An Interplay Between Employer Interventions and Organisational Inclusion Building in the Ethiopian Labour Market Ecosystems

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Abstract

This is a labour market study conducted in Ethiopia aimed at a connection between employer interventions and the progress of organizational inclusion, a neglected area despite inclusion having numerous benefits for organizational performance. The study used data solicited from a nationwide survey and uses PLS-SEM modeling to ascertain the role of inclusive leadership, fair culture, and effective policies in promoting inclusion. The results indicated the need for inclusive leadership and accountability, a fair and equitable organisational culture, and effective organisational strategies and policies for enhancing organisational inclusion. The study identified training and skill development as a factor that adversely affects inclusion.

Keywords: Employer; Ethiopia; Fairness; Inclusion; Leadership; Organisation; Partial Least Squares; Training

JEL Classification: J08, J21, J24

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1. Introduction

Prominent studies, Carmeli et al. (2010) and Lin et al. (2022), elucidate the importance of an engaged workforce and an inclusive culture in organisations. An inclusive organisation is not merely one that provides for belongingness; it amplifies diverse viewpoints, works to overcome impediments, and gauges progress toward the key principles of effective cooperation (Shore et al., 2018). In promoting equality through structures and practices, these inclusive organisations thereby provide all with the fair ability to realise inclusive leadership, a healthy culture, and teamwork (Shore et al., 2011). Inclusivity provides a pathway for individuals to break down barriers and achieve their fullest potential (Tang et al., 2023).

Research has shown that organizational inclusion is an essential strategy for fostering a positive workplace environment among employees. According to Roberson (2006), human resource practices such as co-operation and dispute resolution will certainly help achieve equality among employees. Regarding older employees, Dobusch (2021) identified key drivers that motivate them to remain engaged, such as skill development, equal opportunity, and career initiatives. In their view, it will be inclusive among older employees, according to Shore et al. (2018), by developing a diverse talent pool and actively working to eliminate subtle forms of discrimination. According to them, certain characteristics of organisations, such as defining participatory leadership styles and decision-making processes, would yield an inclusive culture.

Inclusive leadership enhances the culture and productivity of the workplace through psychological safety and employee empowerment (Lin and Wang, 2022, Roberson, 2006, Shore et al., 2011). However, achieving real inclusion involves a long journey toward a shared definition that consists of strong leadership commitment, values that accept diversity, and inclusive human resource practices (Nishii and Mayer, 2009). Behind the mounting evidence of the advantages of workplace inclusiveness lies a dearth of knowledge on how to implement such environments in emerging economies like Ethiopia. With changing workplace dynamics, Ethiopia presents an intriguing case for studying strategies to promote inclusion. This study aims to bridge the gap in the literature regarding the specific challenges and opportunities of fostering inclusion in Ethiopia's changing environment.

In developed countries, the literature clearly shows that inclusive leadership, HR practices, and organisational structures can facilitate inclusion, but there are many gaps in theory and practice regarding how these elements operate in developing countries. Most inclusion research continues to focus on Western, resource-rich contexts, and how the conceptualizations and processes of inclusion hold the same meaning in organisations in other economic, institutional, and cultural contexts remains underexplored. This is especially true in sub-Saharan Africa, where, despite a growing trend toward economic integration and workforce diversification, research on organisational inclusion is lacking.

The context of Ethiopia, in particular, is a crucial research environment, as the workplace is undergoing modernization and change and needs evidence specific to its context on how employer interventions can build and sustain inclusive cultures. This study contributes to inclusion theory by testing its validity in the Ethiopian context and provides empirical evidence on inclusion implementation strategies in developing economies, arising from the interactions among employer initiatives, inclusive leadership, and human resource strategies to create organisational inclusion. Furthermore, the study provides practical recommendations for Ethiopian organisations and policy-makers aiming to create inclusive workplaces that reflect and support workforce diversity, thereby advancing theory and practice in an under-researched region.

The current research on inclusiveness in Ethiopian organisations is lacking, hindering the development of effective strategies to promote inclusive workplaces in the country's labour market. To address this gap, this study will examine the impact of employer-driven interventions on organisational inclusion in Ethiopia. By focusing on the Ethiopian context, this study aims to provide valuable insights for a better understanding of inclusion in Ethiopian organisations.

2. Literature Review and Hypotheses Development

Inclusion is one of the cardinal factors that gives employees a sense of belonging and participation at both the individual and organisational levels. According to Mor Barak et al. (2016), creating a conducive environment in which employees feel welcome to express themselves and contribute, while Roberson (2006) and Stephanie et al. (2015) focus on integrating employees into make-or-break

decisions and on positioning voice within the organisation. Key structural factors of more inclusive organisations, as mentioned by Mor-Barak and Cherin (1998), include respect for diversity and social responsibility. Ferdman (2017) emphasizes creating psychological safety and fostering a sense of belonging, while Arman (2021) emphasizes that real inclusion requires active engagement beyond mere participation.

Organisational inclusion is now vital in the workforce to meet employees' needs for belonging and uniqueness. According to Shore et al. (2018), six themes require attention to achieve inclusion: authenticity, respect, psychological safety, involvement in work-group activities, influence over decision-making, and advancement in diversity. The consistent application of these principles creates an environment where workers feel appreciated, empowered, and free to share their opinions, which, in turn, leads to higher employee engagement, creativity, and profitability. According to Nembhard and Edmondson (2006), these inclusive leaders become important players in expanding this environment through their emphasis on transparency, accessibility, and psychological safety, provided in teamwork activities such as cross-functional teams and open lines of communication. Thus, inclusive leadership becomes the backbone of nurturing the culture of inclusion in the workplace (Adamson et al., 2021).

As stated by Roberson (2006), the links among formal human resources management (HR) practices, interventions, and the resulting organisational inclusivity are more significant for enhancing workplace efficiency. Generally, these important HR activities foster inclusion through fair hiring practices, conflict resolution, and dispute resolution as channels of actual equal treatment of employees. Other age-inclusive practices help identify the capabilities and potential of all staff to enhance their motivation and make way for a career boost (Boehm et al., 2014). Employer initiatives become a significant driver for organisational inclusivity, with leadership behaviours that promote respect, appreciation, and support playing a particularly important role (Ashikali et al., 2021). Moreover, the works of Basuki (2019) and Wasserman et al. (2012) provide strong evidence of the effectiveness of HR and employer initiatives toward organisational inclusion, producing positive outcomes for the work environment and employee development.

In addition to the papers reviewed above, Randel et al. (2018) have established that leadership behaviours can significantly affect the development of inclusive,

high-performing teams. Inclusive leadership fosters togetherness amid differences by promoting perceptions of belonging and fairness among team members with multiple identities. The other evidence is the establishment of a close connection through altruistic leadership and group dynamics, by bringing in leaders with a focus on team success and well-being-based conditioning to foster diversity, prosocial behavior, and staff strength in creativity (Prime et al., 2014). The focus of this work included the following specific behaviours, empowerment, humility, courage, and accountability (EHCA), as necessary for inclusion. These leaders will nurture altruistic behaviour within teams to respect diverse sensibilities, promote creativity, and empower team members to voice divergent perspectives.

Nishii (2013) discusses the critical elements of creating an inclusive organisation. Such areas are fairness: fair treatment of employees that considers the diversity of employee characteristics and the engagement of employees as active participants in implementing change in the organisation. These aspects help the work environment appreciate different opinions and enrich decision-making. Shore et al. (2011) examined the relationship between leadership and HR activities and their effect on workplace inclusivity through strategies such as open communication and information sharing, which increase employee inclusiveness. The role of top management in promoting inclusivity is emphasized by Shore et al. (2018), underscoring the far-reaching implications of their actions for the organisation's inclusiveness. Collectively, these studies suggest the importance of creating inclusive work through various strategies and leadership actions to make an organisation more inclusive.

This study investigates how specific employer interventions can foster inclusive practices that cultivate a culture of inclusion within organisations. This study builds on existing literature to establish a theoretical basis. The conceptual framework has been influenced by the works of Nishii (2013), Shore et al. (2011), and Shore et al. (2018) are intended to clarify the ways in which employer initiatives and inclusive practices create a sense of belonging and acceptance among employees in diverse workplaces. Aimed at improving understanding of ways to promote inclusiveness in workplaces, the study will investigate interactions among these factors.

Figure1: Conceptual model

The conceptual model posits that targeted employer initiatives and inclusive practices positively influence organisational inclusion. Drawing on Nishii (2013), such practices foster a climate for inclusion by promoting fairness in employment practices, integration of differences, and participation in decision-making, thereby reducing bias and enhancing belongingness. Consistent with Shore et al. (2011) and Shore et al. (2018), these initiatives shape employee perceptions of support and value through mechanisms of organisational culture and leadership signalling, leading to greater acceptance and fairness. This alignment strengthens the theoretical foundation for the study's hypotheses by clarifying how employer actions translate into inclusive outcomes.

The hypothesises are;
Hypothesis 1 (H1): Inclusive Leadership and Accountability have an influence on organisational inclusion building in Ethiopian labour market ecosystems.

Hypothesis 2 (H2): Training and Skills Development have an influence on organisational inclusion building in Ethiopian labour market ecosystems.

Hypothesis 3 (H3): Equitable and Fair Organisational Culture has an influence on organisational inclusion building in Ethiopian labour market ecosystems.

Hypothesis 4 (H4): Operational Organisational Strategies and Policies have a direct impact on organisational inclusion building in Ethiopian labour market ecosystems.

3. Methods and Data

A 2022 national study, commissioned by the Ethiopian Job Creation Commission, used a survey to quantitatively assess the inclusiveness of Ethiopia's labour market across different demographics. The present study's aims are based on the core and secondary objectives of this broader research.

3.1. Data collection and demographic statistics

This study employed a quantitative cross-sectional survey. Data were collected from Ethiopian organisations across various industries, with a sample of 344 enterprises, thereby covering different types of companies, sizes, ownership structures, and locations in the nine Regional States of Ethiopia.

Regarding the determination of the employer sample size, this study followed the World Bank's sampling standards for establishment-based surveys. In its 2015 survey of Ethiopia, the World Bank employed a sampling approach based on the total number of available establishments. Accordingly, for a population exceeding 100,000 establishments, a 5% margin of error, and a 95% confidence level, a sample size of 270 establishments is recommended. Accounting for a 15% non-response rate, the final sample size was increased to 310 establishments. The sectoral allocation assigned a larger proportion (80%) to the industrial sector due to its significant contribution to employment generation, while the remaining sample was allocated to the service sector. The regional and organisational distribution of the sample followed the weighting approach used for the employee survey component.

This sampling method lends credence to the survey's reliability. This sample contains a wealth of different types of employers, with a preponderance coming from the manufacturing sector (53.2%), and the remaining 46.8% spread across employers with very diverse ownership forms such as public/government entities, state enterprises, private share corporations, private sole proprietorships, and other miscellaneous businesses. Such representation of firms ensures that the study captures a variety of perspectives on labour absorption and inclusion strategies. The systematic participant selection procedure and heterogeneous sample therefore greatly bolster the study's credibility and relevance to labour market research.

3.2. Statistical treatment of data: Data, variables, and measurement

The study captures a coherent and firmly connected analytical approach that has taken the Ethiopian labour market survey as a source of data, which is handled with SPSS V28 into Likert scales. The method allows for uniformity and fair comparison across the four key factors: operational organisational strategies and policies, inclusive leadership and accountability, training and skills development, and an equitable and fair organisational culture. A total of 41 indicators are listed in Table 1, providing a comprehensive picture of workplace inclusivity in the Ethiopian context.

Table 1: Constructs and indicator items of the study

Main Construct	Indicator items
Inclusive leadership and accountability (VLAC)	VLAC $_1$- VLAC $_5$
Training and skills development (TRSKD)	TRSKD $_1$- TRSKD$_7$
Equitable and fair organisational culture (ORGC).	ORGC $_1$- ORGC $_6$
Operational organisational strategies and policies (OGSTP)	OGSTP $_1$- OGSTP $_4$

3.3. Variables and derivations

Measurement indicators for the study's latent constructs were derived from the conceptual framework, which is informed by established theories of workplace inclusion, notably Nishii (2013), Shore et al. (2011), and Shore, Cleveland, and Sanchez (2018). A multi-step process ensured content validity: indicators were initially drawn from previously validated scales in the international diversity management and organisational behaviour literature, then adapted to the Ethiopian organisational context through consultation with local labour market data and expert review reflecting cultural, regulatory, and sectoral realities.

Specifically, Inclusive Leadership and Accountability (VLAC) were measured by five items (VLAC 1–VLAC5); Training and Skills Development (TRSKD) by seven items (TRSKD 1–TRSKD7); Equitable and Fair Organisational Culture (ORGC) by six items (ORGC 1–ORGC6); and Operational Organisational Strategies and Policies (OGSTP) by four items (OGSTP 1–OGSTP4). These 22 items (drawn from the full set of 41 indicators in Table 1) were operationalised as Likert-scale responses from the Ethiopian labour market survey dataset and subjected to confirmatory factor analysis via structural equation modelling. This

mapping ensures each indicator directly captures the conceptual domain of its respective construct while maintaining theoretical fidelity and contextual relevance.

The methodological consideration for this study is replicated based on the constructed model, the assumptions drawn, the characteristics of the data structure, and the variables included. As a foundation for the analytical framework, Tenenhaus et al. (2008) outlined the benefits of using Partial Least Squares Structural Equation Modeling (PLS-SEM) over covariance-based structural equation modeling in their study. Specifically, for models with heterogeneous relations or suites of latent construct variables, PLS-SEM is chosen because it places minimal emphasis on normality and other assumptions. With careful adaptation of Tenenhaus et al. (2008), the mathematical representation of structural and reflective measurement models is expressed through the following set of equations:

The structural model

Based on the assumption of linear relationships, the structural component is defined as follows:

$$LV_j = \beta_0 + \sum_{i \to j} \beta_{ji} LV_i + error_j \qquad \textbf{(1)}$$

The subscript i of LVi refers to all the exogenous latent variables that are supposed to predict the endogenous latent variable (LVj). The coefficients βji are the path coefficients, and they represent the "strength and direction" of the relations between the response LVj and the predictors LVi. β0 is just the intercept term, and the error term j accounts for the residuals (Tenenhaus et al., 2005).

Reflective measurement model

In the reflective mode, the latent variable is considered the cause of the manifest variables. That is why it is called reflective: the manifest variables "reflecting" the latent variable.

$$X_{jk} = \lambda_{0jk} + \lambda_{jk} LV_j + error_{jk} \qquad \textbf{(2)}\boldsymbol{Reflective}$$

Where Xj = 1, …k is the j[th] regression in which a reflective indicator is the dependent variable, and k equals the number of reflective indicators per construct, λ 0jk is the intercept, λjk is the (single) regression parameter (outer loading) to be estimated, and LV is the latent variable. The residual variable error jk is uncorrelated with the latent variable. The coefficients λjk are called

loadings; λ_0 is just the intercept term, and the error terms account for the residuals.

Following these general equations (equation 1 and 2), the specific structural and measurement equation models for this study are provided by the following equations, and the definition of the inserted variables is found in Table 1:

The structural model

$$OINC_j = \beta_{04} + \beta_{18} OGSTP_i + \beta_{24} VLAC_i + \beta_{34} TRSKD_i + \beta_{44} ORGC_i + \varepsilon_i$$

Measurement Model

$$OGSTP_i = \lambda_{120} + \lambda_{12} DOGSTP_i + \varepsilon_{i12}$$
$$OGSTP_i = \lambda_{220} + \lambda_{22} OGSTP_i + \varepsilon_{i22}$$
$$DOGSTP_i = \lambda_{320} + \lambda_{32} OGSTP_i + \varepsilon_{i32}$$
$$DOGSTP_i = \lambda_{420} + \lambda_{42} OGSTP_i + \varepsilon_{i42}$$

$$ORGC1_i = \lambda_{420} + \lambda_{12} ORGC_i + \varepsilon_{i42}$$
$$ORGC2_i = \lambda_{420} + \lambda_{22} ORGC_i + \varepsilon_{i42}$$
$$ORGC3_i = \lambda_{420} + \lambda_{32} ORGC_i + \varepsilon_{i42}$$
$$ORGC4_i = \lambda_{420} + \lambda_{42} ORGC_i + \varepsilon_{i42}$$
$$ORGC5_i = \lambda_{420} + \lambda_{52} ORGC_i + \varepsilon_{i42}$$
$$ORGC6_i = \lambda_{420} + \lambda_{62} ORGC_i + \varepsilon_{i42}$$

$$OINC1_i = \lambda_{520} + \lambda_{12} INC_i + \varepsilon_{i52}$$
$$OINC2_i = \lambda_{520} + \lambda_{22} INC_i + \varepsilon_{i52}$$

3.4. Data analysis technique and tools

This study employs a two-phase approach to conduct a thorough review of research aims. In the initial stage, descriptive statistics are used to evaluate data quality and examine linkages. Phase two employs consistent PLS-SEM to test hypotheses and investigate correlations among latent constructs. According to Hair et al. (2018), the PLS-SEM method is reliable for creating complex models and works well with small sample sizes or non-normal data. While Covariance-Based Structural Equation Modelling (CB-SEM) and classical PLS have some disadvantages, Dijkstra and Henseler (2015) have addressed these issues. Notably, Dijkstra and Henseler (2015) proposed Consistent PLS-SEM (PLSc-SEM), also known as Factor-Based SEM (FSEM) by Kock (2019). This novel

technique has the potential to challenge the precision of CB-SEM algorithms while keeping the non-parametric aspect of standard PLS, all while fully accounting for measurement errors.

Data for this study were processed using Microsoft Excel 2021, and descriptive statistics were assessed with IBM SPSS version 28. The structural equation modelling was carried out using WarpPLS v 8.0 software and the PLS-SEM approach (Kock, 2022). The study used WarpPLS because of its superior capacity to handle and evaluate both linear and nonlinear associations in an integrated fashion (Kock and Lynn, 2012). This capacity is especially useful in social science research, since many statistical correlations are nonlinear, as seen in the examination of specific variables of this study.

Model robustness analysis

Before hypothesis testing, a robustness analysis was conducted to check the validity and reliability of the model constructs. The study used PLS-SEM to assess data robustness, measurement models, and structural model indicators. The details below show the robustness analysis indicators, the tests used, and the criteria and decision rules (Table 2). This method follows the recommendations of Kock (2017) and Hair et al. (2018).

The measurement model quality of this study was assessed based on guidelines from the robustness analysis indicators chart below, particularly Hair et al. (2018). Key measures include average variance extracted, composite reliability, and outer loadings. Loadings below 0. 40 are typically removed, while those between 0. 50 and 0. 70 may be kept for content validity. Appendix Table 1 shows minimal collinearity and addresses common method bias. It also confirms good construct reliability for most variables, supporting the study's measures. Convergent validity is vital in SEM, linking measurements of the same construct. Appendix Table 1 presents our assessment results, affirming the constructs' validity and reliability.

Table 2: Model robustness indicators test and decision rule criteria

Type of test	Indicator	Rule of Thumb Criteria	Ref
Measurement errors	✓ Common method bias check through full collinearity tests via variance inflation factor (VIF)	✓ No bias if VIF $\leq$ 3.3	(Kock and Lynn, 2012)
Evaluating Measurement Models			
Internal consistency of items (reliability)	✓ Composite reliability (CR) test	✓ CR> 0.60	(Hair et al., 2018)
	✓ Cronbach Alpha (CA)	✓ CA> 0.60	
	✓ Dijkstra's PLSc Reliability (Rho_A)	✓ Rho_A$\geq$ 0.70	
Convergent validity and reliability	✓ Average variance extracted (AVE), factor loadings (FL), and cross loadings	✓ AVE> 0.50	
		✓ FL> 0.50 and must be significant with corresponding p-value <0.05; items should load highly with their corresponding latent constructs	(Amora, 2021); (Hair et al., 2018)
Discriminant validity	✓ Heterotrait-monotrait (HTMT)	✓ HTMT $\leq$ 0.90	(Dijkstra and Henseler, 2015)
Structural Model			
General fitness based on p-value	✓ Average path coefficient (APC)	✓ Acceptable: P < 0.05	(Kock 2017)
General fitness based on R-squared value	✓ Average R-squared (ARS)	✓ Acceptable: P < 0.05	(Kock 2017)
General fitness based on adjusted R-squared value	✓ Average adjusted R-squared (AARS)	✓ Acceptable: P < 0.05	(Kock 2017)

Collinearity multicollinearity across exogenous variables	✓ Average block VIF (AVIF)	✓ Acceptable if < 5, ideally < 3.3	(Kock 2017)
	✓ Average full collinearity VIF (AFVIF)	✓ Acceptable if < 5, ideally < 3.3	(Kock 2017)
Predictive power of the research model	✓ Tenenhaus GoF (GoF)	✓ Small > 0.1, medium > 0.25, ✓ large > 0.36	(Kock 2017)
Causality problem in the model	✓ Simpson's paradox ratio (SPR)	✓ Acceptable if > 0.7, ideally = 1	(Kock 2017)
The model is free of negative R-squared contribution	✓ R-squared contribution ratio (RSCR)	✓ Acceptable if > 0.9, ideally = 1	(Kock 2017)
model is free of statistical problems regarding effect suppression	✓ Statistical suppression ratio (SSR)	✓ Acceptable if $\geq$ 0.7	(Kock 2017)

The measurement model's discriminant validity is tested to ensure each construct is distinct. This is necessary for the correct interpretation of relationships. This study used procedures like factor loading analysis, Fornell-Larcker's test, and the HTMT test, with results supporting discriminant validity. Next, the model's goodness of fit is evaluated using WarpPLS 8.0 software. Table 3 shows the fit indices, providing details on the model's overall effectiveness.

Table 3: Goodness of fit results

No.	Model Fit and Quality	Results	Decision
1	Average path coefficient (APC)	0.317, P<0.001	Accepted
2	Average R-squared (ARS)	0.588, P<0.001	Accepted
3	Average adjusted R-squared (AARS)	0.583, P<0.001	Accepted
4	Q Square (Q^2)	0.589	Accepted
5	Average block VIF (AVIF)	2.1	Ideal
6	Average full collinearity VIF (AFVIF)	1.98	Ideal
7	Tenenhaus GoF (GoF)	0.635	large
8	Simpson's paradox ratio (SPR)	0.75	Acceptable
9	R-squared contribution ratio (RSCR)	0.903	Acceptable
10	Statistical suppression ratio (SSR)	1.00	Acceptable
11	Nonlinear bivariate causality direction ratio (NLBCDR)	1.00	Acceptable

The results in Table 3 show that the predicted model is appropriate and performs well, supported by 10 positive metrics. The average path coefficient (APC) reflects strong links between latent variables. High average R-squared and adjusted R-squared values demonstrate effective variance explanation. The Q-squared value of 0. 243 indicates the model's predictive validity, confirming its success in meeting explanatory goals.

This study tested the model further to confirm its reliability. Multicollinearity tests showed no issues, while goodness-of-fit results indicated the model fits the data well. Additional analyses confirmed accurate causal inferences and positive contributions. Overall, the model is validated as strong and capable of providing reliable insights into the data.

4. Results and Discussion

4.1. Results

The subsequent analysis employed a comprehensive evaluation of goodness-of-fit indices and confirmed the chosen model's fit. Next, it estimated parameters for both models (structural and measurement). See Table 4 and Figure 2 for details.

Table 4: Summaries of PLS-SEM inner model results for hypothesis testing

Hypothesis	Relationship	Path coefficient	Std Errors	P value	95% CI	Decision
H1	VLAC→OINC	0.686	0.047	<0.001	0.594 0.777	H_2 Accepted
H2	TRSKD→ OINC	-0.219	0.047	<0.001	-0.310 -0.128	H_3 Accepted
H3	ORGC→ OINC	0.263	0.047	<0.001	0.171 0.354	H_8 Accepted
H4	OGSTP→ OINC	0.102	0.047	0.014	0.011 0.194	H_1 Accepted

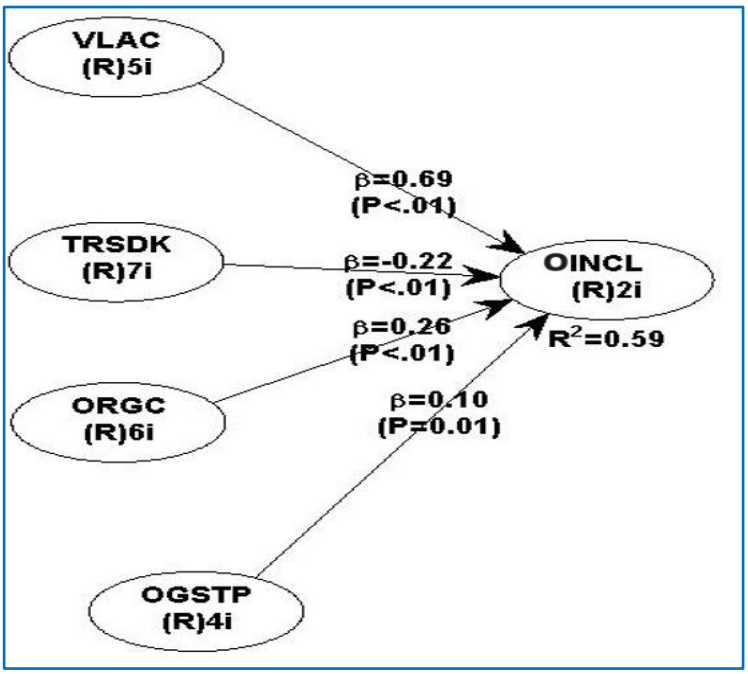

Figure 2: Plot of WarpPLS PLS-SEM inner model results

The WarpPLS 8 analysis (PLSc-SEM) output supports all hypothesized relationships (H1-H4) presented in Table 4 and Figure 2, with significant p-values ($p < 0.05$). This suggests that external factors significantly influence inclusiveness. The complete model, along with detailed hypothesis testing results, is provided for further exploration. The final empirical model summarising the findings for hypotheses H1-H4 is presented below.

$$OINC = 0.686\ VLAC - 0.219\ TRSKD - 0.263\ ORGC + 0.102\ OGSTP + error$$

The results of the study supported hypothesis 1 (H1), positing a significant positive influence of inclusive leadership and accountability (VLAC) on organisational inclusion within the labour market in Ethiopia with a strong positive path coefficient of $\beta = 0.686$, $P < 0.001$. In other respects, the analysis shows that training and skills development (TRSKD) are strongly negatively correlated ($\beta = -0.219$, $p < 0.001$) with organisational inclusion, which contradicts hypothesis 2 (H2). It now posits that perhaps TRSKD in its present form is doing substantial harm toward organisational inclusivity, leading to a further inquiry into what may be responsible for such adversity.

The findings of the Partial Least Squares Structural Equation Modelling (PLSc-SEM) analysis are similarly reflected in Table 4, revealing a significant relationship between organisational culture (ORGC) and inclusion in the Ethiopian labour market, with a beta coefficient of 0.263 ($P < 0.001$), supporting hypothesis 3 (H3). Additionally, hypothesis 4 (H4) is confirmed with a positive path coefficient ($\beta = 0.102$, $p < 0.001$), indicating that operational organisational strategies and policies (OGSTP) also significantly promote organisational inclusiveness.

4.2. Discussion

This study emphasises the relevance of inclusive leadership and accountability toward organisational inclusion in Ethiopian labour markets. The results are in agreement with prior studies by Prime et al. (2014) and Offermann and Basford (2013), which propose that these leadership qualities are crucial in materialising an inclusive workplace.

In addition, the study presents a significant contribution in terms of equitable and fair corporate culture as an impetus for inclusion (Hypothesis 3). This complements prior studies by Nishii (2013) and Shore et al. (2018), which

asserted the importance of such a culture. Such findings bring out an equally fair organisational environment; wherein inclusive and responsible leadership improves organisational inclusion in the labour market in Ethiopia.

The finding, moreover, highlights the priority of operative organisational strategies and policies essential for fostering organisational units in Ethiopia. The obvious consequence of such indulgences is the establishment of inclusive labour market ecosystems throughout the country. This finding relates back to the prior study of Adamson et al. (2021) and Shore et al. (2018), indicating the importance of enforcing operational strategies and regulations for functional inclusion into labour market ecosystems.

This study significantly builds on works such as Adamson et al. (2021) and Shore et al. (2018) by focusing on the applicability of these techniques and policies in the Ethiopian context. This adds particular value to such a study from the focal standpoint of the Ethiopian labour market. Efforts to develop appropriate inclusion strategies and policies are only half of the battle, since their successful implementation and operation represent the other half needed to attain organisational inclusion in labour market ecosystems. This translates into a shift in attention from policy formulation to successful implementation within the paradigm of Ethiopian organisations. Future research can consider approaches for implementing policies in the Ethiopian organisational context.

The findings of this study present a strong challenge to the widely held belief that inclusion within organisations stems from training and skill development. Internalisation of these findings posits any such program does not foster an inclusive environment. This unexpected finding should be investigated further. The research findings suggest revisiting training and ongoing skill development efforts in Ethiopia. Aligning these initiatives with the current market needs and well-established best practices may be a significant step in this endeavour. Overall, this study provides a critical opportunity for understanding inclusion initiatives in Ethiopia. Further work on explanations for unexpected training results can pave the way for more extensive and highly effective inclusion initiatives.

The negative association between training and organisational inclusion should be interpreted with caution, as the finding reflects an observed relationship rather than a causal effect. One possible explanation is that training initiatives may not always be embedded within broader organisational changes. For example, poorly

designed or symbolic training programmes may raise awareness without addressing underlying organisational structures, behaviours, or power relations that shape inclusion outcomes. Similarly, mandatory training may foster a perception of compliance rather than genuine commitment, potentially creating resistance among employees. In contexts such as Ethiopia, where organisations may face resource limitations, hierarchical cultures, and gaps between formal policies and their implementation, training alone may have limited influence unless supported by strong leadership commitment, inclusive organisational cultures, and effective policies. Moreover, organisations experiencing greater inclusion challenges may be more likely to invest in training, creating a possible selection effect. Thus, training should be viewed as a complementary rather than standalone mechanism for advancing workplace inclusion.

5. Conclusion and Recommendations

There is much to add to this research's contribution to the knowledge of organisational inclusion in Ethiopia's labour market. Following limited prior research in this area, this is the first nationwide investigation focusing on employer perspectives. The nexus between key factors and organisational inclusion was analysed with the structural equation model. The study posits that inclusive leadership, a fair culture, and explicit inclusion policies are strongly and positively linked to employer perceptions and contribute to greater inclusivity in the Ethiopian workforce.

Ethiopian organisations have a window of opportunity in the application of instruments of inclusion. The study established a potential positive relationship between these tools and the enabling culture for inclusivity. By using a solid instrument, organisations can introduce inclusion across the entire labour-market ecosystem and, thus, get close to an equal and diverse workforce. Such a scheme will benefit employees and employers and culminate in a very happy and productive work environment in Ethiopia.

The study offers a glimpse of a potentially paradoxical effect, though not necessarily, that a significant national tool, whose core aim is to enhance inclusiveness, training, and skill development in Ethiopian workplaces, seems to have on other ongoing efforts for inclusiveness. This requires the weighing of a critical review of the implementation of this instrument. This will embrace a

holistic assessment of the program statistics, employee-specific feedback, and participation rates.

Ethiopian employers and policy-makers should prioritise the simultaneous development of inclusive leadership competencies, organisational fairness cultures, and formalised inclusion policies as complementary mechanisms for enhancing workforce inclusivity. Organisations implementing these instruments should conduct systematic evaluations of programme effectiveness and employee feedback to ensure coherent outcomes. Government-level support for institutional capacity building in these three domains could strengthen sectoral adoption. However, given the potentially contradictory effects of existing national initiatives, comprehensive policy coordination and implementation monitoring are essential to maximise the synergistic potential of inclusion instruments across Ethiopia's labour market.

Despite its contributions, this study has some limitations that warrant consideration. The cross-sectional design restricts the ability to establish changes in organisational inclusion over time, while reliance on employer perspectives may not fully capture employees lived experiences of inclusion. Future research could employ longitudinal and mixed-method approaches to examine evolving inclusion practices, incorporate broader stakeholder perspectives, and compare organisational contexts across sectors and regions. Further investigation of the mechanisms through which inclusion practices influence workplace outcomes would also provide deeper insights into building more inclusive Ethiopian workplaces.

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Appendix

Appendix Table 1: Robustness assessments of the measurement model

Model Construct & Measurement Items	Factor Loading (FL)	Composite Reliability (CR)	Dijkstra's PLSc Reliability (Rho_A) A	Cronbach's Alpha (CA)	Full collinearity VIFs	Average variances extracted
VLAC		0.894	0.854	0.852	2.444	0.628
VLAC1	**0.785**					
VLAC2	**0.839**					
VLAC3	**0.804**					
VLAC4	**0.807**					
VLAC5	**0.723**					
TRSKD		0.941	0.945	0.927	2.051	0.694
TRSKD1	**0.858**					
TRSKD2	**0.854**					
TRSKD3	**0.821**					
TRSKD4	**0.809**					
TRSKD5	**0.840**					
TRSKD6	**0.825**					
TRSKD7	**0.821**					
ORGC		0.923	0.902	0.900	2.556	0.667
ORGC1	**0.771**					
ORGC2	**0.814**					
ORGC3	**0.817**					
ORGC4	**0.832**					
ORGC5	**0.845**					
ORGC6	**0.819**					
OGSTP		0.859	0.864	0.783	2.316	0.612
OGSTP1	**0.524**					
OGSTP2	**0.866**					
OGSTP3	**0.838**					
OGSTP4	**0.849**					
OINC		0.906	0.797	0.793	2.425	0.828
OINC1	**0.917**					
OINC2	**0.903**					

All HTMT ratios are significant ($p < 0.001$, one-tailed).

Appendix Table 2: Combined loadings and cross-loadings

VLAC	TRSDK	ORGC	OGSTP	OINCL
VLAC1	**0.785**	0.083	-0.027	-0.037
VLAC2	**0.839**	-0.144	0.124	0.055
VLAC3	**0.804**	0.056	-0.04	0
VLAC4	**0.807**	-0.022	-0.119	0.104
VLAC5	**0.723**	0.031	0.044	-0.103
TRSKD1	0.056	**0.858**	-0.154	0.169
TRSKD2	0.092	**0.854**	-0.022	0.087
TRSKD3	0.107	**0.821**	-0.045	-0.02
TRSKD4	-0.152	**0.809**	-0.23	0.032
TRSKD5	-0.195	**0.84**	-0.002	-0.035
TRSKD6	0.089	**0.825**	0.185	-0.134
TRSKD7	0.088	**0.821**	0.215	-0.096
ORGC1	-0.094	0.398	**0.771**	-0.296
ORGC2	-0.016	-0.104	**0.814**	-0.045
ORGC3	-0.018	-0.034	**0.817**	0.122
ORGC4	0.058	-0.05	**0.832**	-0.037
ORGC5	-0.001	-0.112	**0.845**	0.083
ORGC6	0.084	-0.147	**0.819**	0.205
OGSTP1	0.219	-0.297	0.219	**0.524**
OGSTP2	0.037	-0.092	-0.082	**0.866**
OGSTP3	-0.002	-0.087	0.002	**0.838**
OGSTP4	-0.117	0.245	-0.042	**0.849**
INCL1	0.127	-0.052	-0.008	0.065
INCL2	-0.138	0.057	0.009	-0.071

AVEs				
	VLAC	**TRSDK**	**ORGC**	**OGSTP**
VLAC	**0.792**			
TRSDK	0.465	**0.833**		
ORGC	0.387	0.621	**0.817**	
OGSTP	0.357	0.603	0.724	**0.782**
OINCL	0.722	0.325	0.466	0.405

HTMT ratios

	VLAC	TRSDK	ORGC	OGSTP	OINCL
VLAC					
TRSDK	0.519				
ORGC	0.432	0.664			
OGSTP	0.413	0.663	0.853		
OINCL	0.864	0.361	0.548	0.484	

All HTMT ratios are significant ($p < 0.001$, one-tailed).