication, and absorption employees bring to their roles. It describes the various ways in which employees are intrinsically motivated to contribute to organizational goals (Salas-Vallina et al., 2020). Positive emotional experiences at work is represents the feeling aspect of happiness, the frequent and intense presence of pleasant, joyful, and enthusiastic feelings while performing work duties (Rosari et al., 2025). HAW is not just an outcome but a strategic asset, as happy employees are more productive, innovative, and loyal to their organizations (Ravina-ripoll et al., 2025). Aline of researchers has established that workplace happiness leads to productivity (Singh & Banerji, 2022). In support to that, Forbes in their research has highlighted that happiness increases productivity by 20% (Pascual et al., 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 et al., 2021); (Goel & Singh, 2023). Empirical evidence consistently supports the positive influence of HAW on organizational performance and reduced turnover (Katsaros, 2024).

2.3.2 Antecedent Factors

2.3.2.1 Inclusive Leadership

(Nembhard & Edmondson, 2006) defined inclusive-leadership as the actions or words of leaders who recognise and appreciate followers' contributions to achieving team or unit goals. Conversely, Shah et al. (2022) explain inclusive-leadership perspectives: the leader-follower exchange perspective, termed ‘partnership”, which focuses on independence and employee involvement in decision-making; the conduct-based perspective, known as equality, provides equal and fair treatment to employees under varying circumstances. From a cultural standpoint, inclusive-leadership involves embracing diverse behaviours and values and fostering an environment that encourages learning from mistakes. According to (Y. Lee, 2022), leaders demonstrate inclusive-leadership by being easily accessible, approachable, and attentive listeners. Similarly, (Ferdman, 2020) captured the essence of an inclusive leader as one who could recognise and reward employee contributions irrespective of the employee’s position within the organization. This broad perspective has significantly enhanced the understanding of inclusive leadership within scholarly circles.

Several research studies have highlighted the organisational impact and shown the outcomes of inclusive-leadership. (Qi et al., 2019) have shown its role in facilitating innovation, while (Mikyoung & Moon, 2019) underscore its influence on enhancing creativity. Moreover, (Hassan & Jiang, 2021) identified that inclusive-leadership cultivates a conducive learning environment, boosting employee innovation and engagement. From a Theoretical stand point, the framework of social identity theory and optimum uniqueness theory further support the concept of inclusive-leadership. (Shore & Chung, 2022) argued that these theories view inclusive-leadership as comprising actions that enable employees, through inclusion, to feel they belong and are uniquely valued in contributing to the organisation's goals. Echoing his perspective, (Ly, 2024) confirms that inclusive-leadership's visibility, availability, and active listening are pivotal in making leadership genuinely inclusive.

2.3.2.2 Organizational Justice

The theory was initially proposed by Greenberg (1987), distinguishing procedural and distributive justice as foundational concepts. Subsequent research expanded the framework to include interpersonal and informational justice, emphasizing that fairness is not only about outcomes but also about the processes and communication surrounding decisions (Colquitt et al., 2001). Organizational Justice Theory also intersects with concepts like relative deprivation, where employees compare their treatment to others, influencing perceptions of inequity and potential dissatisfaction. Organizational justice refers to employees' perceptions of fairness within their organization (Greenberg, 1987).Several theoretical perspectives have been employed to explain the relationships between organizational justice, performance and well-being. Social exchange theory (Blau, 2017) posits that fair treatment enhances employees' positive reciprocal behaviors, fostering trust and long-term cooperative relationships. Employees who perceive fairness in decision-making are more likely to develop high-quality social exchanges (Cropanzano & Mitchell, 2005). Thus, when organizations demonstrate fairness, employees perceive this as a form of socio-emotional investment being, in turn, more likely to reciprocate positive work attitudes and behaviors increased engagement and performance, which are also closely related to personal development outside workplace. Similarly, equity theory (Adams, 1965) ephasize that perceptions of fairness in exchange relationships motivate employees to maintain balance, influencing their motives and satisfaction. Based on these assumptions, empirical studies have showed that

perceived fairness in resource distribution can positively influence employees' s intrinsic motivation and their subsequent task-performance and well-being (Organiz & Kuvaas, 2006).

2.3.2.3 Psychological safety

The term psychological safety was coined by Edmondson in 1999 defined as "a shared belief amongst individuals about whether it is safe to engage in interpersonal risk-taking in the workplace." In other words, a psychologically secure atmosphere helps employees to feel unthreatening and protected in their surroundings, assuring them that taking chances and trying new things will not make them feel inferior or ashamed (X. Liu et al., 2023) . Psychological safety promotes a culture where people flourish and work tirelessly to contribute to the company's success. Furthermore, psychologically comfortable employees are more inclined to exchange ideas and information, hence increasing collective cognitive ability (Durrah, 2022). PS, according to (Almahri & Abd Wahab, 2023), is the attitude of employees toward taking the initiative to create new goods and services (Baer & Frese, 2003). The fundamental idea behind psychological safety is that once workers are in a psychologically safe environment, they are expected to contribute to their work in an effective manner. This encourages efficiency because workers feel their commitments are being seen and that speaking up or standing up will not have any negative consequences. It is often cited as the heart of creativity and innovation because it creates a space where individuals feel valued, respected, and confident enough to take risks and voice unconventional ideas without fear of embarrassment or retaliation (A. C. Edmondson, 1999) (khan W.A., 1990). It is a cognitive state necessary for learning and change to occur in the workplace (A. C. Edmondson, 1999). Kahn 1990 suggested that a perception of psychological safety is a crucial condition for people to feel attached to and engaged in their work roles. A workplace where psychological safety is high, people are not afraid to express different views, take initiative, or make mistakes, as these behaviours will not be punished or lead to humiliation (A. C. Edmondson et al., 2004), less psychological safety are more hesitant to collaborate or share information with others. In other words, individuals may be afraid to communicate their concerns, ask challenging questions, or provide new ideas (Patil et al., 2023).

2.3.2.4 Workplace inclusion

Workplace inclusion is a multidimensional concept that goes beyond mere representation (diversity. It focuses on the extent to which employees feel valued, respected, and supported by their organization, allowing them to bring their authentic selves to work. Researchers like Mor Barak (2000) distinguished the two, defining inclusion as the degree to which individuals feel "part of critical organizational processes." While diversity focuses on the mix of people, inclusion focuses on the experience of that mix. Subsequent research by (Ferdman & Deane, 2014) and (Shore et al., 2011) expanded this into a dual-process framework. They posited that true inclusion requires a balance between two fundamental human needs. Uniqueness: The need to maintain a distinctive individual identity and Belongingness: The need to feel part of a larger group or collective. Drawing from Brewer (1991), ODT (Optimal Distinctiveness Theory) suggests that individuals are motivated to find a balance between being similar to others (belonging) and being different (uniqueness). In the workplace, if an employee is forced to assimilate, they lose their uniqueness; if they are isolated, they lose their belonging. Shore et al. (2011) used this to show that high levels of both lead to "Inclusion," whereas high belonging but low uniqueness leads to "Assimilation."

Although these fundamental concepts have their roots in Western literature, more recent studies have examined workplace inclusion in African organizational environments, emphasizing how socio-cultural variables influence these demands. Ajonbadi et al. (2026) showed in a thorough systematic review of African organizations that workplace inclusion in Sub-Saharan contexts is closely linked to relational structures and cultural expectations, which means that notions of uniqueness and belongingness function differently than in Western settings. Additionally, studies on institutional perspectives that examine particular inclusivity barriers in East Africa, including Ethiopia, highlight the need for relational leadership, active structural support, and supportive localized organizational policies in order to create an inclusive workplace that fosters genuine psychological safety and belonging (East Africa Institutional Review, 2023). Contemporary socio-economic evaluations in Ethiopia highlight this localized reality by pointing out that organizations mostly rely on ingrained social networks, trust, and social capital to promote psychological engagement and cooperative solidarity among staff members (Bahru, 2025).

2.3.2.5 Perceived organizational support

Perceived organizational support (POS) is described by Eisenberger et al. as “a general perception concerning the extent to which the organization values employees’ general contributions and cares for their well-being” (Eisenberger et al., 1990). It is argued that there is an exchange relationship between organizations and employees in which expectations on the part of both parties take place (Gouldner, 1960). Muse and Stamper 2007 define organizational support as employees' perception of their organization’s actions to acknowledge and priorities their well-being and commitment. Organizational support theory further suggests that employees who perceive strong organizational support feel an intrinsic obligation to contribute to the organization’s welfare and achieve its objectives. According to the organizational support theory, employees are in an exchange relationship with their organizations for the expected rewards that they endeavored to work for (Eisenberger et al., 1990). Based on this exchange approach, organizations should support those employees who help them with their efforts (Settoon et al., 1996). This theory also posits that employees evaluate their organizations’ policies and actions and develop a broad perception if the steps adopted by organizations are favorable to employees. Moreover, organizational support can be viewed as a guarantee that the appropriate support will be available to employees when they need to execute a particular duty and to handle challenges (Stefanidis , A Strogilos , V . 2020). Therefore, it can be claimed that employees may see that their favorable actions will encourage their organizations to demonstrate support in return for their treatment (Duan et al., 2020).

2.4 Interrelationships among the Constructs and Hypothesis Development

Examining the interconnections among inclusion leadership, organizational justice, psychological safety, workplace inclusion, happiness at work, and perceived organizational support is vital for the development of the current research model. These constructs exhibit a high degree of interdependence, collectively shaping key organizational outcomes. This section analyses each pair of relationships and the overall moderated mediation logic of theory and findings. Finally, based on the insights derived from the theoretical and empirical literature, the researcher formulates the hypotheses for each pair of mediating and moderating constructs.

2.4.1 Psychological Safety and Workplace Inclusion (Direct Effect)

psychological safety defined as a sense of safety that allows individuals to take interpersonal risks, such as speaking up, openly disagreeing, or raising concerns without fearing negative consequences or feeling pressured to soften bad news (A. C. Edmondson, 1999). Workplace inclusion refers to employees' experience of belonging and being valued for their unique contributions in an environment that treats them fairly and supports voice. Inclusive cultures and leaders create psychological safety, which then deepens employees' sense of inclusion and drives better performance, learning, and well-being. Leaders who invite input, show respect, and value diverse perspectives directly increase employees' feelings that they are included and that taking interpersonal risks is safe(S. E. Lee & Dahinten, 2021). Inclusive environment provides the necessary "fertile ground" for psychological safety to grow. When employees feel they belong and their unique perspectives are valued (Inclusion), they perceive the environment as "safe" to speak up without fear of rejection or punishment (Psychological Safety). Shore et al. (2011), in their seminal work on the inclusion framework, they argued that when an organization achieves the balance of belongingness and uniqueness, it creates a high trust environment. This trust is the foundational layer of psychological safety. The relationship between Psychological safety and Workplace inclusion can be obtained through Social Exchange Theory (Blau, 2017), when an organization "invests" in an inclusive climate, employees reciprocate by engaging in more risky but beneficial behaviors, such as voicing dissent or admitting mistakes. The prior studies have established the relationship between PS and WI, (Nishii & Rich, 2013)**,** in a study of 86 departments, Nishii found that a "climate for inclusion" was directly related to reduce interpersonal conflict and increased psychological safety. Specifically, in inclusive climates, employees felt they didn't have to hide parts of themselves, which made them more comfortable taking risks.

This direct path is further validated across healthcare and highly interactive environments. (S. E. Lee & Dahinten, 2021) conducted structural equation modeling that revealed a strong, statistically significant relationship between psychological safety and employees' overall experiences of workplace inclusion and vocal expression, proving that inclusive climates cannot survive without interpersonal safety. In a large-scale field study, (Jha et al., 2023) confirmed through path analysis that psychological safety acts as a primary structural antecedent to workplace inclusion, showing that when individuals feel safe to voice dissent, their psychological integration into the

organization spikes. Similarly, empirical investigations into financial and service cooperatives by Wardana et al. (2025) indicated that variations in perceived employee inclusion are heavily driven by the presence of a supportive psychological climate. Their findings demonstrated that teams with high safety metrics reported significantly greater scores on both the belongingness and uniqueness dimensions of inclusion scales. This collective empirical evidence demonstrates that psychological safety is not merely a byproduct of inclusion, but a critical, foundational driver that unlocks it. Based on this convergent empirical evidence, the following hypothesis is proposed:

H1: Psychological Safety (PS) is positively related to Workplace Inclusion (WI) in AWACH SACCOS.

2.4.2 Inclusive Leadership and Workplace inclusion

Inclusive Leadership refers to leadership behaviors that foster employee uniqueness, belongingness, appreciation, and support (Bhatnagar & Sudhakar, 2022). Such leaders are open, accessible, fair, and actively solicit input, which signals respect, psychological safety, and value for employees' differences, directly enhancing perceived inclusion (Shore & Chung, 2022). By recognizing diverse perspectives and ensuring voice, inclusive leaders satisfy core needs for connection and authenticity the essence of workplace inclusion(Shore & Chung, 2022). The relationship between Inclusive Leadership and Workplace inclusion 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 behavior (Carmeli et al., 2010a) and through frequent interaction with members, leaders facilitate uniqueness and belongingness among members (Al-Atwi & Al-Hassani, 2021) resulting in developing high sense of inclusion among employees (Randel et al., 2018; (Shore et al., 2011). The prior studies have established the relationship between IL and WI, (Shore & Chung, 2022) in their 809-employee study have established a positive relationship between IL and WI, whereas by taking interviews from experts, (Kuknor & Bhattacharya, 2021) in their study have confirmed the same in Indian companies.

H2: Inclusive Leadership (IL) is positively related to Workplace Inclusion (WI) in AWACH SACCOS.

2.4.3 Organizational Justice and workplace Inclusion

Organizational justice is defined as a multidimensional variable representing internal customers' perceptions of fairness in the workspace and their reactions to the various types of treatment they receive there(Kim & Chung, 2019).Organizational Justice comprehends employees' perceptions of fair treatment by the organization, including ethical, accurate, consistent and standardized policies and practices (Zincirli & Demir, 2021) 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) (A. Workman-Stark, 2021). The relationship between organizational justice and workplace inclusion is frequently explained through SET, employees feel a felt obligation to reciprocate this positive treatment by moving beyond basic compliance, actively engaging in the workplace, and embedding themselves deeper into the organizational fabric, thereby fostering a profound sense of workplace inclusion and organizational belongingness (Bhatnagar & Sudhakar, 2022; (A. L. Workman-Stark, 2021). Prior studies have demonstrated a positive association between OJ and WI (A. Sharma & Panicker, 2022); (A. L. Workman-Stark, 2021). 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 (A. L. Workman-Stark, 2021).

Li et al. (2020) demonstrated that while interactional and procedural justice were significantly related to a climate of inclusion, distributive justice (the fairness of tangible resource allocations and pay) showed a non-significant, weak relationship with employees' psychological sense of belonging. Their findings imply that an organization can be perceived as financially or structurally equitable without successfully making its minority or distinct employee groups feel genuinely included in the organizational fabric. Kim and Park (2020) investigated the mechanism of workplace fairness and found that the direct path from procedural justice to inclusive behavioral outcomes becomes statistical non-significant when structural trust or leader-member exchange (LMX) quality is entered into the model. Findler et al. (2023**)** confirms that the direct effect of organizational justice on workplace inclusion was found to be statistically weak, as deep-seated employee skepticism neutralized the positive signals sent by fair management practices. While theoretical frameworks like SIT support a positive linkage, the empirical reality is nuanced. The

relationship between OJ and WI can be attenuated, rendered weak, or found non-significant by structural rigidities, dimensional differences, or low baseline organizational trust. Therefore, evaluating this relationship within specific institutional frameworks yields crucial insights into whether institutional fairness genuinely translates to psychological belonging.

H3: Organizational Justice (OJ) is positively related to Workplace Inclusion (WI) in AWACH SACCOS

2.4.4 Mediating Effect

2.4.4.1 Workplace Inclusion as a Mediator and Direct Predictor of Happiness at Work

Workplace inclusion plays a pivotal role in enhancing happiness at work both as a direct influence and as a mediator between other organizational factors and employee well-being. Recent studies provide robust evidence supporting the mediating role of workplace inclusion in fostering happiness at work (Jha et al., 2023). Studies consistently show that when employees experience higher workplace inclusion feeling respected, valued, and integrated they report significantly. 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 ((Y. Liu et al., 2024); (Katsaros, 2024).

Workplace Inclusion has been considered as a mediator for this study. IL, OJ, and PS are organizational level factors that affect the working environment and psychology of employees. Being predictors of WI, IL, OJ, and PS help employees to enhance their perception of uniqueness and belongingness towards the organization. Organizational fair treatment, standardized policies, leaders' inclusive behavior, and an environment where employees feel safe to express themselves without fear of negative consequences PS foster inclusivity among employees. Employees with a feeling of inclusion and acceptance at the workplace are expected to have a higher degree of Happiness at Workplace. In consistency with the above propositions, (Y. Liu et al., 2024) provided a theoretical framework consisting of an association between IL, WI, and HAW, while other

researchers have suggested a positive association between OJ, WI, and well-being (I. Lee & Shin, 2018); (A. Sharma & Panicker, 2022). Therefore, based on the above arguments, the researchers propose a significant impact of IL, OJ, and PS on WI, whereas WI promotes HAW among employees. Furthermore, WI significantly mediates the relationship between IL, OJ, PS, and HAW. 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. Employee happiness and well-being enhanced if employees perceive that organizational procedures and treatment are fair and that their opinions are valued (Shore & Chung, 2022). Inclusive leaders and fair practices promote a sense of inclusion, which in turn significantly enhances workplace happiness (Salazar-altamirano et al., 2025). This is because inclusion fosters a sense of belonging, psychological safety, and recognition, all of which are fundamental to employee well-being and satisfaction (Jha et al., 2023).

H4: Workplace Inclusion (WI) is positively related to Happiness at Work (HAW) in AWACH SACCOS.

2.4.4.2 Workplace inclusion mediates the relationship between Psychological safety and Happiness at Work

Optimal Distinctiveness Theory (Brewer, 1991) and Social Exchange Theory (Blau, 1964), psychological safety acts as the foundational catalyst that satisfies an individual's need for unique self-expression without social costs, which is subsequently internalized as a deep experience of workplace inclusion (Shore et al., 2011). This felt experience of inclusion then activates a powerful reciprocity loop, translating environmental comfort into heightened states of emotional energy, psychological well-being, and ultimate happiness at work (Shafaei et al., 2024). Therefore, while a substantial portion of the positive effect of psychological safety is transmitted indirectly by unlocking an employee's sense of belonging and uniqueness WI, the direct, unmediated effect of a stress free workplace environment remains a vital, parallel driver of absolute happiness at work HAW.

H5: Workplace Inclusion (WI) mediates the relationship between Psychological Safety (PS) and Happiness at Work (HAW).

2.4.4.3 Workplace inclusion mediates the relationship between Inclusive Leadership and Happiness at work

The relationship between IL and WI can be obtained through Optimal Distinctiveness Theory (ODT) (Thompson & Matkin, 2020) 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 & Chung, 2022). By exhibiting openness, availability and accessibility in their behavior (Carmeli et al., 2010a) and through frequent interaction with members, leaders facilitate uniqueness and belongingness among members(Al-Atwi & Al-Hassani, 2021), (Leaders, 2024), resulting in developing high sense of inclusion among employees (Randel et al., 2018). WI fully mediates the relationship between inclusive leadership and happiness at work, indicating that the positive impact of inclusive leadership on happiness is channeled through increased inclusion (Jha et al., 2023). A line of researchers have established the relationship between IL and WI, (Shore & Chung, 2022) in their 809-employee study have established a positive relationship between IL and WI, whereas by taking interviews from experts, (Kuknor & Bhattacharya, 2021) in their study have confirmed the same in Indian companies. Additionally, (Al-Atwi & Al-Hassani, 2021) in their study have also postulated a similar result. Inclusive leadership, characterized by openness, accessibility, and support for diverse perspectives, has a strong positive effect on workplace inclusion. In consistence with the above proposition, (Y. Liu et al., 2024), in their study have provided a theoretical framework consisting of an association between IL, WI and HAW. Research demonstrates that workplace inclusion fully mediates the relationship between inclusive leadership and happiness at work.

H6: Workplace Inclusion (WI) mediates the relationship between Inclusive Leadership (IL) and Happiness at Work (HAW).

2.4.4.4 Workplace inclusion mediates the relationship between Organizational justice and Happiness at work

The integration of Social Exchange Theory (Blau, 1964) and Optimal Distinctiveness Theory (Brewer, 1991), structural fairness and equity within an organization serve as critical signaling mechanisms for employee evaluation. When employees perceive high organizational justice through standardized policies, fair outcome allocations, and respectful treatment, they internalize these signals as evidence that they are valued, high-status insiders, which theoretically enhances

their sense of workplace inclusion (Shore et al., 2011). This felt experience of belonging and uniqueness subsequently activates the reciprocity loop dictated by SET, translating environmental fairness into enhanced emotional dedication, psychological well-being, and ultimate happiness at work (Jha et al., 2023). Workplace inclusion is positively impacted by organizational justice fairness in rules, practices, and interpersonal interactions. The association between organizational justice and happiness at work is, in turn, partially mediated by inclusion (Jha et al., 2023). Accordingly, equitable treatment fosters a sense of belonging, which in turn increases employee happiness (Jha et al., 2023). Organizational fair treatment and standardized policies, and leaders' inclusive behavior 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 wellbeing enhance if employees perceive that organizational procedures and treatment are fair and that their opinions are valued (Shore et al., 2011).On the other hand, researchers have suggested a positive association between OJ, WI and well-being (Le et al., 2021); (A. Sharma & Panicker, 2022).

H7: Workplace Inclusion (WI) mediates the relationship between Organizational Justice (OJ) and Happiness at Work (HAW).

2.4.5 Moderating effect

2.4.5.1 Perceived Organizational Support as a Moderator

POS is the key moderating variable in this study, defined as an employee perception that the organization values their contributions and cares about their well-being , development, and overall welfare (Aboramadan et al., 2022). According to (Eisenberger et al., 2020) and (Kim & Chung, 2019), organizational support refers to fulfilling the social, emotional, and economic needs of individuals, especially in the organization. When employees feel valued and supported by their organization, they tend to focus their efforts on achieving organizational goals (Kurtessis et al., 2017). Conversely, insufficient organizational support can negatively affect employees' emotional and physical well-being (Sonis et al.,2020). Therefore, implementing effective managerial practices to enhance employee support is crucial, as it fosters individual well-being and contributes to the organization's long-term performance. POS significantly contributes to employee well-being, including subjective, workplace, and psychological well-being (Ramadhani & Mubarak,

2023). A study found that high POS among was associated with high levels of employee well-being, indicating a positive relationship between organizational support and employee welfare (Ramadhani & Mubarak, 2023). POS fulfills socioemotional needs, resulting in greater identification and commitment to the organization, an increased desire to help the organization succeed, and greater psychological well-being.

2.4.5.2 Perceived Organizational Support Moderating the Antecedent-Inclusion Link (First Stage)

The study hypothesizes that Perceived Organizational Support strengthens the relationship between the independent variables psychological safety, inclusive leadership, organizational justice and the mediator workplace inclusion. When employees feel that the organization genuinely supports them (high POS), the impact of fair leaders, feels valued, respected, and included (Inclusive Leadership), equitable processes, interaction and outcomes (Organizational Justice), and a felling safe climate (Psychological safety) on their feeling of inclusion is likely amplified (Aboramadan et al., 2022). In contexts where POS is low, the positive effects of inclusive leaders or organizational justice on inclusion may be diminished (Kurtessis et al., 2017). Empirical evidence supports that IL fosters positive outcomes, sometimes indirectly by strengthening POS, which then mediates the relationship between leadership, justice, and positive employee behaviors (Bhatnagar & Sudhakar, 2022). To examine the moderating effect of POS on the relationship between the independent variables psychological safety, inclusive leadership, organizational justice and the mediator workplace.

H8: Perceived Organizational Support (POS) positively moderates the relationship between Psychological Safety (PS) and Workplace Inclusion (WI), such that the relationship is stronger when POS is high.

H9: Perceived Organizational Support (POS) positively moderates the relationship between Inclusive Leadership (IL) and Workplace Inclusion (WI), such that the relationship is stronger when POS is high.

H10: Perceived Organizational Support (POS) positively moderates the relationship between Organizational Justice (OJ) and Workplace Inclusion (WI), such that the relationship is stronger when POS is high.

2.4.5.3 Perceived Organizational Support Moderating the Inclusion-Happiness Link (Second Stage)

The study also proposes that POS strengthens the direct relationship between Workplace Inclusion and Happiness at Work (Aboramadan et al., 2022). Even when an employee feels included (WI), if they believe the organization does not care about their overall welfare (low POS), their happiness may be capped. Conversely, the feeling of inclusion is likely to generate significantly higher levels of HAW when it is backed by a strong belief that the organization actively values and support them (Imran et al., 2020). To determine the moderating effect of POS on the relationship between WI and HAW. There is no direct empirical test of POS as a moderator in the explicit WI - HAW relationship has been identified in the existing literature. Hypothesis H11 proposed as a theoretically derived, exploratory hypothesis based on Organizational Support Theory (OST) and Social Exchange Theory (SET) logic, rather than direct empirical precedent. Although workplace inclusion fosters immediate social belonging and psychological safety, SET contends that a more thorough socio-emotional contract is required for the ultimate conversion of these localized relational experiences into profound psychological well-being (HAW). A high POS indicates that the company structurally supports an inclusive workplace, which has a strong amplifying impact that increases employee satisfaction. A perceived lack of institutional care limits the benefits of inclusion when POS is low.

H11: Perceived Organizational Support (POS) positively moderates the relationship between Workplace Inclusion (WI) and Happiness at Work (HAW), such that the relationship is stronger when POS is high.

2.5 conceptual framework

The framework for this study is taken from the work by (Jha et al., 2023) and the conceptual model is mostly built based on the pertinent literature and empirical evidence linked to the topic. To ensure this study provides a unique and deep investigation into the AWACH SACCOS context, the model utilizes a Moderated Mediation design. This framework treats IL, OJ, and PS as a predictors that drive the mechanism of Workplace Inclusion. The unique contribution of this framework lies in the addition of Perceived Organizational Support (POS) as a critical boundary condition. Inspired by Organizational Support Theory and the work of (Aboramadan et al., 2022).

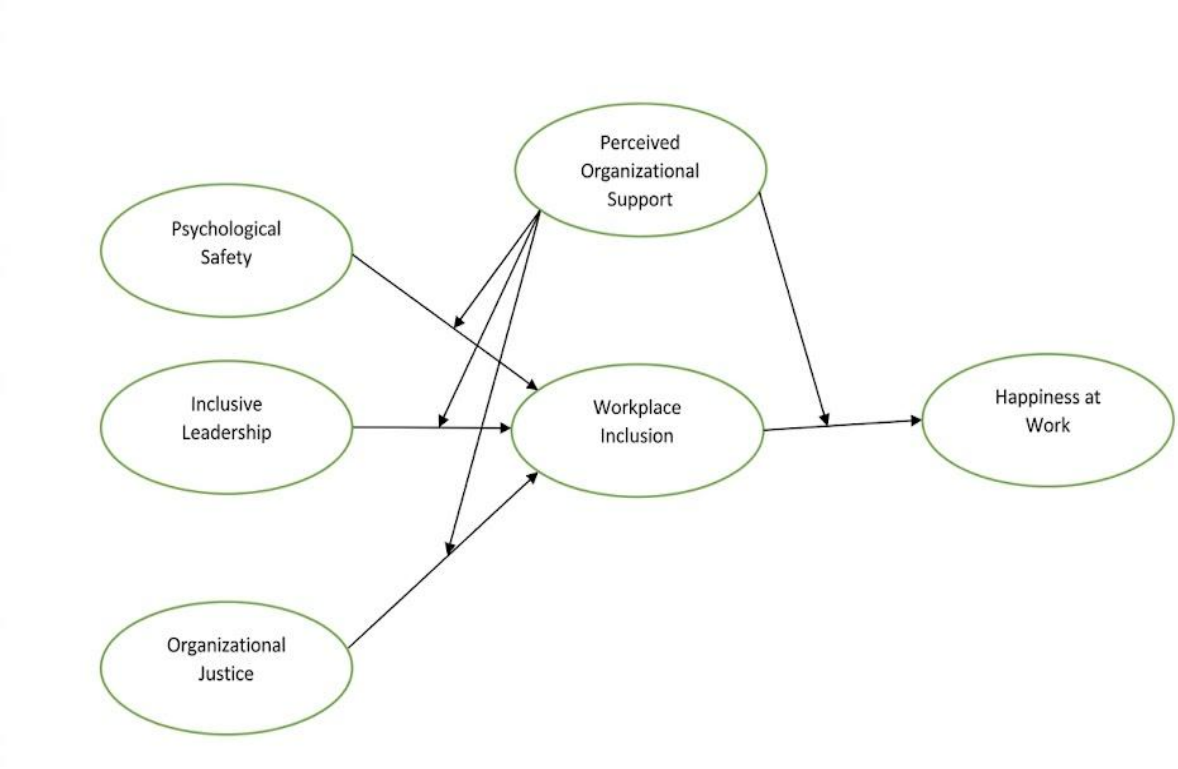


Figure 1 framework model

Note. adapted from (Jha et al., 2023), with the addition of two variables: perceived organizational support (POS) as a moderator and psychological safety (PS) as an independent variable.

2.6 The Research Gap

A significant gap exists as most workplace inclusion and well-being models are built on Western corporate literature (Shore et al., 2011). Empirical research within East African and Ethiopian organizational settings remains exceptionally scarce, particularly within saving and Credit Cooperatives (SACCOs). No empirical study has yet tested an integrated conditional process framework within an Ethiopian cooperative context like AWACH SACCOS. While prior studies independently link inclusive leadership, psychological safety and organizational justice to employee outcomes, no research has integrated these three constructs simultaneously to assess their collective nexus with Workplace Inclusion and Happiness at Work. Furthermore, existing literature lacks a multi-stage conditional exploration where Perceived Organizational Support acts as a dual-stage moderator conditioning both the first-stage pathways (PS, IL, and OJ - WI) and the

second-stage pathway (WI - HAW) within a unified moderated mediation framework. The majority of foundational inclusion studies utilize Covariance-Based Structural Equation Modeling (CB-SEM), which requires massive sample sizes and strict data normality (Hair et al., 2021). This study addresses this limitation by deploying Partial Least Squares Structural Equation Modeling (PLS-SEM) via Smart PLS. PLS-SEM. Extant literature suffers from a fragmented approach to examining employee outcomes. While prior studies have independently linked IL (under LMX theory), PS (under ODT), and OJ (under SET) to employee attitudes, they have historically been treated in isolation.

2.7 Empirical Context of AWACH SACCOS

AWACH Savings and Credit Cooperative Society (AWACH SACCOS) leading cooperative financial institution in Ethiopia. Established on March 22, 2007, with 41 founding members and an initial capital of 15,600 ETB, AWACH has grown exponentially following its national re-registration in 2021 (AWACH SACCOS, 2024; (Debela, Abegaz, Gebre, et al., 2025). The institution has mobilized over 13.6 billion ETB in savings, accumulated an asset base of 18.7 billion ETB, and expanded its network to more than 30 urban and regional branches, serving a membership base that exceeds 166,400 individuals (AWACH SACCOS, 2024).AWACH operates under a democratic, member-owned governance structure comprising a General Assembly, an elected Board of Directors, a Credit Committee, and an independent Control or Audit Committee (Debela, Abegaz, Gebre, et al., 2025). Despite its notable commercial expansion, recent institutional assessments indicate that AWACH's success is largely driven by strategic market positioning rather than systematic human resource interventions (Debela, Abegaz, Gebre, et al., 2025).The cooperative faces operational hurdles common to transitioning financial sectors, including a historical reliance on traditional, compliance-driven HR practices, localized communication barriers across its expanding branch network, and perceived inconsistencies in supervisor support. Because Perceived Organizational Support is not yet systematically embedded within daily operations, examining how macro-organizational care acts as a strategic tool to amplify branch-level inclusion and employee happiness provides vital, context-specific guidance for sustainable human capital management.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter addresses topics of research approaches (qualitative, quantitative, or mixed methods), research design (cross-sectional or longitudinal), research methods (data collection and analysis techniques), study area ,Target population and sampling Techniques and sample size determination that inform appropriate methodological foundation for designing research.

3.2 Research approach and design

This study used utilize a quantitative research approach, specifically a cross-sectional data collection, to examine the relationships between various constructs using quantitative data. This research proposal is designed to rigorously assess how POS influences inclusion and happiness among employees in AWACH SACCOS. The study employs a correlational research design to examine the relationships among the variables and test the hypothesized mediation effect of workplace inclusion and the moderation effect of perceived organizational support on the relationships between the independent variables (IL, OJ, and PS) and the dependent variable (HAW). The study used a cross-sectional design, meaning that the data has been collected and analyzed for a specific period and cannot predict outcomes over time. A cross-sectional approach involves collecting data from respondents at a single point in time via a structured questionnaire (Levitt et al., 2018). The researchers employed the deductive method, starting with a hypothesis and then collecting data to test it.

3.3 Sample Size Determination

While the research model's complexity suggests a minimum sample size of 150 to 250 respondents for robust Structural Equation Modeling (SEM) (Saputra et al., 2023), the sample size for this study has been determined using (Chuan & Penyelidikan, 2006). Under PLS-SEM guidelines (Hair et al., 2021), the minimum required sample size equals 10 times the maximum number of structural paths pointing to any one construct. The WI construct receives four paths (PS, IL, OJ, POS), requiring a minimum of 40 observations. The sample of 180 (analyzed) far exceeds this minimum.

Formula:

$$n = \frac{X^2 NP(1-P)}{ME^2(N-1)+X^2P(1-P)}$$

Where:

- n = required sample size
- X^2 = the table value of chi-square for 1 degree of freedom at 0.05 level (3.841)
- N = population size (419)
- P = population proportion (assumed to be 0.50 for maximum variability)
- ME = margin of error (0.05)

Calculation:

$$n = \frac{3.841 \times 419 \times 0.50(1-0.50)}{0.05^2(419-1)+3.841 \times 0.50(1-0.50)}$$

$$n \approx 200$$

Based on this calculation, the target sample size for the study is approximately 200 respondents.

3.4 Study Area and Target Population

The study has been conducted at AWACH SACCOS a leading cooperative institution in Addis Ababa, Ethiopia, encompassing its Head Office, regional offices, and various branches. The main reason to choose AWACH SACCOS it represent significant financial institutions in the cooperative sector, the organization has a substantial employee base suitable for quantitative analysis , the SACCOS environment provides a unique context for examining organizational support mechanisms and Limited research has been conducted on workplace inclusion and happiness in SACCOS organizations. AWACH operates multiple branches and provides savings, credit, and financial services to thousands of members. According to the AWACH SACCOS human resources data's of 2025, AWACH has a total of 419 employees across all departments and branches. The study included employees who have worked at the organization for at least six months to ensure they have sufficient experience to assess the organizational climate, leadership

practices, and support mechanisms. The target population consists of all full-time employees of AWACH SACCOS across all departments and job levels. According to the organization's Human Resources data for 2025, the total population size (N) is 419 employees.

3.5 Sampling Technique

The total sample consisted of 200 respondents, selected using a random sampling technique, considering random sampling is a popular sampling technique for quantitative investigations using survey instruments, and the researcher employed it in this investigation. It is claimed that among populations that are homogeneous and uniformly picked, simple random sampling is advantageous (Noor & Tajik, 2022). However, in an ideal world, these randomization methods would offer each member of the population an equal chance of being chosen for the sample (Stockemer, 2018). While simple random sampling remains the ideal standard for reducing confounding effects and guaranteeing an equal probability of selection for each population member (Stockemer, 2018), non-probability convenience sampling via institutional channels serves as a highly practical alternative for data collection within localized organizational landscapes (G. Sharma, 2017). This digital distribution method ensured a rapid response rate and active participation from baseline personnel across various branches. To address the inherent limitations of this approach, future research within the cooperative sector should utilize systematic or stratified random sampling designs once a comprehensive, unified employee register becomes structurally available.

3.6 Instruments and Measurement

In research methodology, instruments are the tools or standardized scales used to gather data on variables; measurement is the process of operationalizing abstract concepts into quantifiable variables (Babbie, 2020). For each variable, the study employed standardized instruments, all of which are developed scales from prior research. All scales have been employed a 5-point Likert response format, with options ranging from 1 (strongly disagree) to 5 (strongly agree). The specific instruments used in this study are listed below.

3.6.1 General information schedule (GIS)

Information with respect to the demographic features of the sample, like age, gender and work experience. Along with GIS, the survey included six standard scales to measure OJ, IL PS, and WI. POS and HAW; the following standardized tools were used in the study:

3.6.2 Measurement of Inclusive Leadership

Inclusive leadership has been measured based on a 9-item scale adapted from (Carmeli et al., 2010a), the items have been divided into three dimensions: openness (item numbers 1 to 3), availability (item numbers 4 to 6) and accessibility (item numbers 7 to 9), respectively. One example of a sample item is “My manager is available for consultation on problems as they arise“. The participants rate their level of agreement with each item on a 5-point Likert scale with options ranging from 1 (strongly disagree) to 5 (strongly agree).

3.6.3 Measurement of organizational justice

The organizational justice questionnaire developed by (Ndjaboué et al., 2012) is a self-reported questionnaire which uses Likert scale responses to indicate degree of organizational justice. The scale has been measured using 8-item, procedural justice (three items), distributive justice (three items) and interpersonal justice (two items). Procedural justice denotes justice in the decision-making process, distributive justice denotes justice in effort and rewards, and interpersonal justice denotes justice in how superiors treat subordinates. Informational justice was explicitly excluded from the measurement model due to survey scale length constraints and the specific cooperative sector context, where formal administrative information provision structures are typically less formalized than in large scale commercial banks. Response options are delivered on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), with higher scores indicating a higher level of perceived organizational justice.

3.6.4 Measurement of Psychological safety

Psychological safety has been measured assesses the extent to which a member in an organization feels psychologically safe to take risks, speak up, and discuss issues openly. 'The Edmondson (1999) scale includes reverse-coded items, which were recorded during data cleaning prior to analysis. Reverse-scoring errors may contribute to the negative outer loadings observed for PS2 (-

0.323) during initial structural equation modeling, and this was confirmed as a key reason for item deletion during the measurement model validation phase. We adopted five items from (A. C. Edmondson, 1999) psychological safety scale. Responses were made on a five-point scale ranging from 1 (strongly disagree) to 5 (strongly agree).

3.6.5 Measurement of workplace inclusive

Workplace inclusive has been measured using 8-item questionnaire, as (Shore et al., 2011).The 8 items were divided into two fractions: belongingness (Focuses on the feeling of being an insider and part of the team) item numbers 1 to 4 and uniqueness (Focuses on whether the organization values what makes the individual different) item numbers 5 to 8. One example of a sample item is "I feel like an accepted member of this organization". The participants rate their level of agreement with each item on a 5-point Likert scale (1 strongly Disagree to 5 Strongly Agree).

3.6.6 Measurement of perceived organizational support

Perceived organizational support has been measured using the 8-item scale from (Eisenberger et al., 1986), Because of the high internal reliability reported for the Survey of Perceived Organizational Support (Eisenberger et al., 1990), (Eisenberger et al., 1986), we selected 8 of the 36 items that had been found to load highly on the main factor and that seemed applicable to a wide array of organizations . Following the recommendations of Eisenberger et al. (1997) and Rhoades and Eisenberger (2002), these 8 specific items were selected because they represent the highest-loading indicators on the primary factor and have consistently demonstrated exceptional internal reliability across a wide array of organizational contexts .Respondents indicated the extent of their agreement with each item on a 5- point Likert-type scale (1 strongly disagree, 5 strongly agree).

3.6.7 Measurement of happiness at work

Happiness at work has been measured using (Salas-Vallina & Alegre, 2021) 9 item scale. 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 "I am enthusiastic about my job". The participants rate their level of agreement with each item on a 5-point Likert scale (1 strongly Disagree to 5 Strongly Agree).

3.7 Data collection

Primary data has been collected using a standardized self-administered questionnaire. The questionnaire has been distributed in all AWACH head offices and Addis Ababa and regional branches. Google Forms have been used to create the well-organized survey instrument, which have been then sent to via email or telegram. We used Google Forms to collect data using the convenience sampling technique, sending links to different social media sites Telegram, and email. Furthermore, Creswell (2018) emphasizes that in quantitative studies, surveys are essential for testing relationships among variables and for applying inferential statistical techniques such as Structural equation modelling (SEM).

3.8 Data Analysis

Smart PLS 4.4, is a statistical tool, was used in this study to analyze the data using partial least square equation modeling (PLS-SEM). According to (Karnadi, 2023a). This analysis to test the mediation and the moderation effect. PLS-SEM, a component based technique for predicting intricate cause and effect linkages in route models with latent variables, is recommended in a different study by (Karnadi, 2023a) .In contrast to covariance based techniques (CB-SEM), it is a second generation multivariate data analysis methodology within the structural equation modeling family. The evaluation measurement model and structural model as it is recommended for this type of study (Hair et al., 2021). According to (Hair et al., 2019) PLS-SEM provides various advantages over other approaches. PLS-SEM is a nonparametric method that can handle complex models with numerous constructs, indicators, and relationships. PLS-SEM is a proven reporting approach used in this study to do robust analysis.

3.9 Ethical Considerations

The Department of Management at Addis Abeba University oversaw this study, which adhered to accepted ethical guidelines to protect the participants' rights, dignity, and protection through informed consent, voluntary participation, confidentiality, anonymity, and protection from harm (Bryman & Bell, 2015; Saunders et al., 2019). As a result, prior to obtaining their agreement, the researcher informed them about ways to maintain their privacy, including avoiding disclosing their identities on the questionnaire, giving sufficient information, and gathering data from willing participants.

CHAPTER FOUR

4. DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The study's findings are given and discussed in this section, following which the research questions and hypotheses were suitably addressed. As covered in chapter three, it is a quantitative investigation. Consequently, a questionnaire was utilized to get data from the respondents about leadership, justice, safety, workplace inclusion, organizational support and happiness at work. After collecting the data, Structural equation modeling Smart PLS version 4.1.0.6 has been employed to examine the data and the developed model's constructions.

4.2 Data examination

Data screening and examination are often seen as routine and unimportant procedures, they represent a crucial first step in data analysis and comprehension, especially when anticipating SEM (Hair et al., 2021). Researchers typically look for missing data and outliers and test normality assumptions during the data screening (Tanko et al., 2019). This research data was collected online using Google Forms, and all the questions were designed as necessary. Consequently, there are no missing values in the dataset. An analysis by the researcher of this was limited to identifying outliers. Since PLS SEM uses prediction-oriented measures, it does not embrace the normality assumption (Chin, 1998) .

4.3 Response Rate

The link to the questionnaire was sent to 200 respondents to accomplish the study objectives and obtain pertinent responses that answered the research questions. Out of which 180 (90%) questionnaires were returned. Therefore, the analysis of the data is based on the 180 respondents.

Table 3: Response rate

Distributed questionnaire		Returned and useful	
Frequency	Percentage	Frequency	Percentage
200	100	180	90

Source: Survey data (2026)

4.4 Demographic Information

Table 4 below shows 80 females (44.5%) and 100 males (55.5%) in the study sample. There were more males than females. In addition, 61.7% of the participants were in the 20-29 age range, followed by 31.7% in the 30-39 age range, 5% in the 40-49 and 1.6% in above 50 age range. One hundred thirty-eight respondents (76.7%) held less than five year work experience, whereas 36 (20%) held a 6-10 years. 3.3% of the participants had worked 11-20 years. The following part contains the response's descriptive analysis.

Table 4: Demographic characteristics

Characteristic	Category	Frequency	Percentage
Gender	Male	100	55.5
	Female	80	44.5
Age Group	20-29	111	61.7
	30-39	57	31.7
	40-49	9	5
	>=50	3	1.6
work experience	<5	138	76.7
	6-10	36	20
	11-20	6	3.3
	>20	0	0

4.5 Descriptive statistics

Descriptive statistics encompass the research variables' standard deviations, means, and frequencies, emphasizing the sample's key characteristics. Each non-demographic question in the questionnaire survey is rated on a 5-point Likert scale, where 5 indicates strong agreement, and 1 indicates strong disagreement with each item in the study's latent constructs. Table 5 below displays the findings of the descriptive statistics. According to the study's findings, respondents generally agreed with the claims related to Inclusive Leadership, Workplace Inclusion, and Happiness at Work, as indicated by average scores above 4 for most items in these constructs most notably IL5 (M = 4.128), HAW1 (M = 4.278), and WI2 (M = 4.094). Median values of 4 across most items, which further supports these findings. While mean scores below 4, especially for POS5 (M = 2.717), PS2 (M = 2.350), and OJ4 (M = 3.039), indicate that respondents have less favorable opinions regarding certain dimensions of perceived organizational support, psychological safety,

and organizational safety, a mean score of 4 indicates that respondents are neither strongly in agreement nor disagreement. The data distribution appears to be predominantly skewed to the left across most constructs, as indicated by the largely negative skewness values, meaning respondents generally favored higher ratings on the Likert scale. Conversely, positive skewness observed in select POS and PS items (POS5 = 0.480, PS2 = 0.627) indicates that some respondents rated these items below the midpoint. The excess kurtosis values vary across constructs, with several items exhibiting leptokurtic distributions most notably HAW1 (5.773) indicating highly peaked score concentrations, while negative kurtosis values in items such as OJ4 (-1.148) and HAW5 (-1.177) suggest flatter, more dispersed distributions than would be considered typical.

Table 5: Descriptive Statistics

	Mean	**Median**	**min**	**max**	**Standard deviation**	**Excess kurtosis**	**Skewness**	**N**	**p value**
IL1	4.056	4	1	5	1.053	2.987	-1.755	180	0
IL2	4.061	4	1	5	0.973	2.623	-1.548	180	0
IL3	3.972	4	1	5	0.922	2.725	-1.491	180	0
IL4	4.056	4	1	5	0.987	2.375	-1.509	180	0
IL5	4.128	4	1	5	0.843	3.874	-1.591	180	0
IL6	4.094	4	1	5	0.935	2.925	-1.547	180	0
IL7	4.122	4	1	5	0.905	3.632	-1.652	180	0
IL8	4.106	4	1	5	0.922	2.475	-1.456	180	0
IL9	4.106	4	1	5	0.904	3.416	-1.577	180	0
OJ1	3.367	4	1	5	0.994	-0.461	-0.619	180	0
OJ2	3.211	4	1	5	1.085	-0.53	-0.587	180	0
OJ3	3.422	4	1	5	1.049	-0.24	-0.536	180	0
0J4	3.039	3	1	5	1.176	-1.148	-0.117	180	0
0J5	3.156	3	1	5	1.125	-0.965	-0.311	180	0
OJ6	3.194	4	1	5	1.131	-0.966	-0.32	180	0
OJ7	4.039	4	1	5	0.98	2.587	-1.58	180	0
OJ8	3.9	4	1	5	0.913	2.504	-1.431	180	0
PS1	3.717	4	1	5	1.061	0.722	-1.102	180	0
PS2	2.35	2	1	5	1.072	-0.35	0.627	180	0
PS3	2.878	3	1	5	1.124	-0.975	-0.017	180	0
PS4	3.689	4	1	5	0.996	0.962	-1.145	180	0

PS5	3.933	4	1	5	0.946	2.049	-1.333	180	0
WI1	3.822	4	1	5	0.914	1.803	-1.269	180	0
WI2	4.094	4	1	5	0.801	2.81	-1.352	180	0
WI3	3.856	4	1	5	0.864	2.074	-1.177	180	0
WI4	3.989	4	1	5	0.843	3.332	-1.493	180	0
WI5	3.811	4	1	5	0.971	1.303	-1.193	180	0
WI6	3.961	4	1	5	0.903	2.101	-1.293	180	0
WI7	3.572	4	1	5	1.011	0.169	-0.784	180	0
WI8	3.928	4	1	5	0.782	2.198	-1.138	180	0
HAW1	4.278	4	1	5	0.81	5.773	-1.942	180	0
HAW2	4.211	4	1	5	0.882	3.733	-1.702	180	0
HAW3	4.15	4	1	5	0.82	3	-1.384	180	0
HAW4	3.994	4	1	5	0.952	1.484	-1.198	180	0
HAW5	3.133	3	1	5	1.258	-1.177	-0.187	180	0
HAW6	3.161	3	1	5	1.283	-1.091	-0.209	180	0
HAW7	3.767	4	1	5	1.106	-0.063	-0.793	180	0
HAW8	3.933	4	1	5	0.923	0.978	-0.937	180	0
HAW9	4.172	4	1	5	0.948	3.263	-1.695	180	0
POS1	3.65	4	1	5	0.928	0.554	-0.846	180	0
POS2	2.828	3	1	5	1.084	-0.767	0.164	180	0
POS3	2.933	3	1	5	1.133	-0.849	0.201	180	0
POS4	3.706	4	1	5	1.031	0.42	-0.916	180	0
POS5	2.717	2	1	5	1.097	-0.533	0.48	180	0
POS6	3.411	4	1	5	1.037	-0.317	-0.559	180	0
POS7	2.789	3	1	5	1.07	-0.695	0.376	180	0
POS8	3.75	4	1	5	0.881	0.859	-0.765	180	0

4.6 The PLS-SEM Algorithm and Bootstrapping.

The PLS-SEM approach was used in the study to analyse the data. Researchers using PLS-SEM usually start the modelling process by identifying their constructs and then postulate the linkages between the constructs. There are two sub-models in a structural equation model, the inner model independent and dependent latent variables, whereas the outer model specifies the relationships between the latent variables and their observed indicators (Hair et al., 2021) .In SEM, a variable is either exogenous or endogenous. An exogenous variable has path arrows pointing outwards and

none leading to it and endogenous variable has at least one path leading to it and represents the effects of other variables. This multivariate method evaluates the structural model and measurement with minimal error variance.

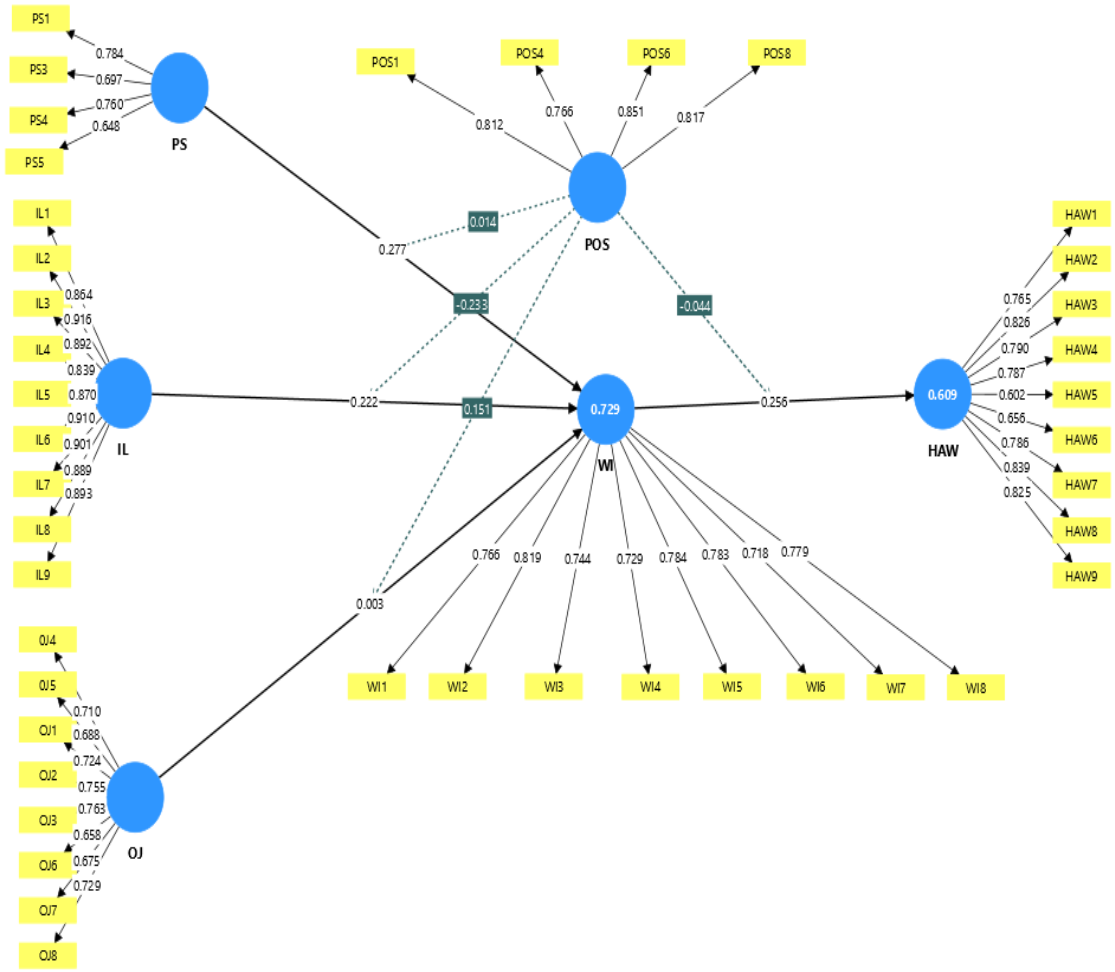


Figure 2: PLS-SEM working model

4.7 Measurement Model Assessment

PLS-SEM often examines how one or more exogenous and endogenous variables are related (Hair et al., 2021) . Generally, it gauges how well the hypothetical constructs match the data obtained (Wong, 2013). In particular, measurement Model, Researchers decide the nature of the relationship between the constructs and their indicators. Constructs can be reflective (the construct points towards its items) or formative (the items point towards their construct), depending on the

theoretical measurement formulation of the construct (Hair, Jr. et al., 2022). Generally, it gauges how well the hypothetical constructs match the data obtained (Wong, 2013). In particular, the measurement model embraces relationships between the latent variables (LVs) and their observable indicators that are predictive yet unidirectional. According to (Hair et al., 2021), it is focused on addressing the problems with reflective and formative components and the connections between the study constructs. The purpose of the measurement model assessment is to ensure the validity and reliability of our measurements. Content validity, reliability, discriminant validity, consistency reliability, and convergent validity of individual items are some of the components that make up the measurement model (Hair, Jr. et al., 2022). Validity and reliability are evaluated using reflective measurement models.

4.7.1 Reliability Assessment

Evaluate reliability at two distinct levels indicator Reliability (at the individual item level) and internal Consistency Reliability (at the construct level). Indicator reliability evaluates how much of an individual item's variance is explained by its assigned construct. It is measured by examining the outer loadings of the reflective indicators. Internal Consistency Reliability is a measure of how well a set of items (questions in a survey) work together to measure the same underlying concept or construct. If a test has high internal consistency, it means that a participant who scores highly on one question is likely to score highly on the other related questions. It measures in Composite reliability and Cronbach's alpha.

4.7.1.1 Reliability Assessment: Internal consistency reliability

Internal consistency reliability assesses whether the entire block of items assigned to a construct are working together harmoniously. It ensures that if a participant scores highly on one item in the construct, they score predictably on the others. It measures in Composite reliability and Cronbach's alpha. Composite reliability is frequently used to assess the internal consistency of a construct in terms of construct reliability. Cronbach's alpha, which estimates reliability determined by the correlations between the manifest variables (Hair et al., 2021). The number of measurement elements in the scale significantly impacts its results. Less itemized scales usually have lower Cronbach’s alpha values (Briggs & Cheek, 1986). PLS-SEM prioritizes the observed variables

based on individual reliability(Hair et al., 2021) . Researchers have regarded Cronbach's alpha as a conservative indicator of internal consistency since the development of various SEM techniques, and it assumes all indicators are equally reliable (Monecke & Leisch, 2013) ;(Hair et al., 2021). Due to the drawbacks of Cronbach alpha, recent researchers are applying another measure of internal consistency that is appropriate to use, called composite reliability (CR), which accounts for the various outer loadings of the indicators (Henseler et al., 2014). Essentially, larger values indicate an increased level of composite reliability. Enough CR values for exploratory research fall between 0.60 and 0.70 and between 0.70 and 0.90 for later stages(Hair et al., 2021) . They also warned that CR values greater than 0.90 and significantly greater than 0.95 are not ideal since they result from redundant items(Hair et al., 2021).

(Hair et al., 2021) recommend that Cronbach's alpha and composite reliability values should exceed 0.70 to demonstrate acceptable reliability, while AVE values should exceed 0.50 to confirm convergent validity. As shown in the table 6 below Cronbach's alpha values for all constructs exceeded the 0.70 threshold, ranging from 0.696 PS to 0.966 IL, indicating acceptable to excellent internal consistency. Similarly, composite reliability (rho_a) values ranged from 0.705 PS to 0.968 IL, and composite reliability (rho_c) values ranged from 0.814 PS to 0.970 IL all surpassing the 0.70 benchmark, further confirming the reliability of all constructs. The AVE values for all constructs exceeded the minimum threshold of 0.50, ranging from 0.509 OJ to 0.785 IL, confirming that each construct explains more than half of the variance in its indicators and thus demonstrating satisfactory convergent validity. Inclusive Leadership recorded the highest reliability and AVE values across all measures, while Psychological Safety, though marginally acceptable on Cronbach's alpha 0.696, still met the threshold through its composite reliability (rho_c = 0.814) and AVE 0.524, confirming its overall reliability. Taken together, these results confirm that all six construct variables demonstrate sufficient internal consistency reliability and convergent validity for subsequent structural model analysis.

Table 6: Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
HAW	0.911	0.914	0.928	0.59
IL	0.966	0.968	0.97	0.785
OJ	0.865	0.871	0.892	0.509
POS	0.827	0.831	0.885	0.659
PS	0.696	0.705	0.814	0.524
WI	0.899	0.902	0.919	0.586

4.7.1.2 Reliability Assessment: Indicator Reliability

The researcher has evaluated the reliability of individual items. This has been done to determine whether or not each study item loads onto its respective theoretical specific latent construct. High outer loadings on a construct signify a high degree of similarity among the correlated indicators, which the construct captures. (Hair et al., 2021) state that outer loadings must be at least 0.708. However, loading greater than 0.50 is acceptable construct (Hair et al., 2021). Additionally, they supported the idea that items with loadings ranging from 0.40 to 0.70 should be erased only if the indicators' removal leads to the construct's composite reliability, or AVE, exceeding a predetermined threshold. When 0.40 to 0.70 you should only consider deleting items in this range if removing them significantly boosts your construct's Composite Reliability or Average Variance Extracted (AVE). If the construct is already strong, keep them to maintain content validity. If the outer loading < 0.40 Eliminate Indicators with very low loadings should generally be dropped from the model.

To optimize model fit, five items showing negative outer loadings POS2 (-0.296), POS3 (-0.426), POS5 (-0.418), and POS7 (-0.596) and Psychological Safety: PS2 (-0.323) these five items (POS2, POS3, POS5, POS7, and PS2) were permanently removed from the active model specification, the reason it was delete Average Variance Extracted (AVE) of POS (0.411) and PS(0.438) it is less than the threshold 0.5 .The remaining items satisfy the threshold after the indications are eliminated.

Table 7: Outer loadings

	HAW	IL	OJ	POS	PS	WI
HAW1	0.765					
HAW2	0.826					
HAW3	0.79					
HAW4	0.787					
HAW5	0.602					
HAW6	0.656					
HAW7	0.786					
HAW8	0.839					
HAW9	0.825					
IL1		0.864				
IL2		0.916				
IL3		0.892				
IL4		0.839				
IL5		0.87				
IL6		0.91				
IL7		0.901				
IL8		0.889				
IL9		0.893				
OJ1			0.724			
OJ2			0.755			
OJ3			0.763			
0J4			0.71			
0J5			0.688			
OJ6			0.658			
OJ7			0.675			
OJ8			0.729			
POS1				0.812		
POS4				0.766		
POS6				0.851		
POS8				0.817		
PS1					0.784	
PS3					0.697	
PS4					0.76	
PS5					0.648	

WI1						0.766
WI2						0.819
WI3						0.744
WI4						0.729
WI5						0.784
WI6						0.783
WI7						0.718
WI8						0.779

4.7.2 Validity Assessment

According to (Saunders et al., 2023), a construct's validity is commonly defined as its ability to assess its intended purpose and complete agreement with reality. Validity Assessment at two distinct levels Indicator Validity and Construct Validity. Indicator validity evaluates whether an individual item uniquely and cleanly belongs to its assigned construct without bleeding into or overlapping with other concepts. It ensures that every specific question in your survey is an accurate indicator of the variable it was designed to measure. It evaluated by examining the Cross-Loadings matrix. Construct validity is a measure of how well your survey scales actually capture the theoretical concepts they are intended to measure and how well they distinguish between different variables. It ensures your data accurately represents your research model. It is evaluated at the construct level using two distinct sub-components convergent validity and discriminant validity.

4.7.2.1 Validity Assessment: Convergent Validity

Convergent validity is a validity category that evaluates the degree of relationship between various measures of the same construct. This indicates that there is a good correlation between all indicators that measure the same concept and that they assess mutual variables according to relevant theory. (Hair et al., 2021) claim that the reflective constructs' items are handled differently to measure the construct. As a result, a given construct's indicators need to converge and share a significant proportion of variance. The Average Variance Extracted (AVE) for every latent variable is evaluated to determine convergent validity. A value of .50 is considered acceptable to indicate the item shares at least 50% of variance with the construct.(Hair et al., 2021). Table 6

indicates that every latent concept in the study, the AVE is more than 0.50, This implies that all research constructs meet the requirements for convergent validity (Hair et al., 2021).

4.7.2.2 Validity Assessment: Discriminant Validity

This measure reflects the extent to which the construct is conceptually different from other constructs involved in the study. In other words, each of the theoretical constructs in the model is unidimensional measures a uniquely different concept and exhibits only a small amount of overlap in variances. The Fornell-Larcker criterion and Heterotrait-Monotrait (HTMT) ratio matrix is a measurement of Discriminant Validity. The recommended measure of discriminant validity is heterotrait-monotrait ratio (HTMT). Discriminant validity is demonstrated, if the AVE values are higher than the correlation values between the latent variables. In this paper, discriminant validity was assessed using cross-loading.

4.7.2.2.1 The Fornell-Larcker criterion

The Fornell-Larcker criterion calculates the difference between a construct's squared correlations with its indicators and other constructs. The construct is different from other constructions if there is a significant difference. Each variable's square root of the AVE must be higher than the correlation between that construct and any other construct, according to the Fornell-Larcker criterion. Each factor's discriminant validity is demonstrated by the results in Table 8 which compare a latent variable with the square root of AVE the variance of each variable. Crucially, each factor's square root of the AVE is higher than the correlation between the components, demonstrating how unique they are from other concepts. Discriminant validity has so been demonstrating (Hair et al., 2021).

In my result the square root of the latent variable HAW, which has an AVE value of 0.59 (as indicated in Table 6 above), is 0.768. This value is higher than the correlation values for HAW (0.768) in the row and HAW (0.475, 0.603, 0.748, 0.526 and 0.672) in the column. The same is true for the latent variables OJ and POS, then statistical output indicates that the majority of the constructs retained diagonal values higher than their off-diagonal correlation coefficients, supporting their distinctiveness. However, the discriminant validity concern emerged regarding the Psychological Safety construct. The square root of the AVE for PS stands at 0.724, which is lower than its shared correlation with Workplace Inclusion (0.735).The Fornell-Larcker criterion

indicated a marginal variance threshold overlap between PS and WI (0.735 > 0.724). Similarly, the HTMT ratio between PS and WI stood at 0.921. While this exceeds the conservative threshold of 0.90, it remains strictly below the liberal threshold of 0.95 recommended by Kline (2015) for conceptually related psychological and organizational behavioral constructs. This high correlation is theoretically justified by the strong conceptual proximity between PS and WI. In conclusion these results demonstrate the successful establishment of discriminant validity.

Table 8: Fornell-Larcker criterion for discriminant validity

	HAW	IL	OJ	POS	PS	WI
HAW	0.768					
IL	0.475	0.886				
OJ	0.603	0.607	0.714			
POS	0.748	0.387	0.617	0.812		
PS	0.526	0.601	0.708	0.612	0.724	
WI	0.672	0.636	0.628	0.696	0.735	0.766

4.7.2.2.2 Heterotrait-monotraint (HTMT) ratio matrix

The HTMT ratio matrix is used in PLS-SEM to assess a measurement model's discriminant validity. The HTMT ratio is calculated by dividing the squared correlation between two constructs by the product of their AVE values. According to (Hair et al., 2021) and (Sarstedt et al., 2021), discriminant validity is fully established if the HTMT values between latent constructs are below the conservative threshold of 0.85 for highly distinct concepts, or the standard threshold values must be less than 0.90 to demonstrate discriminant validity. The results demonstrate that most latent construct pairs meet the necessary benchmarks, thereby supporting the measurement model's validity. However, the analysis highlights two distinct conceptual overlaps. The HTMT ratio between PS and OJ stands at 0.904, and the ratio between WI and PS is 0.921. In organizational behavior research, values slightly above 0.90 are common when surveying employees within the same institutional context, as an individual's sense of procedural fairness (OJ) and interpersonal freedom (PS) structurally feed directly into their perceived sense of belonging (WI). While these two pairs indicate a close conceptual alignment, the remaining paths satisfy the criteria, indicating, discriminant validity has obtained satisfactory results for all of the latent constructs and discriminant validity is supported.

Table 91: Heterotrait-monotrait ratio (HTMT) – Matrix

	HAW	IL	OJ	POS	PS	WI
HAW						
IL	0.499					
OJ	0.675	0.607				
POS	0.859	0.432	0.731			
PS	0.666	0.723	0.904	0.811		
WI	0.739	0.672	0.679	0.804	0.921	

4.7.2.2.3 Cross-loading

An item's outer loading on its assigned construct must be greater than all of its cross-loadings on other constructs. Each item loading (bolded) of the latent variables is bigger than the cross loading (with other scale items), as seen in Table 10 below.

Table 10: Cross-Loading

	HAW	IL	OJ	POS	PS	WI
HAW1	**0.765**	0.556	0.414	0.496	0.397	0.618
HAW2	**0.826**	0.427	0.377	0.558	0.324	0.557
HAW3	**0.79**	0.414	0.347	0.448	0.366	0.51
HAW4	**0.787**	0.516	0.474	0.561	0.474	0.651
HAW5	**0.602**	0.163	0.472	0.611	0.443	0.342
HAW6	**0.656**	0.219	0.497	0.655	0.47	0.427
HAW7	**0.786**	0.259	0.508	0.55	0.332	0.417
HAW8	**0.839**	0.334	0.553	0.637	0.425	0.526
HAW9	**0.825**	0.35	0.5	0.627	0.388	0.542
IL1	0.45	**0.864**	0.489	0.348	0.515	0.556
IL2	0.455	**0.916**	0.549	0.355	0.558	0.573
IL3	0.477	**0.892**	0.549	0.39	0.568	0.62
IL4	0.359	**0.839**	0.471	0.247	0.435	0.459
IL5	0.43	**0.87**	0.471	0.338	0.419	0.551
IL6	0.363	**0.91**	0.583	0.305	0.546	0.551
IL7	0.367	**0.901**	0.581	0.317	0.556	0.551
IL8	0.469	**0.889**	0.547	0.397	0.576	0.62
IL9	0.4	**0.893**	0.587	0.364	0.596	0.564

OJ1	0.456	0.438	**0.724**	0.37	0.54	0.455
OJ2	0.387	0.385	**0.755**	0.379	0.57	0.415
OJ3	0.391	0.428	**0.763**	0.358	0.484	0.438
0J4	0.492	0.276	**0.71**	0.522	0.453	0.387
0J5	0.413	0.208	**0.688**	0.454	0.423	0.328
OJ6	0.404	0.134	**0.658**	0.532	0.439	0.328
OJ7	0.458	0.681	**0.675**	0.448	0.52	0.575
OJ8	0.426	0.64	**0.729**	0.484	0.556	0.533
POS1	0.535	0.31	0.542	**0.812**	0.624	0.602
POS4	0.572	0.361	0.454	**0.766**	0.404	0.502
POS6	0.639	0.289	0.549	**0.851**	0.542	0.59
POS8	0.675	0.304	0.459	**0.817**	0.42	0.565
PS1	0.428	0.585	0.629	0.48	**0.784**	0.584
PS3	0.467	0.286	0.645	0.526	**0.697**	0.47
PS4	0.326	0.382	0.395	0.433	**0.76**	0.577
PS5	0.313	0.47	0.393	0.34	**0.648**	0.487
WI1	0.476	0.511	0.545	0.589	0.649	**0.766**
WI2	0.595	0.605	0.562	0.586	0.57	**0.819**
WI3	0.556	0.474	0.407	0.485	0.483	**0.744**
WI4	0.511	0.431	0.422	0.45	0.473	**0.729**
WI5	0.463	0.574	0.556	0.56	0.642	**0.784**
WI6	0.45	0.565	0.5	0.457	0.591	**0.783**
WI7	0.469	0.332	0.437	0.552	0.604	**0.718**
WI8	0.608	0.361	0.382	0.573	0.467	**0.779**

4.8 Structural model Analysis

After establishing the validity and reliability of the study's constructs, the next stage is to examine the structural model (Chin, 2009) ; (Wong, 2013). The current study's structural model comprises (Psychological safety, Inclusive leadership, Organizational Justice) as exogenous variables, Workplace inclusion as a mediator variable, Perceived organizational support as a moderator and happiness at work as an endogenous variable (See Figure 3). Structural model is a set of hypotheses or relationships that describe how latent variables interrelate and how they relate to both latent and observed variables. The structural model was evaluated by a bootstrapping technique. Within the Structural Model, path coefficients or regression coefficients quantify the

strength and direction of these relationships, shedding light on the influence one variable exerts on another. Furthermore, the Structural Model can incorporate complex elements like mediation and moderation effects, elucidating how the interactions between variables are shaped by additional factors. It also comprises the model's prediction ability and the correlations between the exogenous and endogenous variables (Hair et al., 2021). (Hair et al., 2021) state that the structural model's explanatory power (R^2), effect sizes (f^2), predictive relevance (Q^2), collinearity concerns, significance and relevance of the structural model relationships, and other factors are all taken into consideration while evaluating the model. Since PLS-SEM is on the notion of distribution-free variance, it does not support statistical testing of the model's general goodness of fit (Tenenhaus et al., 2005). As a result, it uses non-parametric statistics to evaluate the general model fit (Hair et al., 2021). Generally, PLS-SEM utilizes R^2 to assess the quality of the complete structural model and AVE to determine the measurement quality of the entire model. Researchers evaluate the degree to which the predictor variables influence the predicted variable using effect sizes (f^2).

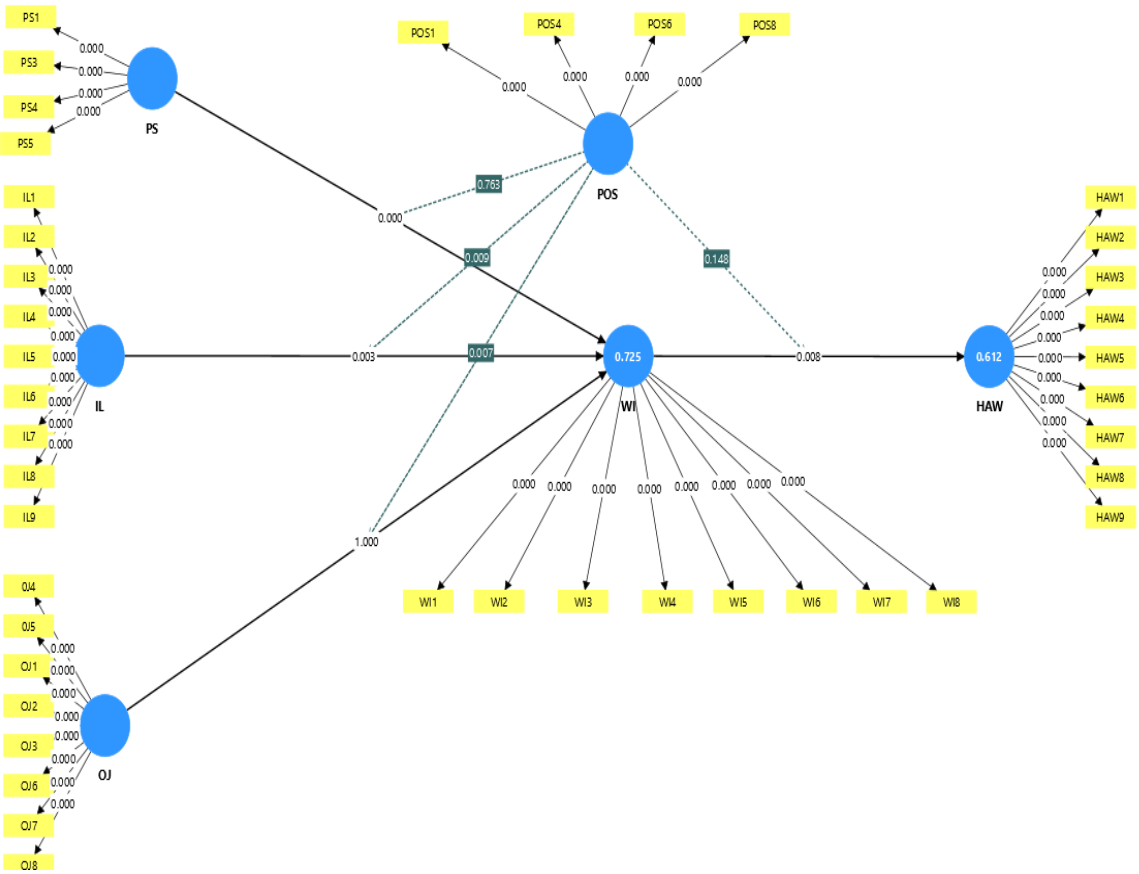


Figure 3: Bootstrapping Working model

4.8.1 Assessment of Collinearity Issues between Constructs

A high correlation between items or constructs is called collinearity (Hair et al., 2021). High correlations are not expected between constructs (Henseler et al., 2014) because they impact the study model estimates (MacKenzie et al., 2005). We employ the variance inflation factor (VIF) since the structural model's collinearity assessment is the same as the formative models (Hair et al., 2021). They go on to specify that the VIF less than 3 is highly recommended but it must be less than 5. The latent construct's VIF values are displayed in Table 11, and every value is below the critical threshold (5). This means that the concerns of multi-collinearity do not affect constructions. Therefore, there is no need to deal with this issue.

Table 11: Collinearity Statistics (VIF)-Inner model

	VIF
IL -> WI	1.965
OJ -> WI	2.701
POS -> HAW	1.945
POS -> WI	1.928
POS x IL -> WI	3.899
POS x OJ -> WI	4.116
POS x PS -> WI	4.762
POS x WI -> HAW	1.276
PS -> WI	2.666
WI -> HAW	2.261

4.8.2 Assessment of the significance and relevance of the structural relationships

PLS-SEM is used to generate estimates for the relationships in the structural model, such as path coefficients that show the correlations between the predicted study items and academic equivalent of strength and direction indicators (Kaplan, 2008); (Wong, 2013). Standardized path coefficients vary from -1 to +1. Path coefficients of +1 indicate a significant positive correlation and as one thing goes up, the other goes up, whereas, for -1 values, the opposite is true or as one thing goes up, the other goes down (an inverse relationship) (Tenenhaus et al., 2005) ; (Hair et al., 2021). Values of path coefficients close to 0 are typically non-significant or no relationship. Researchers usually employ the bootstrapping resampling method to generate more consistent p values and stable resample path coefficients, and every significant path coefficient depends on the standard error (Hair et al., 2021).

The direct and indirect impacts can be employed to assess the magnitude of path coefficients. Total effect is the total of direct and indirect effects. According to (Hair et al., 2021), this strategy is helpful for studies examining the effects of many exogenous variables on the endogenous variable through the mediator. To comprehend the signs (direction), magnitude, and predicted path coefficients connecting the constructs' statistical significance, hypothesis testing has been done. Higher path coefficients indicate stronger relationships between the explanatory and explained variables.

4.8.2.1 Direct Hypothesis Test Results

The relevance of the hypothesized relationships was established by measuring the significance of the p-values for each path with a threshold of $p<0.05$, and the inferences have been drawn based on this value. The results of hypothesis testing are shown in Table 12.

The table shows that the first hypothesis (H1) showed that a positive significant relationship between Psychological Safety and Workplace Inclusion ($\beta= 0.274$, $t = 3.991$, $p = 0.000$). The outcome implies that when AWACH SACCOS employees experience a psychologically safe environment where they can speak up, share ideas, and take risks without fear of negative consequences, their perception of workplace inclusion significantly increases. previous research (A. C. Edmondson, 1999) ; (Carmeli et al., 2010a) that indicates psychological safety is an essential precondition for creating an inclusive work environment**.** The results of this hypothesis are in

highly agreement with Optimal Distinctiveness Theory and Social Exchange Theory (SET). Establishing a secure psychological environment communicates organizational support, which encourages workers to respond with increased involvement and transparency. Thus, psychological safety promotes inclusion in the workplace. Studies consistently (A. C. Edmondson, 1999) and Carmeli et al. (2010, indicates psychological safety is an essential precondition for creating an inclusive work environment and empirical validation for SET.

The table below shows that the second hypothesis (H2) there is a substantial positive correlation between workplace inclusion and inclusive leadership (β= 0.219, t = 2.977, p = 0.003). The result suggests that leaders who are transparent, approachable, and available actively foster an inclusive environment for their teams. This is consistent with past research indicating that employee inclusion experiences are significantly influenced by leadership behavior (Randel et al., 2018) (Shore et al., 2011). The outcome is consistent with previous research findings (Jha et al., 2023). The results of this hypothesis are in line with Leader-Member Exchange (LMX) Theory. A culture where all people feel appreciated is reinforced when leaders exhibit inclusive behaviors in a visible manner, setting a behavioral standard for the operational units. This study consistently (Randel et al., 2018 Shore et al., 2011 Jha et al., 2023),indicates leaders who are transparent, approachable, and available actively foster an inclusive environment for their teams and empirical validation for LMX.

The third hypothesis (H3) in the table reveals that there is no statistically significant relationship between Workplace Inclusion and Organizational Justice (β= -0.000, t = 0.000, p = 1.000). The beta (β) value is your path coefficient, as we discussed, this tells the strength of the relationship. A value of β=-0.000 means that a change in workplace inclusion has 0% impact on organizational justice, the relationship is completely flat. Tobe statistically significant p value needs to be very small usually less than 0.05 ($p < 0.05$) p-value of 1.000 is high it means there is a 100% probability that any slight pattern is just random noise. The t-value measures how far your result is from zero relationship. For a social science thesis, you generally want your t-value to be greater than 1.96 to prove a relationship is real (Hazra, 2017). The t-value of 0.000 means your result is exactly sitting on zero. Therefore, the result suggests that efforts to foster an inclusive environment may not necessarily translate into or immediately change employees' sense of fairness with relation to workplace practices and resource allocations. According to previous research (Colquitt et al.,

2001); (Cropanzano et al., 2007), workplace inclusion and organizational justice are separate conceptual pillars that function independently rather than causally within organizational structures. Justice assesses structural equity, whereas inclusion emphasizes individuality and belonging, therefore one does not necessarily influence the other. This hypothesis's outcome is consistent with Social Exchange Theory, which state that fairness perceptions are driven by transparent systems and equitable outcomes rather than broad inclusion experiences alone. When operational units experience inclusion, it does not mechanically shift their evaluation of formal administrative justice. The result indicates that organizational justice does not significantly predict workplace inclusion (β = -0.000, p = 1.000). This means that employees' perceptions of procedural, distributive, and interpersonal fairness do not translate into a stronger sense of belonging and inclusion within AWACH SACCOS. The hypothesis is not supported, emphasized by Colquitt et al. (2001) and Cropanzano et al. (2007), and SET, showing that cooperative employees drive their justice perceptions from transparent systems and tangible outcomes, rather than broad inclusion experiences alone.

The fourth hypothesis (H4) showed a positive significant relationship between Workplace Inclusion and Happiness at Work (β= 0.255, t = 2.652, p = 0.008). The result is similar to the findings of existing literature (Jha et al., 2023),the outcome implies that as employees experience a stronger sense of belonging and value within the organization, their overall happiness, well-being, and emotional satisfaction at work improve. This aligns with earlier studies that suggest a workplace where employees feel included is a critical factor in driving subjective well-being and positive job attitudes (Fisher, 2010); (Bell et al., 2013).This hypothesis's outcome is consistent with Social Exchange Theory, Employees who feel included perceive it as organizational investment and reciprocate with happiness and positive engagement. An inclusive workplace fulfills this need, which ultimately boosts morale and deepens emotional satisfaction. Therefore, workplace inclusion enhances happiness at work. The study consistently (Fisher, 2010; Bell et al., 2013; Jha et al., 2023), employees experience belonging and value within the organization, their overall happiness, well-being, and emotional satisfaction at work improve and empirical validation for SET

In conclusion, positive and substantial relationships exist between psychological safety, inclusive leadership, workplace inclusion, and happiness at work, while organizational justice shows no relationship within this context. Research has demonstrated that there is a favorable correlation between supportive work climates, leadership behaviors, employee inclusion, and overall well-being, as demonstrated by (A. C. Edmondson, 1999), (Shore et al., 2011) and (Fisher, 2010). An organization's ability to foster employee expression, trust, and a sense of belonging is enhanced by psychological safety and inclusive leadership, which in turn promotes greater emotional well-being and pleasure. According to Self-Determination Theory and Optimal Distinctiveness theory, organizations with strong inclusive capabilities can better assist workers in striking a balance between their needs for belonging and uniqueness, meeting their basic human need for relatedness and resulting in increased job satisfaction**.** Conversely, excessive reliance on rigid, structural justice procedures can overwhelm an organization with bureaucracy, leading to a "checkbox" culture that separates formal procedures from daily relational realities. A company in a better position to enhance employee morale, adapt to shifting cultural conditions, and boost overall operational efficiency when it has strong psychological safety, inclusive leadership, and workplace inclusion policies.

Table 12: Hypothesis testing results (Direct effects)

	Path coefficient	**Standard deviation**	**T statistics**	**P values**	**Decision**
H1. PS -> WI	0.274	0.069	3.991	0.000	supported
H2. IL -> WI	0.219	0.074	2.977	0.003	Supported
H3. OJ -> WI	-0.000	0.065	0.000	1.000	Unsupported
H4. WI -> HAW	0.255	0.096	2.652	0.008	Supported

4.8.2.2 Mediation Analysis Results (Indirect Effects)

Mediation occurs when a third variable intervenes between two related variables. The purpose of the mediation analysis in this research is to assess the role that Workplace inclusion plays in the links between Happiness and Psychological safety, Happiness and Workplace inclusion, Happiness and Organizational Justice.

Table 13 the result shows that a Positive significant direct effect (β= 0.274, p = 0.000) of Psychological safety on Workplace inclusion and a positive significant specific indirect effect

(*β*=0.070, *p*=0.012*)* of Psychological safety on Happiness at work through Workplace inclusion. The Hypotheses H5 seeks that to analyses the mediating effect of Workplace inclusion on the relationship between Psychological safety and Happiness at work as shown in the table 13 below the direct effect is significant and the indirect effect is also significant therefore workplace inclusion is Partial mediation between Psychological safety and happiness at work. Suppose the signs of the direct and indirect effects are different, in that case, the type of partial mediation is called competitive, and if it is the same, it is called complementary partial mediation (Hair et al., 2021). This shows that while the direct and indirect effect is the same sign, its positive, then Workplace inclusion plays a complementary partial mediation role. This partial mediation suggests that Psychological Safety directly boosts Happiness at Work, but a significant portion of that impact is also channeled through making employees feel more included. Recent research indicates that fostering happiness at work requires more than a psychologically safe environment, also demanding a profound sense of inclusion at the workplace. The study's findings were in line with the findings of (A. C. Edmondson, 1999), (Shore et al., 2011), The Optimal Distinctiveness Theory (ODT) developed by Brewer (1991) posits that to maximize human well-being, psychological safety must go through a cycle of validating unique individual identities while cultivating a strong structural sense of organizational belonging. The result is consistent with Edmondson's (1999) and Shore et al. (2011) a psychologically safe climate is not an end in itself, but an enabling catalyst that unlocks broader team mechanisms

The Table 13 below shows a significant positive direct effect (β= 0.219, p = 0.003) of Inclusive leadership on Workplace inclusion and a positive significant specific indirect effect (*β*=0.056, *p*=0.055*)* of Inclusive Leadership on Happiness at work through Workplace inclusion. While the p-value which is marginally above the 0.05 threshold, modern PLS-SEM guidelines dictate evaluating mediation via bootstrap confidence intervals rather than a strict p-value cutoff alone (Hair et al., 2021). If the CI includes zero as this 95% confidence interval includes zero, confirms no mediation. If it marginally excludes zero, confirms marginal mediation. Based on this the indirect effect (β=0.056) has a 95% confidence interval completely excludes zero (both the lower and upper bounds are positive numbers), the indirect effect is marginally significant. The Hypotheses H6 shows that to analyses the mediating effect of Workplace inclusion on the relationship between Inclusive Leadership and Happiness at work as shown in the table 13 below the direct effect is significant and the indirect effect is marginally significant therefore there is a

partial mediation between Inclusive Leadership and happiness at work through workplace inclusion. This means inclusive leaders at AWACH SACCOS bring about employee happiness in two parallel ways directly through their personal interactions with staff, and indirectly by building an inclusive workplace environment. This study consistent with Randel et al. (2018) and Ferdman et al. (2014), proving that relational and structural elements work in parallel and empirical validation for ODT.

The Table 13 below shows that insignificant direct effect (β= -0.000, p = 1.000) of Organizational justice on Workplace inclusion and an insignificant specific indirect effect (β= -0.000, p = 1.000) of Organizational justice on Happiness at work through Workplace inclusion. The Hypotheses H7 shows that to analyses the mediating effect of Workplace inclusion on the relationship between Organizational justice and Happiness at work as shown in the table below the direct effect is insignificant and the indirect effect is also insignificant therefore there is no mediation between Organizational justice and happiness at work through workplace inclusion, because Organizational Justice has no relationship with Workplace Inclusion (β = -0.000), the indirect path is completely broken, this means organizational justice does not influence employee happiness through workplace inclusion. This study consistent with Colquitt et al. (2001) , Cropanzano et al. (2007) ,Justice and inclusion operate as distinct institutional pillars.

In conclusion, the mediation analysis demonstrates that Workplace Inclusion serves as a significant partial mediator between Psychological Safety and Happiness at work (β= 0.070, p = 0.012), shows that a safe environment maximizes employee happiness primarily when it successfully translates into an active, everyday culture of structural belonging and individual uniqueness (Hair et al., 2021). Workplace Inclusion marginal partial mediate the relationship for Inclusive Leadership (β= 0.056, p = 0.055). Lastly, there is no mediation effect at all for Organizational Justice (OJ) (β= -0.000, P = 1.000), demonstrating that formal, structural fairness rules continue to be disconnected from the emotional realities of employees and totally fail to transmit any indirect positive impact on workplace satisfaction through the lens of inclusion. In partial mediation workplace inclusion on the relationship between psychological safety and happiness at work both the direct and indirect effects are significant. This indicates that the predictor influences well-being directly, but the mediator enhances this effect. In this case, organizations need a balanced strategy. This dual focus ensures they capitalize on immediate gains like encouraging

open speech, while leveraging long term cultural belonging benefits. Partial mediation allows for more flexibility. An organization may realize immediate improvements in morale from a safe climate but needs to ensure that active workplace inclusion procedures support long term psychological fulfillment through phased or dynamic strategies. When there is no mediation of organizational Justice, the broken path signals structural decoupling, proving that formal fairness protocols are entirely separated from the employee's emotional experience of inclusion. In this case, organizations must recognize that rigid administrative compliance alone will not drive inclusion or happiness, and resources should be redirected away from mechanical checkbox policies toward active relational initiatives. The model's identification of partial mediation and no mediation greatly aids in the development of organizational strategies, particularly in the way AWACH SACCOS uses leadership behaviors and psychological climate to enhance total employee well-being.

Table 13: Mediation Analysis Results

Direct effect		**Specific indirect effect**				
β	**P**	**Hypotheses**	**β**	**T**	**P**	**Result**
0.274	0.000	H5. PS -> WI -> HAW	0.070	2.526	0.012	Partial Mediation
0.219	0.003	H6. IL -> WI -> HAW	0.056	1.923	0.055	Partial Mediation
-0.000	1.000	H7. OJ -> WI -> HAW	-0.000	0.000	1.000	No mediation

4.8.3 Coefficient of determination (R2)

As per (Hair et al., 2021), the third stage of the structural model evaluation procedure involves assessing the model's explanatory power. The coefficient of determination R2 quantifies the proportion of variance in the endogenous (dependent) latent variables that can be explained by the exogenous (independent) latent variables, with values ranging between 0 and 1(Hair et al., 2021). To interpret the predictive power of the model, this study consistently adopts the PLS-SEM specific benchmarking framework proposed by Hair et al. (2021), where $R^2 \geq 0.75$ values are classified as substantial, ≥ 0.50 as moderate, and ≥ 0.25 is weak. Both WI $R^2=0.729$ and HAW $R^2=0.609$ approach the substantial threshold, indicating good explanatory power. The findings reveal that the three predictor variables, Psychological Safety, Inclusive Leadership, and Organizational justice, explain variances of 0.729 in Workplace inclusion. The five

explanatory factors explain 60.9% of the variation in Happiness at work (note that workplace inclusion also has an explanatory effect on Happiness at work). Recommended R2 values for endogenous latent variables based on 0.67, 0.33, and 0.19 are considered substantial, moderate, and weak, respectively (Chin, 1998). (Cohen, 2013) suggested that R^2 values of endogenous latent variables are assessed as 0.26, 0.13, and 0.02 were significant, mild, and weak, respectively. (Hair et al., 2021) suggested in scholarly researcher that focus on marketing issues R2 values of 0.75, 0.50, and 0.25 for endogenous latent variables can as a rough rule of thumb, be respectively described as substantial, moderate and week . The empirical results from the Smart PLS analysis indicate that the R2 value for Workplace Inclusion is 0.729, while the R2 value for Happiness at Work is 0.609. Applying the Hair et al. (2021) standard, both endogenous variables cross or closely approach the substantial threshold. Specifically, the independent constructs explain 72.9% of the variance in workplace inclusion and 60.9% of the variance in happiness at work, confirming that the structural model possesses strong explanatory power within the context of AWACH SACCOS.

Table 14: Explanatory power (R2)

	R-square	R-square adjusted
HAW	0.609	0.602
WI	0.729	0.718

4.8.4 Predictive Relevance (Q2)

A model's predictive relevance measures whether a model has Predictive relevance or not (greater than 0) it's good. Q^2 establish the predictive relevance of endogenous constructs and it is determined by its predictive relevance score. Q^2 values above zero indicate that your value are reconstructed and that the model has predictive relevance (Chin, 1998); (Henseler et al., 2014). Predictive relevance values of 0.02, 0.15, and 0.35 are regarded as weak, moderate, and strong, degree of predictive relevance of each effect (Hair et al., 2021). The predictive relevance of the constructs in Table 15 shows a significant predictive relevance of the variables. WI has a Q^2 value of 0.685, implying a high predictive relevance. Likewise, with a Q^2 value of 0.558, HAW exhibits greater predictive relevance. This demonstrates the two predicted constructs' strong predictive relevance and a reasonable degree of model fit. Since no negative indices exist, the corresponding constructs are accurately estimated (Tenenhaus et al., 2005).

Table 15: predictive relevance (Q2)

	Q^2
WI	0.685
HAW	0.558

4.8.5 F-square analysis

F square is the change in R-square when an exogenous variable is removed from the model. The change in the R^2 is estimated if a particular exogenous construct is removed from the model to more accurately quantify the explanatory value of each exogenous variable in the model. This is called effect size (f^2). The effect size of every exogenous variable indicates how much it affects the dependent variable. It illustrates the degree to which an explanatory variable influences the R^2 value of an explained variable. Effect size evaluates the strength or magnitude of the correlation between the latent variables. When an explanatory variable is removed from the PLS path model, the variance in squared correlation values is measured to see whether the removed explanatory variable has a significant impact on the dependent variable's R^2 value. A variable in structural model may be affected/influenced by a number of different variables. Removing an exogenous variable can affect the dependent variable.

When the exogenous variable is eliminated from the model, the f-squared value of Perceived Organizational Support with Workplace Inclusion is 0.364, as shown in Table 16. This is a large shift, if $f \geq 0.02$ is small, $f \geq 0.15$ is medium, and $f \geq 0.35$ is large, according to (Cohen, 1988). The value between POS and Happiness at Work is 0.393, which is also regarded as large. IL-WI, PS - WI, and WI - HAW have f-squared analyses of 0.092 (small), 0.106 (small), and 0.074 (small), respectively. The impact of the predictor variable at the structural level is substantial if the effect size is 0.35, medium if f2 is 0.15, and minimal if f^2 is 0.02, according to (Cohen, 2013). Looking at the interaction terms, POS x IL - WI and POS x OJ - WI have f-squared values of 0.110 (small) and 0.043 (small), whereas POS x WI - HAW has a small effect size of 0.012. Finally, Table 16 revealed that f^2 ranged from 0.000 (negligible) for OJ on WI and POS x PS on WI to 0.393 (substantial) for POS on HAW.

Table 16: Effect size (f2)

	f square	
	HAW	**WI**
HAW		
IL		0.092
OJ		0.000
POS	0.393	0.364
PS		0.106
WI	0.074	
POS x OJ		0.043
POS x WI	0.012	
POS x PS		0.000
POS x IL		0.110

4.8.6. Moderation Analysis Results

According to(Dawson, 2014) moderator is any variable that influences the relationship between two or more other factors; the moderator's impact on this relationship is known as moderation. The most basic type of moderation in statistics is when the value of a moderator variable, Z, affects the connection between an independent variable, X, and a dependent variable, Y. The regression equation of Y on X would provide a simple test of a linear relationship between X and Y. The association between workplace inclusion and happiness at work, inclusive leadership and workplace inclusion, psychological safety and workplace inclusion, organizational justice and workplace inclusion to be moderated by the variable perceived organizational support in this study. The objective is to reveal significant and relevant indirect impact relationships in addition to verifying the significant route coefficient (β), which in this case is the original mean (o) in Table 17 below.

Table 17: Moderation effect Analysis Results

Constructs	Original sample (O)	Sample mean (M)	Standard deviation	T statistics	F square	P values	Moderation
H8.POS x PS -> WI	0.018	0.01	0.061	0.302	0.000	0.763	Reject
H9.POS x IL -> WI	-0.236	-0.233	0.09	2.618	0.110	0.009	Reject
H10.POS x OJ -> WI	0.149	0.153	0.055	2.701	0.043	0.007	Accept
H11.POS x WI -> HAW	-0.042	-0.043	0.029	1.446	0.012	0.148	Reject

The beta coefficient (β = 0.018) is extremely small and positive, suggesting a negligible moderating influence of Perceived Organizational Support on the relationship between Psychological Safety and Workplace Inclusion. H8 proposed that this moderation would be positive and significant, such that higher POS would strengthen the effect of Psychological Safety on Workplace Inclusion. While the direction of the beta is technically positive, the near-zero magnitude indicates that changes in POS have virtually no practical bearing on the strength of the PS-WI relationship. The t-value is used to assess statistical significance (Hair et al., 2021). The t-value of 0.302 falls far below the critical threshold of 1.96, indicating that the moderating effect is not statistically significant at any conventional confidence level. The p-value of 0.763, which is significantly higher than the 0.05 significance threshold, proves the lack of a statistically significant moderating impact. This suggests that there is insufficient statistical evidence to draw a conclusion that POS significantly moderates the association between workplace inclusion and psychological safety. Since the effect magnitude ($f^2 = 0.000$) is practically zero, there is absolutely no practical significance. This is one of the lowest effect sizes that may be found, indicating that POS adds nothing more to the association between workplace inclusion and psychological safety. The non-significant result could be explained by the possibility that Psychological Safety operates as an independent, self-sufficient driver of Workplace Inclusion that does not require organizational support as a moderating condition. In the light of AWACH, peer connections, supervisory conduct, and immediate team dynamics may have a greater influence on psychological safety than more general organizational-level support systems. Additionally, workers may view organizational support and psychological safety as two separate concepts that influence workplace inclusion through separate paths and have minimal interaction. The hypothesis is not supported.

The data provide no statistical evidence for a significant moderating effect of Perceived Organizational Support on the PS-WI relationship ($p = 0.763 > 0.05$, $t = 0.302 < 1.96$, $f^2 = 0.000$). Therefore, **H8 is rejected**. This finding suggests that the role of psychological safety in fostering workplace inclusion operates largely independently of perceived organizational support within the studied in AWACH context and future research may need to explore alternative boundary conditions that moderate this relationship. Consistently aligns with Edmondson (1999). Psychological safety acts as a self-sufficient driver of inclusion, independent of structural POS.

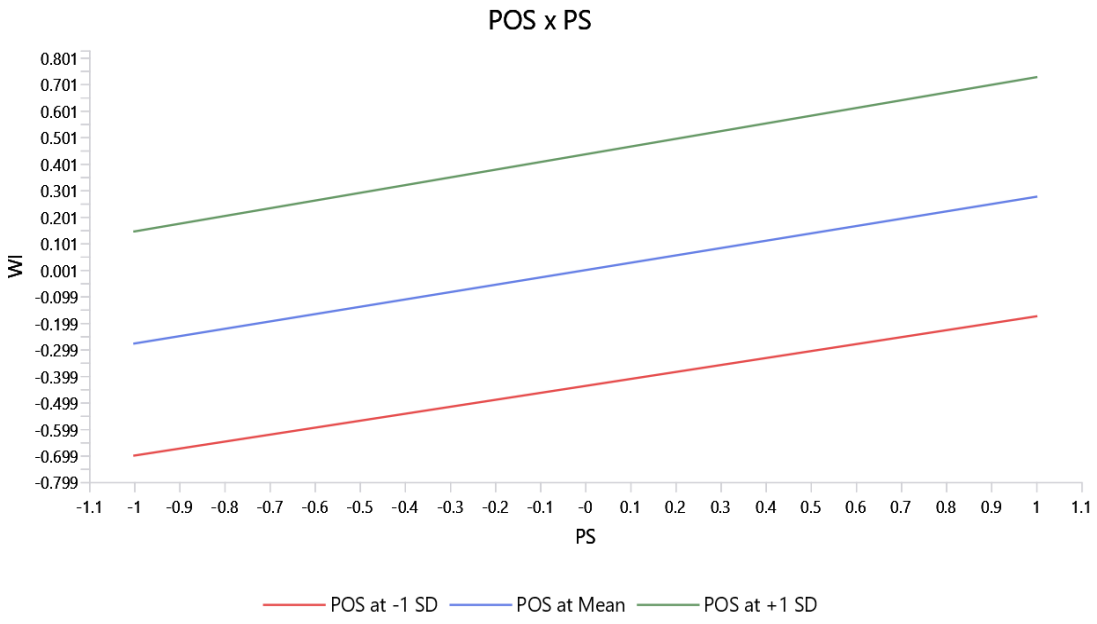


Figure 4: slope analysis graph POS x PS

Figure 4 illustrates, when POS is high (green line), the slope of PS on Workplace Inclusion is practically parallel and unchanged compared to when POS is at the mean (blue line) or when POS is low (red line). This uniform, non-divergent pattern among the slopes confirms that POS does not exert a significant interaction effect on the psychological safety–inclusion pathway, visually validating the statistical rejection of hypothesis H8.

The beta coefficient ($\beta = -0.236$) demonstrates the degree and direction to which the relationship between Inclusive Leadership and Workplace Inclusion is moderated by Perceived Organizational Support. H9 proposed that this moderation would be positive that is, higher POS would strengthen the positive effect of Inclusive Leadership on Workplace Inclusion. The significance of the

moderating effect is assessed using the t-value (Hair et al., 2021) and (Sarstedt et al., 2021) . A result is considered statistically significant when the t-value exceeds 1.96 at the 95% confidence level. The t-value of 2.618, which is well above this threshold, confirms that the moderating effect is statistically significant. The interaction term beta coefficient (β= -0.236) demonstrates the magnitude and direction to which the relationship between Inclusive Leadership and Workplace Inclusion is moderated by Perceived Organizational Support.

Hypothesis H9 proposed that this moderation would be positive specifically, that higher POS would strengthen the positive effect of IL on WI. However, the negative beta value reveals the exact opposite: as POS increases, the positive relationship between Inclusive Leadership and Workplace Inclusion weakens rather than strengthens. The statistical significance of this interaction is confirmed by a t-value of 2.618 (which exceeds the standard 1.96 threshold) and a p-value of 0.009 ($p < 0.05$). The effect size ($f2 = 0.110$) approaches Cohen's (1988) medium threshold (0.15), indicating a moderate practical impact. Therefore, H9 is rejected. While POS significantly moderates the IL -WI relationship ($p = 0.009$), the direction is negative (β= -0.236) opposite to the positive moderation hypothesized. The significant negative moderation constitutes an unexpected finding that warrants theoretical reinterpretation rather than acceptance. The finding suggests that within AWACH SACCOS, POS does not amplify the effect of inclusive leaders, but rather acts as a structural substitute.

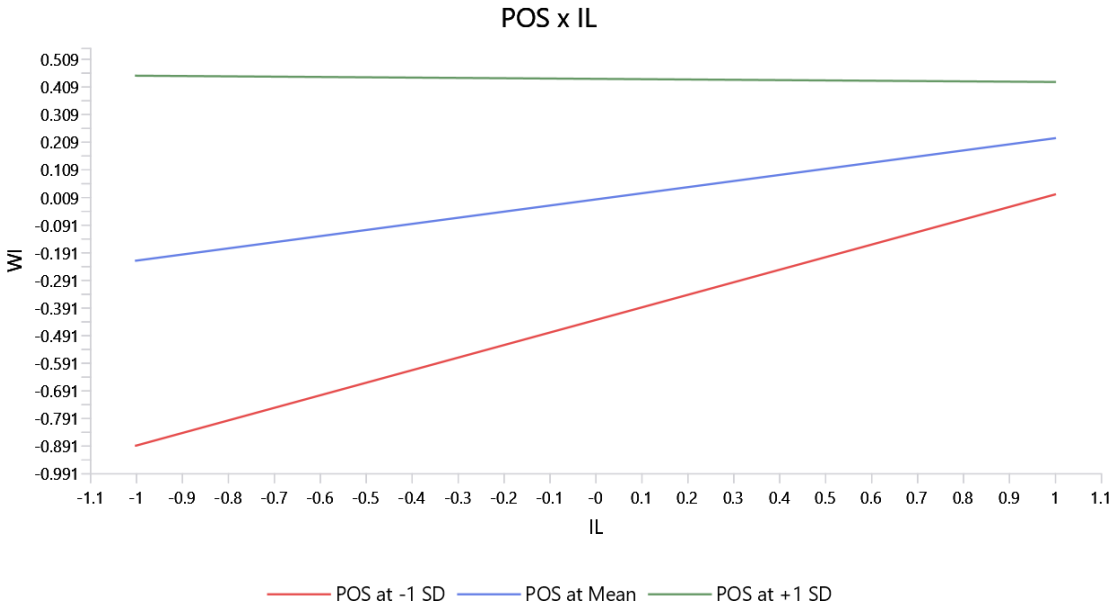


Figure 5: slope analysis graph POS x IL

Figure 5 illustrates, when POS is low (red line), the slope of IL on Workplace Inclusion is highly steep and positive compared to when POS is at the mean (blue line) or when POS is high (green line), where the slope becomes virtually flat). This visual convergence of lines clearly depicts a significant negative interaction pattern, providing the empirical foundation for rejecting H9.

The beta coefficient ($\beta = 0.149$) captures the direction and magnitude of Perceived Organizational Support's moderating role in the relationship between Organizational Justice and Workplace Inclusion. H10 proposed that this moderation would be positive, and the positive beta value confirms precisely as POS increases, the positive relationship between Organizational Justice and Workplace Inclusion is further strengthened. This is a conceptually consistent and intuitive conclusion, as employees who feel strong organizational support are likely to be more sensitive and receptive to justice-related activities within the organization. The moderating impact is statistically significant at the 95% confidence level with a t-value of 2.701, which is greater than the 1.96 cutoff. Strong statistical evidence that Perceived Organizational Support significantly moderates the OJ–WI association is provided by the p-value of 0.007, which is well below the 0.05 significance level. A minor but significant practical effect is indicated by the effect size ($f^2 = 0.043$). The positive beta coefficient is consistent with the Social Exchange Theory, which holds that workers who experience support from their employer are more likely to exhibit of justice and belonging. This study implies that, in the context of AWACH, organizational support structures can enhance the benefits of equitable and just organizational practices on workers' feelings of inclusion. Because these concepts reinforce one another in influencing employee perceptions, organizations that concurrently invest in justice-oriented policies and employee support mechanisms are likely to experience compounding gains in workplace inclusion results. H10 is fully supported. The data confirm a statistically significant positive moderating effect of Perceived Organizational Support on the OJ-WI relationship ($p = 0.007 < 0.05$, $t = 2.701 > 1.96$, $\beta = 0.149$). Both the direction and significance of the moderation are consistent with the theoretical expectations stated that H10 is accepted. Consistently supports Rhoades & Eisenberger (2002). POS acts as a vital catalyst; systemic justice only transforms into relational inclusion when accompanied by visible organizational care.

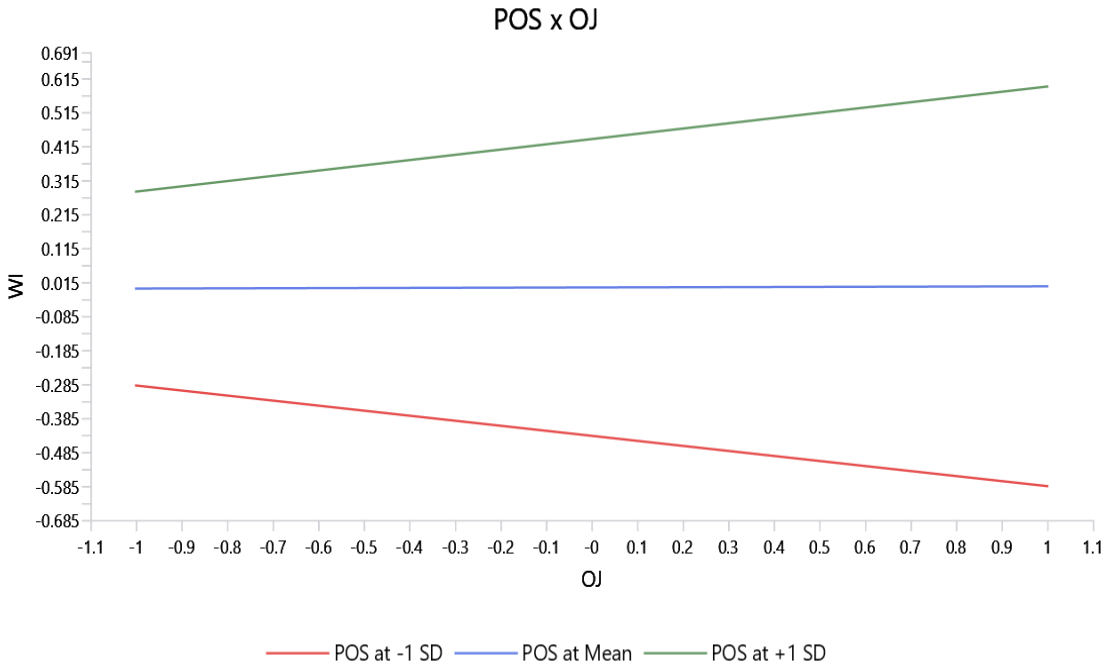


Figure 6: slope analysis graph POS x OJ

Figure 6 illustrates, when POS is high (green line), the slope of OJ on Workplace Inclusion is steeply positive compared to when POS is at the mean (blue line, flat) or when POS is low (red line, negative). This visual divergence in slopes indicates that POS strongly and significantly moderates the justice–inclusion relationship, directly supporting hypothesis H10.

The beta coefficient (β = -0.042) is small and negative, suggesting a marginal and directionally contrary moderating influence of Perceived Organizational Support on the relationship between Workplace Inclusion and Happiness at Work. H11 proposed that this moderation would be positive that higher POS would strengthen the positive effect of Workplace Inclusion on Happiness at Work. However, the negative sign indicates that POS, if anything, slightly weakens rather than strengthens this relationship, though the effect is so small as to be practically negligible. The t-value threshold of 1.96 as recommended by (Hair et al., 2021). With a t-value of 1.446, the result falls below this critical value, indicating that the moderating effect does not reach the conventional level of statistical significance. The p-value of 0.148, which exceeds the 0.05 threshold, corroborates the t-value finding and confirms that POS does not significantly moderate the relationship between Workplace Inclusion and Happiness at Work. There is therefore insufficient

statistical evidence to support the proposed moderating role in this path. The effect size ($f^2 = 0.012$) is negligible, indicating virtually no practical significance. This suggests that even if a relationship were to be detected with a larger sample, it would be of trivial magnitude in real-world terms and would contribute minimally to explaining variance in Happiness at Work. This non-significant result may indicate that Happiness at Work, as an affective outcome, is more directly and autonomously determined by workplace inclusion experiences themselves, rather than being contingent upon organizational support conditions. In AWACH context of Addis Ababa, employees' happiness may hinge more on immediate inclusion experiences such as feeling valued, respected, and genuinely involved in organizational life than on institutional level support perceptions. The hypothesis H11 is not supported. The data do not provide sufficient statistical evidence for a significant moderating effect of POS on the WI-HAW relationship ($p = 0.148 > 0.05$, $t = 1.446 < 1.96$, $f^2 = 0.012$). Furthermore, the beta is negative rather than the positive direction proposed, making the result contrary to H11 in both significance and direction. Therefore, H11 is rejected. This finding suggests that the pathway from workplace inclusion to employee happiness is a robust, direct relationship that does not depend on the level of organizational support employees perceive, at least within the context of AWACH. Consistent with Shore et al. (2011). Workplace inclusion is a core psychological state that drives happiness autonomously, making further moderation redundant.

In conclusion The moderation result shows that POS moderates organizational justice's positive effect on workplace inclusion H10 supported, but does not strengthen the safety-inclusion link (H8 rejected) or translate inclusion into happiness more effectively (H11 rejected). This pattern suggests POS functions selectively in AWACH SACCOS, operating more through structural justice mechanisms than through psychological climate pathways.

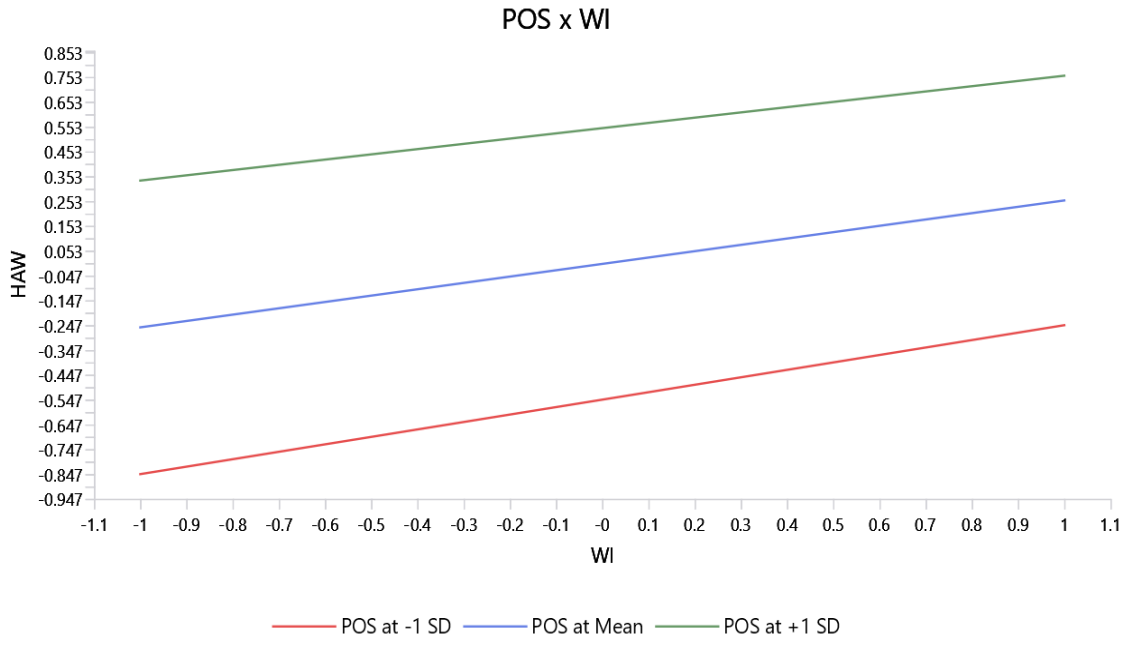


Figure 7: slope analysis graph POS x WI

Figure 7 illustrates, when POS is high (green line), the slope of WI on Happiness at Work remains virtually parallel and flat compared to when POS is at the mean (blue line) or when POS is low (red line). This visual lack of change in the slope steepness indicates that POS does not the strength or direction of the inclusion–happiness pathway. Instead, higher POS simply acts as an additive predictor that shifts the overall baseline level of employee happiness upward, directly confirming the statistical rejection of the moderation hypothesis H11.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

The study's objective was to understand the effect of inclusive leadership, organizational justice, and psychological safety on employee happiness at work while workplace inclusion's taking a mediating role and perceived organizational support's moderating role in to one of the biggest financial cooperatives AWACH SACCOS; as a unit of analysis. According to the study, the foundational drivers of workplace inclusion and well-being formed by key organizational behavior constructs inclusive leadership, organizational justice, and psychological safety. The results of the hypothesis testing show a number of important conclusions. The association between psychological safety and happiness at work is partially mediated by workplace inclusion, which suggests that inclusion plays a crucial role in converting an employee's experience of safety into direct job satisfaction. The relationship between Inclusive Leadership and Happiness at work is marginally significant therefore, there is a partial mediation through workplace inclusion. This suggests leaders bring about employee happiness in two parallel ways directly through their personal interactions with staff, and indirectly by building an inclusive workplace environment. There is no mediation between Organizational justice and Happiness through workplace inclusion. According to direct relationship testing, inclusive leadership and psychological safety serve as the fundamental facilitators that directly create workplace inclusion. On the other hand, there is no statistically significant correlation between workplace inclusion and organizational justice. Additionally, under the framework, perceived organizational support functions as a selected moderating factor. The relationship between organizational justice and workplace inclusion is strongly and favorably influenced by perceived organizational support, which actively strengthens and magnifies the influence of justice on inclusion. However, neither the inclusive leadership pathway nor the ultimate inclusion-to-happiness path follow the anticipated course. This suggests that the structural efficacy of organizational justice in enhancing workplace inclusion is much increased when perceived organizational support is extremely visible and present, even while psychological safety and inclusive leadership are important independent drivers.

Regarding Specific Objective 1 the direct effects of PS, IL, And OJ on WI): H1 and H2 were supported, while H3 was not supported, indicating that PS and IL are significant antecedents of WI, but OJ is not within this cooperative context. Objective 2 mediating role of Workplace Inclusion in the relationship between Psychological Safety, Inclusive Leadership, Organizational Justice and Happiness at Work. A Positive significant direct effect of PS on WI and a positive significant specific indirect effect of PS on HAW through Workplace inclusion. The Hypotheses H5 seeks that the mediating effect of Workplace inclusion on the relationship between PS and HAW. The direct effect is significant and the indirect effect is also significant therefore there is a Partial mediation. For Inclusive Leadership H6, the indirect path ($\beta = 0.056$, $p = 0.055$) represents marginal partial mediation because the 95% bootstrap confidence interval successfully excluded zero, proving that inclusive leaders build happiness by actively cultivating an inclusive branch ecosystem. For organizational justice insignificant direct effect ($\beta = -0.000$, $p = 1.000$) of Organizational justice on Workplace inclusion and an insignificant specific indirect effect ($\beta = -0.000$, $p = 1.000$) of OJ on HAW through Workplace inclusion. The Hypotheses H7 shows there is no mediation between OJ and HAW through workplace inclusion, because Organizational Justice has no relationship with Workplace Inclusion ($\beta = -0.000$), the indirect path is completely broken, this means organizational justice does not influence employee happiness through workplace inclusion. Objective 3 the Direct impact of WI on HAW, a positive significant relationship between WI and HAW. The outcome implies that as employees experience a stronger sense of belonging and value within the organization, their overall happiness, well-being, and emotional satisfaction at work improve. Objective 4 the moderating effect of Perceived Organizational Support on the relationship between WI and HAW. The moderating effect does not reach the conventional level of statistical significance. The p-value of 0.148, which exceeds the 0.05 threshold, corroborates the t-value finding and confirms that POS does not significantly moderate the relationship between Workplace Inclusion and Happiness at Work. Therefore, the hypothesis is rejected. Objective 5 the moderating effect of Perceived Organizational Support on the relationship between the independent variables PS, IL, OJ and Workplace Inclusion. POS on the relationship between PS and WI, provide no statistical evidence for a significant moderating effect of POS on the PS-WI relationship ($p = 0.763 > 0.05$, $t = 0.302 < 1.96$, $f^2 = 0.000$). Therefore, the hypothesis is rejected. While POS significantly moderates the IL -WI relationship ($p = 0.009$), the direction is negative ($\beta = -0.236$) therefore, H9 is rejected. There is a significant positive

moderating effect of Perceived Organizational Support on the OJ-WI relationship ($p = 0.007 < 0.05$, $t = 2.701 > 1.96$, $\beta = 0.149$). Both the direction and significance of the moderation are consistent with the theoretical expectations stated that the hypothesis is accepted.

5.2. Discussion and Theoretical Implications

For Inclusive Leadership and its positive effect on Workplace Inclusion, The empirical evidence for inclusive leadership and its beneficial impact on workplace inclusion aligns with the conceptual models of (Shore et al., 2011). This suggests that branch managers' localized behaviors play a critical role in helping employees develop a sense of both individuality and belonging. This result is in line with the empirical findings of (Carmeli et al., 2010b), who demonstrated that inclusive leaders actively dismantle conventional hierarchical barriers by exhibiting openness, accessibility, and availability.

The direct relationship between workplace inclusion and organizational justice not support. According to Li et al. (2020), this implies that the deeper social layers of psychological belonging are unaffected by the cooperative's strict distributive or structural systems. Strict adherence to institutional regulations (high procedural justice) in cooperative financial systems can occasionally feel unduly bureaucratic and impersonal, as Vohra et al. (2021) found, which explains why it didn't elicit a warm sense of emotional inclusion among employees. The results significantly support the model's central hypothesis regarding the enormous direct path from Workplace Inclusion to Happiness at Work .This association is in perfect harmony with Decenteceo and Amarnani's (2019) findings that establishing a strong sense of organizational belongingness is crucial for human emotional well-being. Happiness at work is an overall psychological state motivated by good affect and job satisfaction, as Fisher (2010) discovered. This result is consistent with the empirical findings of Wright and Cropanzano (2000), who observed that when a company affirms a person's unique identity, it satisfies fundamental socio-emotional requirements, which in turn leads to high emotional vibrancy and job satisfaction.

The hypothesis on the relationship between workplace inclusion and psychological safety was found to be substantially supported .This strong connection supports the fundamental claims of Edmondson (1999), who contended that workers are structurally free to express genuine beliefs when they work in a setting free from interpersonal risk. Empirically, this is consistent with the

findings of Frazier et al. (2017), which show that employees stop self-monitoring and bring their whole selves to work when they feel comfortable making mistakes without fear of career repercussion. The relationship between Inclusive leadership and Workplace Inclusion, the hypothesis was strongly supported, the specific indirect path IL-WI- HAW yielded an indirect path coefficient of $\beta = 0.056$ with a p-value of 0.055. Because the 95% bootstrap confidence interval completely excludes zero, marginal partial mediation is empirically supported. There is no mediation effect between Happiness at Work and Organizational Justice through workplace inclusion. This broken indirect pathway is in perfect harmony with Li et al. A lack of mediation via structural justice is a common phenomenon in highly regulated environments, as Kim and Park (2020) discovered. This result is entirely consistent with the empirical findings of Vohra et al. (2021), who observed that in cooperative financial systems, strict adherence to institutional regulations (high procedural justice) can feel overly bureaucratic and detached.

The hypothesis about the positive interaction path of moderation of POS with OJ on Workplace Inclusion is strongly supported by the empirical results. Eisenberger et al. (1986), the macro-level institutional support serves as a foundational amplifier for formal workplace actions, are in complete agreement with this positive moderation impact. This outcome is completely in line with the empirical findings of Wayne et al. (2002), who noted that when POS has strong institutional support, it strongly reinforces the benefits of procedural and distributive fairness OJ, functioning as a combined structural asset that maximizes workers' sense of organizational belonging and workplace inclusion.

The hypothesis about how POS and PS interact with workplace inclusion is not supported by the actual findings. This non-significant moderation impact is consistent with the findings of Li et al. (2020), who contended that deeply ingrained social layers of psychological belonging are difficult to modify by macro-level structural systems.

The statistical results show that POS and IL have a strong negative interaction path on workplace inclusion, which leads to the formal rejection of H9 as a positive hypothesis. This negative moderation impact is consistent with Johns's (2006) observation that macro-level settings can significantly limit or replace individual leadership efforts. This outcome is entirely in line with the empirical findings of Howell et al. (1986), who noted a significant substitution effect in which inclusive leadership serves as a crucial operational lifeline for inclusion in the absence of corporate

institutional support, but flattens in structural significance when formal organizational resources are extremely robust and already meeting the socio-emotional security needs of the employees. According to the statistical estimation, there is no support for the POS and WI interaction path on workplace happiness. This non-significant moderation pathway is entirely consistent with Fisher's (2010) findings that job satisfaction is an inherent psychological state motivated by daily job engagement and instant pleasant affect. This outcome is consistent with the empirical findings of Wright and Cropanzano (2000).

5.3 Recommendation

To optimize employee well-being within AWACH SACCOS, management should strategically invest in branch-level leadership interventions rather than relying solely on top-down corporate initiatives. Because Perceived Organizational Support fails to moderate psychological and emotional connections, corporate human resources should decentralize funding directly to branch managers to establish localized feedback loops and open-dialogue forums that proactively foster safety and belonging. Furthermore, given the significant negative interaction between POS and Inclusive Leadership IL, inclusive leadership behaviors must be deployed as an operational baseline across all branches. Finally, because Happiness at Work is heavily driven by Workplace Inclusion, management must design tasks that actively integrate the unique perspectives of full-time personnel into the cooperative's daily decision-making processes**.**

Based on the research findings, the researcher recommends the following solutions for organizations: It might be advantageous to promote more effective methods of fostering interpersonal trust and open communication, like easily available outlets for feedback. This ensures that workers feel comfortable taking chances in shifting situations and helps firms develop strong psychological safety. Organizations may want to concentrate on educating executives on how to actively embrace inclusivity. Creating an environment where managers openly support different points of view and value individuality could result in more creative and productive working procedures. To maintain a strong sense of organizational justice, organizations should investigate tactics including creating clear communication channels and equitable incentive allocations. The potential for employee well-being may be maximized by fostering an open, cooperative work environment where workplace inclusion is structurally valued.

5.4 Limitations

There are several methodological constraints acknowledged when evaluating the empirical conclusions of this quantitative thesis .First, the data were gathered at a single point in time using a cross-sectional research design, which restricts the capacity to infer absolute, long-term causal directions among the variables. Second, the analytical scope was isolated strictly to the full-time employees of a single institution, AWACH SACCOS, which limits the direct generalizability of the findings to other financial cooperative. Third, due to survey length constraints and the informal reporting structures typical of developing cooperative sectors, informational justice was explicitly excluded from the organizational justice scale, potentially obscuring how communication methods affect inclusion.

5.5 Future Research Directions

Future study might focus on qualitative investigations and go beyond quantitative research to increase our knowledge in this area. First, upcoming research can expand and assess the topic by incorporating more financial cooperatives, private commercial banks, or larger service businesses located in East Africa. Second, it would be interesting to integrate other factors like employee resilience, psychological empowerment, or leader-member exchange (LMX) quality that have a direct impact on workplace inclusiveness and employee well-being. Third, future studies can focus on certain structural aspects of organizational care, such transparent incentive systems, professional development access, or crisis-intervention support. Each one should be looked into since they might have different impacts on workplace fairness and psychological safety. Fourth, the results of this study may be more broadly applicable if larger, multi-sector samples are employed via longitudinal methodology to track how these psychological relationships evolve over time.

Reference

Aboramadan, M., Crawford, J., Türkmenoğlu, M. A., & Farao, C. (2022). Green inclusive leadership and employee green behaviors in the hotel industry: Does perceived green organizational support matter? *International Journal of Hospitality Management*, *107*. https://doi.org/10.1016/j.ijhm.2022.103330

Adams, J. S. (1965). Inequity in social exchange. In *Advances in experimental social psychology* (Vol. 2, pp. 267–299). Elsevier.

Al-Atwi, A. A., & Al-Hassani, K. K. (2021). Inclusive leadership: scale validation and potential consequences. *Leadership & Organization Development Journal*, *42*(8), 1222–1240.

Almahri, K. S., & Abd Wahab, S. (2023). Mediating of Organizational Commitment to Transformational Leadership on Job Performance. *International Journal of Scientific and Management Research*, *6*(10), 1–7.

Almazrouei, H. S., Zacca, R., & Alfayez, N. (2020). The impact of team potency and leadership member exchange on expatriate creative work involvement. *Journal of Global Mobility: The Home of Expatriate Management Research*, *8*(3/4), 309–323.

Aslan, H. (2019). MEDIATING ROLE OF PERCEIVED ORGANIZATIONAL SUPPORT IN INCLUSIVE LEADERSHIP'S EFFECT ON INNOVATIVE WORK BEHAVIOR. *Business & Management Studies: An International Journal*, *7*(5), 2945–2963. https://doi.org/10.15295/bmij.v7i5.1299

Babbie, E. R. (2020). *The practice of social research*. Cengage Au.

Baer, M., & Frese, M. (2003). *Innovation is not enough : climates for initiative and psychological safety , process innovations , and firm performance*. *68*(September 2002), 45–68.

Bani-Melhem, S., Al-Hawari, M. A., & Quratulain, S. (2022). Leader-member exchange and frontline employees' innovative behaviors: the roles of employee happiness and service climate. *International Journal of Productivity and Performance Management*, *71*(2), 540–557.

Behavior, O., Edmondson, A. C., & Bransby, D. P. (2023). *Psychological Safety Comes of Age : Observed Themes in an Established Literature*. 55–78.

Behrani, P. (2017). Organisational justice and employee happiness. *International Journal of Research and Review*, *4*(7), 123–129.

Bell, E. C., Marcus, D. K., & Goodlad, J. K. (2013). Are the parts as good as the whole? A meta-analysis of component treatment studies. *Journal of Consulting and Clinical Psychology*, *81*(4), 722.

Bhatia, A., & Mohsin, F. (2020). Comprehensive literature review on workplace happiness linked to employee outcomes. *Test Engineering and Management*, *83*, 29266–29279.

Bhatnagar, A., & Sudhakar, D. V. (2022). Exploring Teacher‟ s proficiency with Experiential Learning: An Overview. *International Journal of Research and Innovation in Social*

Sciences, *6*(2), 9.

Blau, P. (2017). *Exchange and power in social life*. Routledge.

Boehm, J. K., & Lyubomirsky, S. (2008). Does happiness promote career success? *Journal of Career Assessment*, *16*(1), 101–116. https://doi.org/10.1177/1069072707308140

Briggs, S. R., & Cheek, J. M. (1986). The role of factor analysis in the development and evaluation of personality scales. *Journal of Personality*, *54*(1), 106–148.

Carmeli, A., Reiter-Palmon, R., & Ziv, E. (2010a). Inclusive leadership and employee involvement in creative tasks in the workplace: The mediating role of psychological safety. *Creativity Research Journal*, *22*(3), 250–260. https://doi.org/10.1080/10400419.2010.504654

Carmeli, A., Reiter-Palmon, R., & Ziv, E. (2010b). Inclusive leadership and employee involvement in creative tasks in the workplace: The mediating role of psychological safety. *Creativity Research Journal*, *22*(3), 250–260.

Chernyak-Hai, L., & Rabenu, E. (2018). The New Era Workplace Relationships: Is Social Exchange Theory Still Relevant? *Industrial and Organizational Psychology*, *11*(3), 456–481. https://doi.org/10.1017/iop.2018.5

Chin, W. W. (1998). The partial least squares approach to structural equation modeling. In *Modern methods for business research* (pp. 295–336). Psychology Press.

Chin, W. W. (2009). How to write up and report PLS analyses. In *Handbook of partial least squares: Concepts, methods and applications* (pp. 655–690). Springer.

Choi, J.-M. (2021). The relationships between satisfaction with leisure/work and happiness of elderly people: Focused on a mediating effect of depression. *Culinary Science & Hospitality Research*, *27*(2), 24–31.

Chuan, C. L., & Penyelidikan, J. (2006). Sample size estimation using Krejcie and Morgan and Cohen statistical power analysis: A comparison. *Jurnal Penyelidikan Ipbl*, *7*(1), 78–86.

Cohen, J. (1988). Set correlation and contingency tables. *Applied Psychological Measurement*, *12*(4), 425–434.

Cohen, J. (2013). *Statistical power analysis for the behavioral sciences*. routledge.

Colquitt, J. A., Wesson, M. J., Porter, C. O. L. H., Conlon, D. E., & Ng, K. Y. (2001). Justice at the millennium: A meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology*, *86*(3), 425–445. https://doi.org/10.1037/0021-9010.86.3.425

Croitoru, G., Florea, N. V., Robescu, V. O., & Croitoru, M. B. (2025). *The impact of well-being on work performance : Analyzing the mediating role of work satisfaction *. 43*(1), 63–90.

Cropanzano, R., Anthony, E. L., Daniels, S. R., & Hall, A. V. (2017). Social exchange theory: A critical review with theoretical remedies. *Academy of Management Annals*, *11*(1), 479–516.

Cropanzano, R., Bowen, D. E., & Gilliland, S. W. (2007). The management of organizational

justice. *Academy of Management Perspectives*, *21*(4), 34–48.

Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, *31*(6), 874–900.

Dansereau, F., Graen, G., & Haga, W. J. (1975). A vertical dyad linkage approach to leadership within formal organizations. A longitudinal investigation of the role making process. *Organizational Behavior and Human Performance*, *13*(1), 46–78. https://doi.org/10.1016/0030-5073(75)90005-7

Dawson, J. F. (2014). Moderation in management research: What, why, when, and how. *Journal of Business and Psychology*, *29*(1), 1–19.

Debela, K. L., Abegaz, M. B., Bedada, L. S., Gebre, W. M., & Worku, M. A. (2025). Success Factors of Saving and Credit Cooperative Society: A Qualitative Case Study on Awach Saving and Credit Cooperative Society LTD. *INTERNATIONAL JOURNAL*, *14*(2025), 120–144.

Debela, K. L., Abegaz, M. B., Gebre, W. M., & Worku, M. A. (2025). Exploring the Interplay between the Growth Trajectory and Governance Practices of Awach Savings and Credit Cooperative Society in Ethiopia. *Horn of African Journal of Business and Economics (HAJBE)*, *8*(1), 236–258.

DeHaan, C. R., & Ryan, R. M. (2014). Symptoms of wellness: Happiness and eudaimonia from a self-determination perspective. In *Stability of happiness* (pp. 37–55). Elsevier.

Duan, W., Tang, X., Li, Y., Cheng, X., & Zhang, H. (2020). Perceived organizational support and employee creativity: The mediation role of calling. *Creativity Research Journal*, *32*(4), 403–411.

Dulebohn, J. H., Bommer, W. H., Liden, R. C., Brouer, R. L., & Ferris, G. R. (2012). A meta-analysis of antecedents and consequences of leader-member exchange: Integrating the past with an eye toward the future. *Journal of Management*, *38*(6), 1715–1759.

Durrah, O. (2022). Do we need friendship in the workplace ? The effect on innovative behavior and mediating role of psychological safety. *Current Psychology*, *0123456789*. https://doi.org/10.1007/s12144-022-03949-4

Edmondson, A. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, *44*(2), 350–383.

Edmondson, A. C. (1999). Psychological Safety and Learning Behavior in Work Teams Author (s): Amy Edmondson Published by : Sage Publications , Inc . on behalf of the Johnson Graduate School of Management , Cornell University Stable URL : http://www.jstor.com/stable/2666999 in W. *Administrative Science Quarterly*, *44*(2), 350–383.

Edmondson, A. C., Kramer, R. M., & Cook, K. S. (2004). Psychological safety, trust, and learning in organizations: A group-level lens. *Trust and Distrust in Organizations: Dilemmas and Approaches*, *12*(2004), 239–272.

Eisenberger, R., Fasolo, P., & Davis-lamastro, V. (1990). *Perceived Organizational Support and*

Employee Diligence , Commitment , and Innovation. *75*(1), 51–59.

Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived_Organizational_Support eisenberger 1986. In *Journal of Applied Psychology* (Vol. 71, pp. 500–507).

Eisenberger, R., Rhoades Shanock, L., & Wen, X. (2020). Perceived organizational support: Why caring about employees counts. *Annual Review of Organizational Psychology and Organizational Behavior*, *7*(1), 101–124.

El Azhari, B., Bougroum, M., Ait Daoud, L., & Lotfi, H. (2024). The Determinants of Decent Work in Moroccan Cooperatives and Implications for Public Action: Toward Public Action through Determinants. *Economies*, *12*(7). https://doi.org/10.3390/economies12070174

Fang, Y., Chen, J., Wang, M., & Chen, C. (2019). *The Impact of Inclusive Leadership on Employees ' Innovative Behaviors : The Mediation of Psychological Capital*. *10*(August). https://doi.org/10.3389/fpsyg.2019.01803

Ferdman, B. M. (2020). Inclusive leadership: The fulcrum of inclusion. In *Inclusive leadership* (pp. 3–24). Routledge.

Ferdman, B. M., & Deane, B. (2014). *Diversity at work: The practice of inclusion*.

Fisher, C. D. (2010). Happiness at work. *International Journal of Management Reviews*, *12*(4), 384–412.

Fonsêca, F. R. B., & Dourado, D. C. P. (2023). A critical appraisal of the scientific dominant approach to organizational justice. *Revista de Administracao Mackenzie*, *24*(1), 1–23. https://doi.org/10.1590/1678-6971/eRAMG230214.en

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, *18*(1), 39–50.

Goel, P., & Singh, A. (2023). Validation of happiness at workplace scale in India–an empirical study on EdTech employees. *Industrial and Commercial Training*, *55*(4), 441–456.

Goel, P., & Singh, A. (2025). The role of organizational learning capabilities in mediating the impact of workplace happiness on organizational citizenship behavior. *Development and Learning in Organizations: An International Journal*, *39*(5), 24–27.

Gouldner, A. W. (1960). The Norm of Reciprocity: A Preliminary Statement. *American Sociological Review*, *25*(2), 161. https://doi.org/10.2307/2092623

Graen, G. B., & Uhl-Bien, M. (1995a). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *The Leadership Quarterly*, *6*(2), 219–247.

Graen, G. B., & Uhl-Bien, M. (1995b). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *The Leadership Quarterly*, *6*(2), 219–247. https://doi.org/10.1016/1048-9843(95)90036-5

Greenberg, J. (1987). *A Taxonomy of Organizational Justice Theories*. *12*(1), 9–22.

Hair, Jr., J. F., M. Hult, G. T., M. Ringle, C., Sarstedt, & Marko. (2022). A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM) [3 ed]. In *Sage Publishing* (Vol. 3, Issue 1).

Hair, J. F., Astrachan, C. B., Moisescu, O. I., Radomir, L., Sarstedt, M., Vaithilingam, S., & Ringle, C. M. (2021). Executing and interpreting applications of PLS-SEM: Updates for family business researchers. *Journal of Family Business Strategy*, *12*(3), 100392.

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Hair Jr, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). Multivariate data analysis. In *Multivariate data analysis* (p. 785).

Hair Jr, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, *109*, 101–110.

Hassan, S., & Jiang, Z. (2021). Facilitating learning to improve performance of law enforcement workgroups: The role of inclusive leadership behavior. *International Public Management Journal*, *24*(1), 106–130.

Hazra, A. (2017). Using the confidence interval confidently. *Journal of Thoracic Disease*, *9*(10), 4125.

Henseler, J., Dijkstra, T. K., Sarstedt, M., Ringle, C. M., Diamantopoulos, A., Straub, D. W., Ketchen Jr, D. J., Hair, J. F., Hult, G. T. M., & Calantone, R. J. (2014). Common beliefs and reality about PLS: Comments on Rönkkö and Evermann (2013). *Organizational Research Methods*, *17*(2), 182–209.

History, A., Ngurah, G., Wisnu, A., Sarmawa, W. G., Amerta, M. S., Corresponding, I., Ngurah, G., Wisnu, A., & Email, W. (2025). *This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license 201*. *2020*, 201–215.

Imran, M. Y., Elahi, N. S., Abid, G., Ashfaq, F., & Ilyas, S. (2020). Impact of perceived organizational support on work engagement: Mediating mechanism of thriving and flourishing. *Journal of Open Innovation: Technology, Market, and Complexity*, *6*(3), 82.

Jha, I. N., Pal, D., & Sarkar, S. (2023). *Unlocking the secret to happiness at work : the power of inclusive leadership , organizational justice and workplace inclusion*. https://doi.org/10.1108/JMD-04-2023-0136

Kaplan, S. (2008). Framing contests: Strategy making under uncertainty. *Organization Science*, *19*(5), 729–752.

Karnadi, L. (2023a). *Analyzing simple PLS-SEM with SmartPLS*.

Karnadi, L. (2023b). *International Business*.

Katsaros, K. K. (2024). Gen Z employee adaptive performance: The role of inclusive leadership and workplace happiness. *Administrative Sciences*, *14*(8), 163.

Kesebir, P., & Diener, E. (2014). A virtuous cycle: The relationship between happiness and

virtue. In *The philosophy and psychology of character and happiness* (pp. 287–306). Routledge.

Kim, S. J., & Chung, E. K. (2019). The effect of organizational justice as perceived by occupational drivers on traffic accidents: Mediating effects of job satisfaction. *Journal of Safety Research*, *68*, 27–32.

Kirkland, J. E. (2017). *The roles of perceived organizational support and anticipated change in organizational support in predicting employee affective commitment and well-being.*

Kuknor, S., & Bhattacharya, S. (2021). Exploring organizational inclusion and inclusive leadership in Indian companies. *European Business Review*, *33*(3), 450–464.

Kurtessis, J. N., Eisenberger, R., Ford, M. T., Buffardi, L. C., Stewart, K. A., & Adis, C. S. (2017). Perceived organizational support: A meta-analytic evaluation of organizational support theory. *Journal of Management*, *43*(6), 1854–1884.

Le, H., Palmer Johnson, C., & Fujimoto, Y. (2021). Organizational justice and climate for inclusion. *Personnel Review*, *50*(1), 1–20.

Leaders, E. I. (2024). *Cite as: Mor Barak, M; Brimhall, K; Luria, G & Ozbilgin, M, (2024) How do Inclusive Leaders Emerge? A Theory-Based Model,*. *0*, 1–19.

Lee, H.-W., & Rhee, D.-Y. (2023). Effects of organizational justice on employee satisfaction: integrating the exchange and the value-based perspectives. *Sustainability*, *15*(7), 5993.

Lee, I., & Shin, Y. J. (2018). Fintech: Ecosystem, business models, investment decisions, and challenges. *Business Horizons*, *61*(1), 35–46. https://doi.org/10.1016/j.bushor.2017.09.003

Lee, S. E., & Dahinten, V. S. (2021). Psychological safety as a mediator of the relationship between inclusive leadership and nurse voice behaviors and error reporting. *Journal of Nursing Scholarship*, *53*(6), 737–745.

Lee, Y. (2022). Dynamics of millennial employees' communicative behaviors in the workplace: the role of inclusive leadership and symmetrical organizational communication. *Personnel Review*, *51*(6), 1629–1650.

Leguina, A. (2015). *A primer on partial least squares structural equation modeling (PLS-SEM)*. Taylor & Francis.

Levitt, H. M., Bamberg, M., Creswell, J. W., Frost, D. M., Josselson, R., & Suárez-Orozco, C. (2018). Journal article reporting standards for qualitative primary, qualitative meta-analytic, and mixed methods research in psychology: The APA publications and communications board task force report. *American Psychologist*, *73*(1), 26–46. https://doi.org/10.1037/amp0000151

Liu, X., Mao, J., Chiang, J. T., Guo, L., & Zhang, S. (2023). When and why does voice sustain or stop? The roles of leader behaviours, power differential perception and psychological safety. *Applied Psychology*, *72*(3), 1209–1247.

Liu, Y., Fang, Y., Hu, L., Chen, N., Li, X., & Cai, Y. (2024). *Inclusive leadership and employee workplace well-being : the role of vigor and supervisor developmental feedback*.

Ly, B. (2024). Inclusion leadership and employee work engagement: The role of organizational commitment in Cambodian public organization. *Asia Pacific Management Review*, *29*(1), 44–52.

MacKenzie, S. B., Podsakoff, P. M., & Jarvis, C. B. (2005). The problem of measurement model misspecification in behavioral and organizational research and some recommended solutions. *Journal of Applied Psychology*, *90*(4), 710.

Mamuli, L., Mukabi, F., & Kagucia, C. (2025). Leveraging AI and automation in HR practices for enhanced employee performance in Kenyan organizations: Opportunities, challenges and the future work outlook. *International Journal of Academic Research in Business and Social Sciences*, *15*(1).

Mikyoung, K., & Moon, J. (2019). Inclusive leadership and creative performance: the role of psychological safety, feedback-seeking behavior, and power-distance. *Korean J. Hum. Resour. Dev*, *22*(4), 181–205.

Monecke, A., & Leisch, F. (2013). *R package semPLS: Structural equation modeling using partial least squares version 1.0-10 [computer software]*. Retrieved from.

Mor Barak, M. E. (2015). Inclusion is the key to diversity management, but what is inclusion? *Human Service Organizations: Management, Leadership & Governance*, *39*(2), 83–88.

Mousa, M. (2021). *Does Gender Diversity Affect Workplace Happiness for Academics ? The Role of Diversity Management and Organizational Inclusion*. 119–135.

Muteshi, D. C., Maingi, W. M., & Tsuma, E. T. (2025). *Employee Vigor and Performance of Deposit-Taking Sacco's in Nairobi, Kenya*.

Ndjaboué, R., Brisson, C., & Vézina, M. (2012). Organisational justice and mental health: a systematic review of prospective studies. *Occupational and Environmental Medicine*, *69*(10), 694–700.

Nembhard, I. M., & Edmondson, A. C. (2006). Making it safe: The effects of leader inclusiveness and professional status on psychological safety and improvement efforts in health care teams. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, *27*(7), 941–966.

Nishii, L. H., & Rich, R. E. (2013). Creating inclusive climates in diverse organizations. *Diversity at Work: The Practice of Inclusion*, 330–363.

Njoki, C., OK'Obonyo, P., & Muindi, F. (2021). The Role of Employee Commitment and Organizational Culture on the Relationship between Transformational Leadership and Performance of Deposit Taking SACCOs in Nairobi County, Kenya. *The International Journal of Humanities & Social Studies*, *9*(10).

Nonyana, K. (2025). *Business Ecosystem & Strategy The mediating role of perceived organizational support on psychological safety in the workplace and its relationship with innovative work behaviour : context of a South African manufacturing company*. *7*(3), 134–142.

Organiz, O. B. J., & Kuvaas, R. D. (2006). *Work performance , affective commitment , and work*

motivation : the roles of pay administration and pay level y. *385*(January), 365–385.

Pascual, U., Balvanera, P., Díaz, S., Pataki, G., Roth, E., Stenseke, M., Watson, R. T., Dessane, E. B., Islar, M., & Kelemen, E. (2017). Valuing nature's contributions to people: the IPBES approach. *Current Opinion in Environmental Sustainability*, *26*, 7–16.

Patil, R., Raheja, D. K., Nair, L., Deshpande, A., & Mittal, A. (2023). The power of psychological safety: investigating its impact on team learning, team efficacy, and team productivity. *The Open Psychology Journal*, *16*(1).

Petrov, S., Oprea, B., & Opariuc-Dan, C. (2023). Psychological Safety and Job Performance: The Mediating Role of Work Engagement and Job Crafting. *Psihologia Resurselor Umane*, *21*(2), 89–99. https://doi.org/10.24837/pru.v21i2.536

Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology*, *88*(5), 879.

Psychology, O., & Elgar, E. (2024). *Leader-Member Exchange (LMX)*.

Qi, L., Liu, B., Wei, X., & Hu, Y. (2019). Impact of inclusive leadership on employee innovative behavior: Perceived organizational support as a mediator. *PLoS ONE*, *14*(2), 1–14. https://doi.org/10.1371/journal.pone.0212091

Ramadhani, A. F., & Mubarak, A. (2023). Studi Kontribusi Perceived Organizational Support terhadap Employee Well-Being. *Jurnal Riset Psikologi*, 125–130.

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

Ravina-ripoll, R., Rica, C., & Ahumada-tello, E. (2025). *Emotional wage , happiness at work and organisational justice as triggers for happiness management*. *December*. https://doi.org/10.1108/JMD-02-2023-0046

Rego, A., Ribeiro, N., e Cunha, M. P., & Jesuino, J. C. (2011). How happiness mediates the organizational virtuousness and affective commitment relationship. *Journal of Business Research*, *64*(5), 524–532.

Rosari, R., Wibowo, A., Santoso, C. B., Nastiti, T., Ardianto, H., & Danarilia, V. O. (2025). *Inclusive Leadership and Workplace Happiness : Thriving as Mediator and Workaholism as Moderator in Indonesia*. *September*, 1–12. https://doi.org/10.1177/21582440251355798

Roy[1], R., & Konwar, J. (2023). Happiness at workplace during pandemic. *Emerging Challenges and Opportunities in Business and Economy: Lessons from Covid 19 Pandemic: Economy*, 96.

Russell, J. E. A. (2008). Promoting subjective well-being at work. *Journal of Career Assessment*, *16*(1), 117–131.

Salas-Vallina, A., & Alegre, J. (2021). Happiness at work: Developing a shorter measure.

Journal of Management & Organization, *27*(3), 460–480.

Salas-Vallina, A., López-Cabrales, Á., Alegre, J., & Fernández, R. (2017). On the road to happiness at work (HAW) Transformational leadership and organizational learning capability as drivers of HAW in a healthcare context. *Personnel Review*, *46*(2), 314–338.

Salas-Vallina, A., Pozo-Hidalgo, M., & Gil-Monte, P. R. (2020). Are happy workers more productive? The mediating role of service-skill use. *Frontiers in Psychology*, *11*, 492352.

Salas-Vallina, A., Alegre, J., & López-Cabrales, Á. (2021). The challenge of increasing employees' well-being and performance: How human resource management practices and engaging leadership work together toward reaching this goal. *Human Resource Management*, *60*(3), 333–347.

Salazar-altamirano, M. A., Martínez-arvizu, O. J., Galván-vela, E., Ravina-ripoll, R., & Salazar-, M. A. (2025). *Workplace happiness , hopelessness , and turnover intention : a gender-based multigroup analysis in an emerging market*. *25*(8), 240–259. https://doi.org/10.1108/CG-04-2025-0212

Salvador, M., Moreira, A., & Pitacho, L. (2022). Perceived organizational culture and turnover intentions: The serial mediating effect of perceived organizational support and job insecurity. *Social Sciences*, *11*(8), 363.

Saputra, J. M. D., Riana, I. G., Putra, M. S., & Surya, I. B. K. (2023). Perceived organizational support, work engagement, and employee well-being. *World Journal of Advanced Research and Reviews*, *19*(3), 1154–1164.

Sarstedt, M., Ringle, C. M., & Hair, J. F. (2021). Partial least squares structural equation modeling. In *Handbook of market research* (pp. 587–632). Springer.

Saunders, C. H., Sierpe, A., Von Plessen, C., Kennedy, A. M., Leviton, L. C., Bernstein, S. L., Goldwag, J., King, J. R., Marx, C. M., & Pogue, J. A. (2023). Practical thematic analysis: a guide for multidisciplinary health services research teams engaging in qualitative analysis. *Bmj*, *381*.

Saygili, M., Mert, I. E., & Tokdemir, O. B. (2022). A decentralized structure to reduce and resolve construction disputes in a hybrid blockchain network. *Automation in Construction*, *134*, 104056.

Settoon, R. P., Bennett, N., & Liden, R. C. (1996). Social exchange in organizations: Perceived organizational support, leader–member exchange, and employee reciprocity. *Journal of Applied Psychology*, *81*(3), 219.

Shafaei, A., Nejati, M., Omari, M., & Sharafizad, F. (2024). Inclusive leadership and workplace bullying: A model of psychological safety, self-esteem, and embeddedness. *Journal of Leadership & Organizational Studies*, *31*(1), 41–58.

Sharma, A., & Panicker, A. (2022). Workplace inclusion as a mediator of the relationship between workforce diversity and intention to quit: results from Indian HEIs. *Vision*, 09722629221115900.

Sharma, G. (2017). Pros and cons of different sampling techniques. *International Journal of*

Applied Research, *3*(7), 749–752.

Shore, L. M., & Chung, B. G. (2022). Inclusive leadership: How leaders sustain or discourage work group inclusion. *Group & Organization Management*, *47*(4), 723–754.

Shore, L. M., Randel, A. E., Chung, B. G., Dean, M. A., Holcombe Ehrhart, K., & Singh, G. (2011). Inclusion and diversity in work groups: A review and model for future research. *Journal of Management*, *37*(4), 1262–1289.

Singh, A., & Banerji, R. (2022). Happiness at work, organization citizenship behaviour and workplace diversity: a study on Indian private sector bank employees. *Industrial and Commercial Training*, *54*(3), 460–475.

Smollan, R. K., Morrison, R. L., & Cooper-Thomas, H. D. (2024). Working from home during lockdown: The impact on performance and wellbeing. *Journal of Management and Organization*, *30*(6), 2025–2046. https://doi.org/10.1017/jmo.2023.9

Sonis, J., Pathman, D. E., Read, S., Gaynes, B. N., Canter, C., Curran, P., Jones, C. B., Sheps, C. G., & Miller, T. (n.d.). *Effects of Healthcare Organization Actions and Policies Related to COVID-19 on Perceived Organizational Support Among U . S . Internists : A National Study*. https://doi.org/10.1097/JHM-D-21-00208

Stefanidis , A ., & Strogilos , V . (2020). Perceived Organizational Support and Work Engagement of Employees with Children with Disabilities , Personnel. (2020). 1–25.

Stockemer, D. (2018). Conducting a survey. In *Quantitative methods for the social sciences: a practical introduction with examples in SPSS and Stata* (pp. 57–71). Springer.

Tanko, Y., Kang, C. Y., & Islam, R. (2019). Data screening and preliminary analysis on the impact of rural infrastructure on rice productivity in Kano State, Nigeria. *Journal of Economic Info*, *6*(2), 4–11.

Tenenhaus, M., Vinzi, V. E., Chatelin, Y.-M., & Lauro, C. (2005). PLS path modeling. *Computational Statistics & Data Analysis*, *48*(1), 159–205.

Thakur, S. J., & Roy, H. (2025). Job embeddedness and workplace well-being: moderating role of remoteness. *International Journal of Organizational Analysis*, 1–26.

Thompson, H., & Matkin, G. (2020). THE EVOLUTION OF INCLUSIVE LEADERSHIP STUDIES: A literature review. *Journal of Leadership Education*, *19*(3), 15–31. https://doi.org/10.12806/v19/i3/r2

Tourangeau, R., & Yan, T. (2007). Sensitive questions in surveys. *Psychological Bulletin*, *133*(5), 859.

W.A., K. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, *33*, 692.

Wang, Q., & Wang, C. (2020). Reducing turnover intention: perceived organizational support for frontline employees. *Frontiers of Business Research in China*, *14*(1). https://doi.org/10.1186/s11782-020-00074-6

Wong, K. K.-K. (2013). Partial least squares structural equation modeling (PLS-SEM)

techniques using SmartPLS. *Marketing Bulletin*, *24*(1), 1–32.

Workman-Stark, A. (2021). Countering a masculinity contest culture at work: the moderating role of organizational justice. *International Journal of Organization Theory & Behavior*, *24*(1), 6–23.

Workman-Stark, A. L. (2021). Fair treatment for all: testing the predictors of workplace inclusion in a Canadian police organization. *Management and Labour Studies*, *46*(1), 94–110.

Yin, R. K. (2018). *Case study research and applications* (Vol. 6). Sage Thousand Oaks, CA.

Zincirli, M., & Demir, H. (2021). *The Relationship between Teachers ' Perceptions of Organizational Justice and Authentic Leadership and Their Levels of Organizational Happiness 1 Öğretmenlerin Örgütsel Adalet ve Otantik Liderlik Algıları ile Örgütsel Mutluluk Düzeyleri Arasındaki İlişki*. https://doi.org/10.26466/opus.877220

Appendices

Addis Ababa University

College of Business and Economics

Department of Management

MSc in Management program

Specialized in International Business

Research Questionnaire

Dear respondents,

My name is Hermon G/mariam, a double degree master's student at Addis Ababa University. I am conducting this survey as part of my master's thesis on happiness at work. Your participation is kindly requested, and the data you provide will be used solely for academic purposes.

The questionnaire will take approximately 8–10 minutes to complete. All responses are anonymous and will be treated with strict confidentiality. If you have any questions, please contact me at @hemina21

Thank you for your time and contribution.

Sincerely,
Hermon G/mariam

Section 1: Demographics

1. Gender

   A. Male B. Female

2. Age Group

   A. **20–29** **B. 30-39** **C. 40-49** **D. 50 and above**

3. How long have you worked at AWACH SACCOS?

   A. **Less than 5 years** **B. 6-10 years** **C. 11-20 years** **D. More than 20 years**

Section 2: Main study variables

Instructions**:** Please indicate your level of agreement with the following statements: 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

No	Items	1	2	3	4	5
	Inclusive Leadership					
1	My manager is open to hearing new ideas					
2	My manager is attentive to new opportunities to improve work processes					
3	My manager is open to external input from others.					
4	My manager is available for professional questions I would like to consult with them about.					
5	My manager is available for consultation on problems as they arise.					
6	My manager is ready to listen to my requests.					
7	My manager is an accessible person for discussing new ideas.					
8	My manager is easy to talk to about my difficulties at work.					
9	My manager is very approachable for discussions.					
	Procedural Justice					
10	Procedures are designed to collect accurate information for making decisions.					
11	Procedures allow for appeals to be made after a decision is reached					
12	Procedures are applied consistently.					
	Distributive Justice					
13	My outcomes (e.g., salary, rewards) reflect the effort I have put into my work					
14	My outcomes are appropriate for the work I have completed.					
15	My outcomes reflect the contribution I have made to the organization.					
	Interpersonal Justice					
16	My supervisor treats me with kindness and consideration.					
17	My supervisor explains the procedures and their outcomes thoroughly.					

	Psychological Safety					
18	I am able to bring up problems and tough issues					
19	People in this organization sometimes reject others for being different					
20	It is safe to take a risk in this organization					
21	It is easy for me to ask other members of this organization for help					
22	No one in this organization would deliberately act in a way that undermines my efforts					
	Workplace Inclusion					
23	I feel like an accepted member of this organization					
24	I feel like I belong in this organization					
25	I am treated as a valued member of my work group					
26	I feel connected to my colleagues at AWACH SACCOS					
27	My supervisor values the unique details I bring to the team.					
28	I can be myself at work without being judged					
29	This organization encourages me to share my unique perspectives					
30	My colleagues value my distinctive skills and talents.					
	Happiness at Work					
31	I feel happy when I am working intensely.					
32	I am enthusiastic about my job					
33	I get carried away when I am working					
34	Overall, I am satisfied with my job.					
35	I am satisfied with the pay I receive for my job.					
36	I am satisfied with the opportunities for advancement within this organization					
37	I would be very happy to spend the rest of my career with this organization					
38	I feel emotionally attached' to this organization					
39	I feel a strong sense of belonging to my organization					
	Perceived Organizational Support					
40	The organization values my contribution to its well-being.					
41	The organization fails to appreciate any extra effort from me					
42	The organization would ignore any complaint from me					
43	The organization really cares about my well-being.					
44	Even if I did the best job possible, the organization would fail to notice					
45	The organization cares about my general satisfaction at work.					
46	The organization shows very little concern for me					
47	The organization takes pride in my accomplishments at work					