

# Mechanism of Inclusive Leadership on Employee Innovation Behavior: A Moderated Mediation

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## ABSTRACT

Taking social embeddedness theory as the starting point, this paper examines the influence of inclusive leadership on employee innovation behavior, and explores the mediating effect of psychological distance and the moderating effect of work autonomy. Through hierarchical regression analysis and bootstrap test on the data of 305 knowledge workers, the statistical results support the research hypothesis. The results of this research are as follows. Inclusive leadership has a significant negative effect on psychological distance and a significant positive effect on employee innovation behavior; psychological distance can partially mediate between inclusive leadership and employee innovative behavior; work autonomy moderates the effect of psychological distance on employee innovation behavior, and moderates the indirect effect of inclusive leadership on employee innovation behavior through psychological distance. This paper enriches the research on inclusive leadership style, and reveals the mechanism of inclusive leadership on employee innovation behavior, which has important practical significance for stimulating employee innovation behavior.

**Keywords:** *inclusive leadership; psychological distance; employee innovation behavior; work autonomy*

## 1. INTRODUCTION

All industries are difficult, but innovators win. In recent years, the market environment has been complex and changeable. Only through continuous adjustment and innovation can enterprises maintain their own competitive advantages and achieve sustainable operation. In the process of enterprise innovation, the three factors of individual, team and organization and the influence of their interaction cannot be ignored. From the perspective of individuals, employee innovation behavior is the cornerstone of enterprise innovation, change and competition <sup>[1]</sup>. In the post-epidemic era, the uncertainty of business operations continues to increase. How to effectively stimulate the innovative behavior of new employees, thereby enhancing the core competitiveness of enterprises, has become a hot topic of concern in the business community.

Enterprise leaders play an important role in the process of enterprise operation, and their leadership style will affect the individual cognition and emotion of new employees, and have an impact on their innovative behavior <sup>[2]</sup>. Studies have shown that positive leadership style has a positive effect on employee innovation performance <sup>[3]</sup>. In recent years, the mechanism of inclusive leadership on employee innovation

performance has been the focus of discussion in theoretical circles <sup>[4]</sup>. Most scholars point out that inclusive leadership will positively affect employee innovation behavior, employee innovation performance, and employee creativity. However, there are also a few scholars who hold inconsistent views, believing that inclusive leadership has a negative impact mechanism that inhibits innovation <sup>[5]</sup>. To sum up, the influence of inclusive leadership in the field of innovation is still unclear, and its influence on innovation needs to be further studied.

Based on existing research, it can be seen that in addition to the direct influence mechanism of inclusive leadership on employee innovation behavior, more complex indirect evolution processes also exist widely. In order to open the "black box" between inclusive leadership and employee innovation behavior, this study will further analyze the effect transmission mechanism between the two. This paper intends to focus on the psychological state and innovative behavior of employees in the context of inclusive leadership from the perspective of individual psychology, trying to reveal the impact mechanism of inclusive leadership on employee innovation behavior. The social embeddedness theory holds that the economic behavior of the actors in the organization will be affected by the social structure and

social relations of the network in which they are embedded, while psychological distance is the dynamic psychological perception of the behavior subject to the organizational social relationship based on organizational culture, trust and other aspects, which is of great significance for promoting employee innovation behavior [6]. Therefore, this study will explore the mediating effect of psychological distance between inclusive leadership and employee innovation behavior.

Employee innovation behavior is not only affected by the individual psychological state of the employee, but also by the working environment in which the employee is located, such as job characteristics [7]. As one of the core environmental factors, job characteristics do have a key impact on employees' work attitude, innovation ability and innovation performance. In a sense, all objective attributes or factors related to work can be regarded as job characteristics. Regarding the definition of job characteristics, most scholars currently use the job characteristics model (Theory of Job Characteristics Model, JCM) proposed by Hackman & Oldham [8], that is, Job characteristics are a collection of five core dimensions of job attributes, including skill diversity, job integrity, job importance, job autonomy, and job feedback. Among them, job autonomy is identified as the most important job characteristic, which is defined as individuals believe that they can decide the method, speed and effort of completing tasks in the workplace. Empirical studies have shown that when individuals are dealing with tasks that require higher job autonomy, their thinking will become more active and creative [9]. In the context of inclusive leadership, the organization can provide employees with certain innovation resources, so employees tend to have a strong willingness to innovate. The characteristics of autonomous work can provide employees with innovative opportunities, thereby promoting innovative behavior to a certain extent. That is, in the process of inclusive leadership style affecting employee innovation behavior, work autonomy may have a certain moderating effect.

To sum up, this study uses "psychological distance" as the mediator and "job autonomy" as the moderation, and constructs a moderated mediation model to explore the mechanism of inclusive leadership on employee innovation behavior.

## **2. RESEARCH HYPOTHESIS**

### ***2.1. Inclusive leadership and employee innovation behavior***

Individual innovation behavior refers to the novel and potentially valuable ideas or products created by individuals in the process of work, as well as new methods and new processes to solve problems [10], and is an important part of the organizational innovation process [11]. In recent years, with the increasingly fierce market

competition, how to improve the innovation ability of employees and stimulate the vitality of enterprises has become a key issue for managers. Relevant studies have shown that leadership style is one of the important factors affecting employee innovation behavior [12]. For example, George and Zhou [13] concluded through empirical analysis that positive support from leaders will promote employee innovation behavior. The internal logic is that leadership support can enhance employees' spirit of exploration and risk-taking, making them prone to innovative behaviors.

In the process of enterprise management, the influence of inclusive leadership on employee innovation behavior has long been the focus of academic and business circles [14]. Inclusive leadership is the core of relative leadership, which is mainly reflected in the fact that leaders can recognize the value and contribution of employees, reasonably explore and utilize the advantages of employees, pay attention to the different needs of different employees, and tolerate the shortcomings and mistakes of employees [15]. First, inclusive leadership can fully recognize the value of each employee and encourage employees to actively express their opinions. On this basis, employees have the willingness to conduct in-depth communication across departments and disciplines, so as to create a favorable environment for the generation of new ideas and new methods, and promote employee innovation. At the same time, the organization's attention to employees' individual needs will enhance employees' perception of organizational support. According to the principle of reciprocity, individuals need to take the responsibility of giving back to others while receiving the benefits from others. Inclusive leadership styles may inspire employees' sense of responsibility to repay the leadership or the organization, thereby enabling employees to innovate more actively in the work process and give back to the organization's resources. In addition, inclusive leaders tend to send messages of forgiveness and tolerance for employee missteps, rather than simply punishing them. An internal atmosphere of fault tolerance will make employees realize that mistakes and failures are accepted and tolerated in the organization, so that employees can take risks and be creative. The reduction of the sense of threat of resource loss caused by work mistakes will also directly support the generation of employee innovation behavior. Empirical research shows that inclusive leadership has a significant positive impact on innovative behavior [16].

To sum up, in the context of inclusive leadership, employees' more active proactive behavior and innovative trial-and-error behavior will be stimulated, thereby enhancing their innovative ability. Accordingly, this research hypothesizes:

H1: Inclusive leadership positively affects employee innovation behavior.

## **2.2. Inclusive leadership and psychological distance**

In 1956, Beckerman first proposed the concept of psychological distance when he studied the cultural differences that hinder international trade. Subsequently, Salzman et al. (1991) used the form of drawing circles to describe the behavior of individuals to perceive the emotional relationship around them, and called the distance between different circles as the psychological distance between employees and their surroundings [17]. Wang's research pointed out that psychological distance is the subjective feeling of closeness and distance between employees and organizations caused by differences [18].

Inclusive leaders tend to treat each employee objectively and fairly, giving them full trust and empowerment. From the perspective of organizational justice, this situation will prompt employees to have a sense of fairness, thereby narrowing their psychological distance from the organization [6]. From a stress perspective, organizational empowerment will also create challenging stress for employees. In order to cope with pressure, employees will actively interact with team members to acquire more resources and skills, which helps to increase the depth of information understanding and mutual trust among team members, thereby reducing the psychological distance between employees and the organization [19].

Inclusive leaders convey a message of forgiveness and tolerance to employees who have made mistakes at work, showing high fault tolerance. When faced with uncertainties, in order to avoid the loss of resources that may be caused by work mistakes and lack of support, employees tend to deal with problems passively, and the resulting uncertainty and distrust brought about by alienation perception will reduce employees' identification with the organization, thereby increasing the psychological distance between employees and the organization [20]. While inclusive leaders can rationally analyze the underlying causes of employees' work mistakes [21], and believe that there is no need to excessively pursue accountability for work mistakes for reasonable reasons. This kind of high fault-tolerant atmosphere can relieve the role pressure in their work [22], strengthen employees' trust and recognition of the organization, and reduce the psychological distance between employees and the organization. Accordingly, this research hypothesizes:

H2: Inclusive leadership negatively affects employee psychological distance.

## **2.3. The mediating effect of psychological distance**

The social embeddedness theory points out that

individual behavior is strongly influenced by the social network relationship in which it is embedded, and individuals form mutual trust through social relationship activities with surrounding individuals [23]. Relevant research shows that psychological distance, as a reflection of employees' subjective perception of organizational relationship, will affect the individual's level of embeddedness in the organization and the degree of trust in the organization, which in turn affects individual behavioral decision-making [6].

Wang and Zhang pointed out that the existence of psychological distance will enhance the distrust of employees [24]. According to this, when the psychological distance between employees and the organization is large, employees have a higher degree of distrust in the organization, which in turn will lead to knowledge hiding behavior and hinder the production of creativity [25]; on the contrary, when the psychological distance is small, the mutual trust relationship between individuals and organizations will promote knowledge sharing between employees and organizations [26], and the exchange of knowledge resources will stimulate employee innovation behavior.

The existence of psychological distance will weaken the organizational embeddedness of employees, thus making it difficult for employees and the organization to reach a consensus on values, development goals, etc., and even strengthen the relationship between employees in the organization [18]. When there is a large psychological distance between employees and the organization, the embeddedness of employees is low, and it is relatively difficult to obtain instrumental support such as information and materials from the organization, which will hinder employee innovation to a certain extent. When the psychological distance is smaller, the embeddedness of employees is higher [6]. Good relationship embedding will improve the efficiency of information and resource transmission, enable employees to obtain organizational support in a timely manner, and stimulate the innovative behavior of the team or organization [27]. The research of Yair Berson et al. [28] also showed that the closer the psychological distance between leaders and followers, the more followers will improve the level of commitment and effort to achieve individual goals, as well as group commitment and effort to achieve group goals. This kind of goal consistency will stimulate employee innovation behavior [29]. Accordingly, this research hypothesizes:

H3: There is a negative correlation between psychological distance and employee innovation behavior.

Inclusive human resource management practices, because of their inclusiveness, respect, and sharing characteristics, increase the psychological safety of employees, reduce psychological distance, and promote employees to produce innovative behaviors [30]. That is,

the reduction of psychological distance improves the embeddedness of employees and the organization, which in turn affects individual behavioral decisions and stimulates employee innovation behaviors. The activity of innovation itself is a process of "trial and error," so stimulating innovation requires allowing and forgiving mistakes, creating a fault-tolerant environment that encourages the implementation of new ideas. Inclusive leadership emphasizes the interdependence between leaders and employees. Leaders accept new ideas, new ideas and new methods proposed by employees and encourage employees to try boldly <sup>[31]</sup>. This kind of organizational behavior under the influence of tolerance, respect, and sharing atmosphere can enhance employees' perception of organizational support, thereby narrowing the psychological distance between employees and the organization, and promoting the generation of innovative behaviors. Accordingly, this research hypothesizes:

H4: Psychological distance plays a mediating role in the influence of inclusive leadership on employee innovation behavior.

#### **2.4. The moderating effect of work autonomy**

Nesheim et al. <sup>[32]</sup> believe that work autonomy is the degree of freedom that employees have in the decision-making and work process, that is, the limit that employees can freely make decisions and choose working methods. Relevant studies have shown that work autonomy can motivate employees' innovative performance <sup>[33]</sup>. The study by Spiegelaere et al. <sup>[34]</sup> also concludes that job autonomy can have a positive impact on employee innovation performance.

Breaugh <sup>[35]</sup> divides work autonomy into work method autonomy, scheduling autonomy and work standard autonomy. First, employees with working method autonomy can flexibly adjust working methods and arrange work flow, which creates conditions for them to try to use innovative methods to complete work; secondly, employees with scheduling autonomy can obtain resources needed for innovation in a timely manner; finally, employees with work standard autonomy can work according to their own wishes and self-requirements. This autonomy will enhance employees' sense of responsibility and obligation to work <sup>[36]</sup>, and they will take the initiative to assume various roles and obligations in the work, which includes working creatively. To sum up, in a work environment with high work autonomy, employees can freely choose work methods, freely schedule and use company resources, and freely establish work standards on the basis of organizational standards, all of which can promote employees to break through their thinking limitations and develop new work ideas, thus showing strong innovation ability. Under this condition, the existence of psychological distance has a weak inhibitory effect on employee innovation behavior. Even if the psychological

distance between employees and the organization is large, they are willing to integrate existing resources and actively carry out creative work.

On the contrary, when work autonomy is at a low level, employees often need to follow a step-by-step schedule and perform work according to prescribed procedures, which greatly limits employees' thinking and ideas, and reduces the possibility of employees implementing innovative ideas <sup>[37]</sup>. Under this condition, the influence of employees' psychological state on their behavior is highlighted, and psychological distance has a strong inhibitory effect on employee innovation behavior. To sum up, work autonomy, as a work characteristic, can play a buffering role in the process of psychological distance negatively affecting employee innovation behavior. Accordingly, this research hypothesizes:

H5: Job autonomy plays a moderating role in the relationship between psychological distance and employee innovation behavior. Specifically, the relationship between psychological distance and employee innovation behavior is weaker when the employee's level of job autonomy is high.

#### **2.5. Moderated mediation model**

Hypotheses 1 to 4 illustrate the mediating effect of psychological distance between inclusive leadership and employee innovation behavior, and Hypothesis 5 illustrates the moderating effect of job autonomy between psychological distance and employee innovation behavior. Based on the logic of the above assumptions and combined with relevant studies on mediation and moderation, this study proposes a moderated mediation model, that is, the mediating effect of psychological distance is mediated by work autonomy.

In the context of inclusive leadership, the organization's trust and fault tolerance for employees will enhance employees' perception of organizational support and reduce the psychological distance between employees and the organization, so that employees are more willing to share knowledge resources and produce innovative behaviors. Job autonomy is one of the important dimensions of job design, and empirical studies have shown that it is closely related to employee engagement, intrinsic motivation, and innovative performance <sup>[38]</sup>. Specifically, in inclusive leadership situations, the psychological distance between employees and the organization is smaller. And when individuals participate in jobs with high work autonomy, the negative inhibitory effect of psychological distance on employee innovation behavior is weaker, so they are more likely to produce innovative behaviors; on the contrary, when individuals participate in work with low work autonomy, psychological distance has a strong negative inhibitory effect on employee innovation behavior, which is not conducive to the generation of employee innovation

behavior. Accordingly, this research hypothesizes:

H6: Job autonomy moderates the indirect effect of inclusive leadership on employee innovation behavior through psychological distance. Specifically, the mediating effect of psychological distance is weaker when employees have a high level of work autonomy.

Based on the above analysis, this study proposes a research conceptual model, as shown in Figure 1.

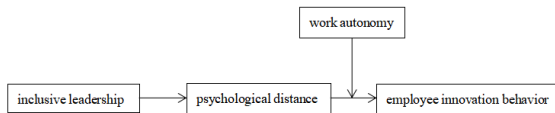


Figure 1 Theoretical model

### 3. RESEARCH DESIGN

#### 3.1. Data collection and research samples

This study used the questionnaire survey method to collect relevant data. The data collection time was April 2022. A total of 350 questionnaires were distributed and 329 questionnaires were returned. The questionnaires were screened according to the criteria of completeness of information filling and consistency (that is, whether they were contradictory), and finally, 305 valid questionnaires were obtained. The effective questionnaire recovery rate was 87.1%.

Taking knowledge employees as the research object, in the final valid sample, men account for 58.4% of the total sample, and women account for 41.6% of the total sample; from the perspective of age distribution, the proportion of employees under 25 years old in the total sample is 5.9%, the proportion of 26-35 years old is 58.7%, the proportion of 36-45 years old is 33.1%, and the proportion of 46 years old and above is 2.3%; from the perspective of working years, 1.6% have been in office for 1 year or less, 37% for 2-5 years, 37.7% for 6-10 years, and 23.7% for more than 10 years; in terms of education level, 10.5% of employees have a college degree or below, 69.1% have a bachelor's degree, 19.7% have a master's degree, and only 0.7% have a doctorate. It shows that the educational level of the samples is generally high, and they have the behavioral ability to understand the content of the questionnaire and make judgments. In addition to analyzing the demographic characteristics of the sample, from the perspective of the nature of the enterprises to which the samples belong, most of the employees are private enterprises (40.6%), Sino-foreign joint ventures and state-owned enterprises account for 28.2% and 23.9%, respectively. The proportion of employees in foreign-funded enterprises is the lowest at 7.3%.

#### 3.2. Variable measurement

The scales used in this research are mature scales developed by scholars at home and abroad, and the English scales are translated into Chinese using standard back-translation procedures. All scales were scored using the Likert-7-point scale, from 1 (strongly disagree) to 7 (strongly agree).

**Inclusive leadership.** Using the inclusive leadership scale developed by Carmeli [39], inclusive leadership is divided into three aspects: openness, usability and accessibility, and a total of 9 items including "leaders are willing to discuss issues with subordinates" are developed. The Cronbach's alpha coefficient for this scale is 0.783.

**Employee innovation behavior.** Based on the Kim and Lee scales [40], and the employee innovation behavior scale revised by Yu and others combined with Chinese enterprise employees [41], this study uses 4 items to measure, including "At work, I look for new technologies, processes, skills or ideas". The Cronbach's alpha coefficient for this scale is 0.733.

**Psychological distance.** According to the scales of Salzman [42] et al. (1991) and Wang and Zhang [24] (2017) and combined with the research context, four measurement items including "I have a common goal with my organization" are used. The Cronbach's alpha coefficient for this scale is 0.711.

**Work autonomy.** Mainly referring to the "Questionnaire on the Quality of Enterprise Employees' Occupational Life" used by Zhang [43] to study the resignation intention model of enterprise employees, and the "Questionnaire on the occupational situation of employees" used by Wu [44] to study the resignation intention of knowledge-based employees, it contains 3 items including "I am able to complete work tasks independently and freely". The Cronbach's alpha coefficient for this scale is 0.778.

### 4. RESEARCH RESULT

#### 4.1. Confirmatory Factor Analysis and Common Method Deviation Test

This study uses Mplus7.4 software for confirmatory factor analysis to examine the discriminant validity of four variables, inclusive leadership, psychological distance, work autonomy, and employee innovation behavior. The analysis results (see Table 1) show that compared with the single-factor, two-factor, and three-factor models, the four-factor model has the best fitting effect ( $\chi^2/df=2.838$ , RMSEA=0.072, CFI=0.931, TLI=0.905, SRMR =0.05), indicating that the core variables involved in this study have good discriminant validity and can represent different constructs.

This study uses Harman's one-factor test [45] and a non-measurable latent method factor to test for common method bias [46]. Harman's one-factor test results find that the first principal component accounts for 31.33% in the

case of unrotated factors, which is less than the critical criterion of 50% [47]. Therefore, the results show that the sample data do not suffer from serious common method bias problems.

**Table 1** Confirmatory factor analysis comparison

Model	Factors included	$\chi^2$ /df	RMSEA	CFI	TLI	SRMR
Four factor model	IL;PD;WA;EIB	2.838	0.072	0.931	0.905	0.05
Three-factor model	PD+WA;IL;EIB	3.219	0.085	0.92	0.897	0.054
Two-factor model	IL+WA;PD+EIB	3.267	0.086	0.915	0.895	0.056
Single factor model	IL+PD+WA+EIB	6.611	0.136	0.786	0.739	0.082

Note: IL means inclusive leadership; PD means psychological distance; WA means work autonomy; EIB means employee innovation behavior; + means two factors combined into one factor

**4.2. Descriptive Statistics and Correlation Analysis**

From the mean, standard deviation and correlation coefficient of the variables in Table 2, it can be seen that inclusive leadership is significantly negatively and positively correlated with psychological distance ( $r=-$

0.621,  $p<0.01$ ) and employee innovation behavior ( $r=0.679$ ,  $p<0.01$ ) ; Work autonomy is significantly negatively and positively correlated with psychological distance ( $r=-0.390$ ,  $p<0.01$ ) and employee innovation behavior ( $r=0.454$ ,  $p<0.01$ ). Correlation analysis between variables provides necessary support for subsequent hypothesis testing.

**Table 2** Mean, Standard Deviation and Correlation Coefficient of Variables

Variable	M	SD	1	2	3	4	6	7	8	9
1. Gender	1.4164	0.49377								
2. Age	2.318	0.61812	-0.069							
3. Working years	2.8328	0.80392	0.027	0.677 **						
4. Education level	2.1049	0.56383	-0.098	-0.011	-0.034					
5. The nature of the enterprise	2.1869	0.88174	0.229 **	0.204 **	0.211 **	0.066				
6. Inclusive leadership	5.4816	0.71538	0.041	-0.104	-0.086	0.11	<b>0.783</b>			
7. Psychological distance	2.7639	0.95167	-0.024	0.144 *	0.189 **	-0.096	-0.621 **	<b>0.711</b>		
8. Work autonomy	5.4437	1.01082	0.059	-0.063	-0.093	-0.026	0.382 **	-0.390 **	<b>0.778</b>	
9. Employee innovation behavior	5.5077	0.77122	0.007	-0.095	-0.037	0.089	0.679 **	-0.572 **	0.454 **	<b>0.733</b>

Note: n = 305; \* means significant correlation at 0.05 level (two-sided), \*\* means significant correlation at 0.01 level (two-sided), \*\*\* means significant correlation at 0.001 level (two-sided), the same below; Bold data are Cronbach's alpha coefficients for the variables

**4.3. Hypothetical Test**

**4.3.1. Main effect test of inclusive leadership on employee innovation behavior**

This paper uses hierarchical regression analysis to test the main effect of inclusive leadership on employee innovation behavior. Controlling variables such as employee gender, age, working years, education level, and company nature, the regression analysis results of Model 4 in Table 3 show that inclusive leadership has a significant positive impact on employee innovation behavior ( $\beta =0.696$ ,  $p<0.001$ ). Therefore, it is assumed that H1 is supported.

**4.3.2. The mediation test of psychological distance**

From the regression analysis results of Model 2 in Table 3, it can be seen that inclusive leadership has a significant negative impact on psychological distance ( $\beta =-0.608$ ,  $p<0.001$ ); from Model 5, it can be seen that psychological distance has a significant negative impact on employee innovation behavior ( $\beta =-0.608$ ,  $p<0.001$ ). When inclusive leadership and psychological distance predict employee innovation behavior at the same time, it can be seen from Model 6 that the predictive effect of psychological distance is still significant ( $\beta =-0.240$ ,  $p<0.001$ ), while the predictive effect of inclusive leadership weakens but remains significant ( $\beta =0.550$ ,  $p<0.001$ ), indicating that psychological distance plays a

partial mediating role between inclusive leadership and employee innovation behavior, and H4 is initially supported. At the same time, using Mplus7.4 software and Bootstrapping to conduct 10,000 repeated sampling, the results show that the mediating effect value of psychological distance is 0.151 and significant (95% confidence interval is [0.065, 0.255], excluding 0). Therefore, H4 is supported, and psychological distance plays a partial mediating role between inclusive leadership and employee innovation behavior.

**4.3.3. The Moderating Effect Test of Work Autonomy**

This paper uses hierarchical regression to test the moderating effect. After controlling the basic variables, the independent variables, moderator variables and interaction terms are introduced into the equation in turn

to predict the outcome variable. To avoid multicollinearity, independent and moderator variables were separately centered before regression. The analysis results are shown in Table 3. It can be seen from Model 8 in Table 3 that the interaction term between psychological distance and work autonomy has a significant positive impact on employee innovation behavior ( $\beta = 0.313$ ,  $p < 0.01$ ). Moderating effects were plotted on the basis of one standard deviation above and below the mean of work autonomy respectively, as shown in Figure 2. When work autonomy is high, the negative effect of psychological distance on employee innovation behavior is weak; when work autonomy is low, the negative effect of psychological distance on employee innovation behavior is more significant. Therefore, H5 is supported and validated.

**Table 3** Hierarchical regression analysis results

Variable type	Psychological distance		Employee innovative behavior					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Control variable								
Gender	-0.038	-0.013	0.005	-0.023	-0.017	-0.026	-0.028	-0.040
Age	0.024	-0.026	-0.130	-0.072	-0.116	-0.079	-0.120	-0.170
Working years	0.169	0.149	0.054	0.076	0.152	0.112	0.163	0.199
Education level	-0.094	-0.027	0.090	0.013	0.035	0.007	0.053	0.050
Enterprise nature	0.006	0.023	0.003	-0.016	0.007	-0.011	-0.002	0.000
Independent variable								
Inclusive leadership		-0.608 <sup>**</sup>		0.696 <sup>**</sup>		0.550 <sup>**</sup>		
Mediating variable								
Psychological distance					-0.581 <sup>*</sup>	-0.240 <sup>*</sup>	-0.472 <sup>*</sup>	-0.766 <sup>*</sup>
Moderator								
Work autonomy							0.280 <sup>**</sup>	0.099
Moderating effect								
Psychological distance * Work autonomy								0.313 <sup>**</sup>
R <sup>2</sup>	0.030	0.394	0.002	0.480	0.327	0.513	0.439	-0.445
F	2.855	33.907	1.120	47.736	25.658	46.749	35.023	31.448

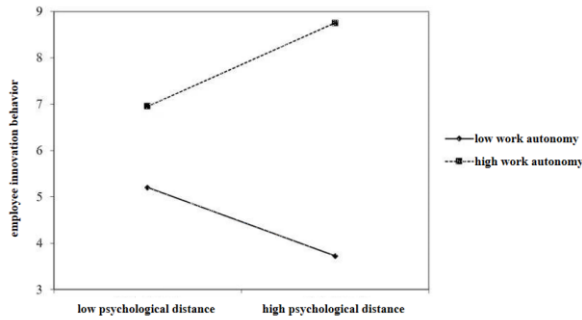


Figure 2 Moderation effect diagram

4.3.4. Moderated mediation test

In this study, Mplus7.4 software is used, and Bootstrapping is used to sample 10,000 times, and a second-stage moderated mediation model is constructed. The results are shown in Table 4. When the employee's job autonomy level is higher than one standard deviation in the mean value, the indirect effect of inclusive leadership on employee innovation behavior through

psychological distance is significant (0.046, 95% confidence interval [-0.052, 0.153], including 0); When the mean value of employees' work autonomy is lower than one standard deviation, the indirect effect of inclusive leadership on employee innovation behavior through psychological distance is not significant (0.146, 95% confidence interval [0.047, 0.263], excluding 0). In addition, the difference effect between low work autonomy and high work autonomy level is still significant (-0.100 confidence interval [-0.202, -0.001], excluding 0), indicating that work autonomy moderates the mediating effect of psychological distance on the relationship between inclusive leadership and employee innovative behavior. This shows that the higher the employee's level of work autonomy, the weaker the mediating effect of psychological distance on the relationship between inclusive leadership and employee innovation behavior; conversely, the lower the employee's level of work autonomy, the stronger the mediating effect of psychological distance on the relationship between inclusive leadership and employee innovation behavior. Hence, H6 is supported.

Table 4 The results of the analysis of the mediating effect of work autonomy on the adjustment of psychological distance

	Influence degree	Effect	Standard error	95% confidence interval	
				Lower limit	Upper limit
Work autonomy	High level	0.046	0.053	-0.052	0.153
	Low level	0.146	0.054	0.047	0.263
	Differentials	-0.100	0.051	-0.202	-0.001

5. DISCUSSION

5.1. Theoretical contribution

First, leadership-related research is a hot spot in the fields of management and organizational behavior [48][49][50]. This study reveals the important influence of inclusive leadership on employees' psychological state and behavior, and makes a certain contribution to the current research in the field of leadership. Different from previous studies focusing on the mediating mechanism of variables such as organizational harmony [51] and knowledge sharing [52], this study is based on social embeddedness theory, focuses on the mediating effect of individual psychological factors, introduces psychological distance and explores its role in inclusive leadership and employee innovation. mediation between behaviors. The empirical evidence verifies that inclusive leadership can effectively suppress the negative psychological state of employees, which helps to improve the understanding of the effect of inclusive leadership, and is also an exploratory supplement to the research on psychological distance.

Second, most of the previous studies on inclusive leadership and employee innovation behavior have ignored the boundary role of job characteristics. Considering that psychological distance inhibits employee innovation behavior, this study introduces work autonomy as a moderator variable, explores its mitigation effect on the negative impact of psychological distance, and constructs a moderated mediation model. This study verifies the hypothesis that the negative impact of psychological distance on employee innovation behavior is weaker under the condition of high work autonomy, deepens the analysis of job characteristics and mechanisms in innovative behavior research, and enriches the boundary role of work autonomy. And it is also in line with the characteristics that individual behavior is the result of multi-level factors.

5.2. Practical inspiration

First, companies should consciously cultivate inclusive leaders and promote inclusive leadership within the company. The relationship between leaders and employees is the basic relationship in the organization, and inclusive leadership emphasizes mutual trust and



mutual respect between leaders and employees, which is conducive to the efficient transmission and utilization of resources in the organization, stimulates the innovation momentum of enterprises in all directions, and promotes the rapid development of enterprises.

Second, enterprises should take targeted measures to reduce the psychological distance between employees and the organization. Psychological distance plays an important role in employees' psychological perception and the relationship between the organization. Inclusive leadership can enhance employees' perception of organizational support, enhance employees' sense of organizational trust and fairness, reduce their psychological distance from the organization, and stimulate innovative behaviors.

Third, enterprises should give employees a certain degree of work autonomy, so as to create favorable conditions for the emergence of employee innovation behaviors. Enterprises should be result-oriented, not process-oriented, so that the constraints and restrictions on the specific process of employees to complete a certain work can be reduced. Supporting employees to have work autonomy at work can increase their work flexibility and creativity, and provide a good external environment for them to practice their own innovative ideas.

### **5.3. Research limitations and future prospects**

This study still has certain limitations, as follows: First, this study adopts a cross-sectional design based on a certain time point, which cannot longitudinally explore the causal relationship between inclusive leadership and employee innovation behavior. Future research should adopt a longitudinal research design, collect research data from multiple time points and multiple sources, solve the problem of insufficient verification and persuasion of the causal relationship between constructs, and further explore the dynamic mechanism of inclusive leadership on employee innovation behavior; second, in this study, the scales of each variable were filled out by the same person, which may cause the problem of common method bias. Future research can try to introduce others' evaluations or implement follow-up surveys to measure employees' psychological distance and innovative behavior, so as to reduce the common method bias; thirdly, this study confirms the positive predictive effect of inclusive leadership on employee innovation behavior. However, this study only examines the mechanism of psychological factors, that is, the mediating effect of psychological distance. Future research can further explore the conduction effect of cognitive mechanisms such as insider identity perception and interpersonal trust; finally, this study explores the moderating effect of work autonomy, a work characteristic, and there may be other moderating variables. Subsequent research can further explore the boundary effects of organizational climate

and individual characteristics.

## **6. CONCLUSIONS**

This study aims to explore the influence path of inclusive leadership on employee innovation behavior, especially the mediating effect of psychological distance and the moderating effect of work autonomy. Research finds that: Inclusive leadership significantly positively affects employee innovation behavior, that is, inclusive leadership can stimulate employee innovation behavior; psychological distance plays a mediating role between inclusive leadership and employee innovation behavior, that is, inclusive leadership can affect employee innovation behavior by narrowing the psychological distance between employees and the organization; there is a negative moderating effect between innovative behaviors, that is, the higher the work autonomy, the weaker the relationship between psychological distance and employee innovation behavior.

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