



The Effect Of Inclusive Leadership, Employee Well-Being, Corporate Culture, And Affective Commitment On Intrinsic Motivation And Employee Performance In Employees Of A Leading Bakery Company In Indonesia

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Abstract

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The purpose of this study was to examine the influence of inclusive leadership on employee performance at PT XYZ Medan, by considering mediating variables such as employee welfare, company culture, affective commitment and intrinsic motivation. This research uses a quantitative method of data collection by filling out questionnaires by 180 respondents. Data was measured using a Likert scale, then analyzed using the Partial Least Square-Structural Model (PLS-SEM). The research results show that most of the variables have a positive and significant influence, except that the influence of employee welfare on employee performance, employee welfare on employee performance, and inclusive leadership on employee performance which is mediated by affective commitment is not significant. The importance of a strong company culture and inclusive leadership in creating a supportive work environment, increasing employee engagement, and driving organizational performance. It is hoped that the research results can strengthen human resource management, especially in maximizing intrinsic motivation and employee performance. The theoretical and practical implications of this research offer new insights for the development of organizational behavior theory and human resource management (HRM) practice.

Keywords: *Inclusive Leadership, Corporate Culture, Employee Well-Being, Affective Commitment, Intrinsic Motivation, Employee Performance*

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INTRODUCTION

Human resources (HR) are an essential and inseparable asset for the success of any organization, whether in companies or institutions. In the era of globalization and intense competition, the role of HR has become increasingly crucial in determining the direction of a company's development. Competent, innovative, and highly motivated HR can drive a company to grow rapidly. Conversely, low-quality HR can significantly hinder a company's growth and competitiveness (Sinambela, 2022). This phenomenon is evident in many large companies experiencing performance declines due to poor HR quality and failures in developing a work culture that supports employee engagement and well-being.

One of the main challenges in HR management is creating an inclusive and supportive work environment. Inclusive leadership has emerged as an effective modern approach to addressing diversity and employee engagement issues. Inclusive leaders not only focus on team management but also play a role in

fostering a sense of belonging and appreciation among employees from diverse backgrounds. In this context, inclusive leadership helps create a positive work environment, leading to increased intrinsic motivation among employees. Intrinsic motivation drives employees to work with high enthusiasm without relying solely on external factors such as financial incentives (Dillon & Bourke, 2016). When employees feel valued and appreciated, they tend to exhibit higher loyalty and better performance.

Another increasingly observed phenomenon is the importance of a strong corporate culture and affective commitment in maintaining employee well-being. An inclusive and supportive corporate culture can provide psychological safety for employees, enabling them to be more open in voicing new ideas and innovating. A positive culture also encourages employees to engage more actively in achieving organizational goals, which in turn enhances overall company performance. Research shows that companies with inclusive work cultures and leaders committed to employee well-being have higher employee engagement, lower turnover, and better performance (Randel et al., 2018).

Affective commitment, which refers to employees' emotional attachment and identification with the organization, is a critical component in enhancing employee well-being and company performance. Employees with strong affective commitment are more motivated to perform their best and contribute to the company's success. This phenomenon is most common in companies that retain long-term employees due to their emotional bond with the company's goals and principles. According to Robbins et al. (2024), affective commitment can predict various outcomes, such as turnover intentions. This indicates that affective commitment is generally more strongly related to organizational outcomes than other types of commitment, such as normative and continuance commitment, because what is achieved through desire cannot be attained through coercion (Ahmad, 2022). Affective commitment not only strengthens the relationship between employees and the company but is also crucial for creating a productive and peaceful work environment.

Organizations can create a favorable work environment for employees by combining inclusive leadership, a strong corporate culture, and affective commitment. This approach enables companies to drive sustainable and optimal performance. PT XYZ, established in 1995 in Cikarang, West Java, began commercial operations in 1996 with the launch of its famous brand "X Roti." Over time, the demand for mass-produced bread increased, prompting the company to expand its production capacity in 2001. Currently, PT XYZ operates 14 factories strategically located across Indonesia, including in Batam, Medan, Palembang, Cikarang, Cibitung, Purwakarta, Banten, East Java, Central Java, Makassar, Balikpapan, and Banjarmasin. With over 78,000 distribution points in modern and traditional channels, the company is committed to meeting the growing market demand. This study focuses on the Medan factory, which employs around 400 workers aged 20 to 45 with diverse educational backgrounds, indirectly influencing their thinking, perceptions, and loyalty to the company.

In the modern workplace, inclusive leadership has become a cornerstone for creating a conducive work environment. Inclusive leadership focuses on embracing diversity, valuing every team member, and encouraging active participation from

all employees, regardless of their background. According to Dillon and Bourke (2016), inclusive leaders actively listen to different perspectives, encourage participation, and create psychological safety for employees. One contemporary model often discussed is the Six Signature Traits of Inclusive Leadership developed by Deloitte. This model includes essential traits such as curiosity, courage, commitment, collaboration, awareness of bias, and open communication culture. By practicing inclusive leadership, organizations can enhance employee engagement, job satisfaction, and organizational commitment, all of which contribute to improved team performance.

Inclusive leadership also bridges interdepartmental synergies within a company. Diversity is a unique aspect of any organization, as companies consist of employees with different backgrounds and profiles. Businesses face challenges in managing their human resources due to this diversity, particularly in creating an inclusive and supportive work environment. Therefore, this study investigates how employee performance and intrinsic motivation at PT XYZ's Medan factory are influenced by variables such as inclusive leadership, corporate culture, affective commitment, and employee well-being. Consequently, this research is expected to help develop more efficient HR management strategies to enhance employee performance and productivity in the increasingly competitive bakery industry.

Inclusive leadership at PT XYZ is evident through several tangible initiatives. First, inclusive recruitment policies ensure a fair and discrimination-free selection process based on gender, religion, or other backgrounds. Through this policy, PT XYZ ensures diversity within the team, which not only enriches perspectives but also enhances innovation and creativity in the workplace. This aligns with Srimulyani et al. (2023), who state that inclusive leadership is highly effective in promoting collaboration and employee engagement, thereby improving organizational performance. At PT XYZ, inclusive leadership is reflected in open communication initiatives through dialogue sessions, where every employee is given the opportunity to share ideas and feedback. This enhances employee engagement and loyalty to the company.

Additionally, employee training and development programs, such as the Supervisor Development Program and Manager Development Program, reflect the company's commitment to developing employees into future leaders. In the context of inclusive leadership, these training programs reinforce inclusive values and increase employee involvement in decision-making processes (Ferinea et al., 2023). Furthermore, open communication is a crucial element of inclusive leadership at PT XYZ. Forums or dialogue sessions between employees and management serve as platforms for listening to employee input and feedback, creating a sense of appreciation and being heard. This aligns with Nguyen et al. (2019), who emphasize the importance of inclusive leadership in fostering healthy and respectful workplace communication.

The implementation of inclusive leadership in the company creates a work culture that must be communicated to employees as a guideline for their work. A strong corporate culture can enhance employee loyalty and commitment to the company. A supportive corporate culture that emphasizes ethical and inclusive values can increase job satisfaction and affective commitment, leading to better performance (Dillon and Bourke, 2016). The inclusive organizational culture at PT

XYZ not only fosters a sense of belonging and responsibility among employees but also strengthens their emotional bond with the company. This is reflected in various leadership development programs, such as the Supervisor Development Program and Manager Development Program, which demonstrate the company's commitment to employee skill and career development.

The corporate culture at PT XYZ is known for its R.O.T.I principles (Results, Organization, Teamwork, Implementation), which reflect the company's core values. This culture encourages employees to act quickly and work with high dedication to deliver the best for customers. These values not only guide daily activities but also strengthen employees' affective commitment. Research by Setiyadi et al. (2023) highlights that a corporate culture supporting ethical and inclusive values can enhance employees' affective commitment, ultimately contributing to improved performance. Employees at PT XYZ with high affective commitment tend to feel more emotionally connected to the company. They exhibit loyalty, concern for the company's outcomes, and active participation in various company programs. For example, employees involved in the Employee of the Month program feel motivated to continue delivering their best performance due to the recognition and appreciation of their contributions.

Affective commitment, also known as emotional attachment to the organization, significantly influences employee performance. Employees with high affective commitment tend to be more loyal, have a greater sense of responsibility toward their work, and are more motivated to contribute their best to the company (Setiyadi et al., 2023). At PT XYZ, affective commitment is fostered through a supportive work environment and inclusive recruitment policies, ensuring employees feel valued and emotionally engaged with the company. This loyalty drives employees to innovate and contribute more significantly to organizational goals. Employee well-being, encompassing physical, mental, and emotional health, is a significant factor influencing intrinsic motivation. When employees feel supported in a healthy and balanced workplace, they tend to be more satisfied with their jobs and more enthusiastic about their work (Nguyen et al., 2019).

Employee well-being at PT XYZ is reflected in various initiatives designed to enhance employees' physical, mental, and social well-being. Physical health programs, such as group exercises and daily meal provisions, demonstrate the company's attention to employees' physical health. Support for mental health is also evident through health seminars conducted via X-Academy. These seminars provide valuable insights into stress management and work-life balance, ultimately improving employees' mental well-being. Employees are motivated to continue working because this support creates a comfortable work environment where they feel valued and appreciated. Additionally, strict safety standards, ergonomic work equipment, and clean facilities ensure a safe and healthy work environment. Research by Putra and Nasution (2024) found that a safe and supportive work environment significantly helps employees become more productive and motivated.

Intrinsic motivation, driven by internal factors such as personal satisfaction and interest in work, has a significant impact on employees' creative and innovative performance (Fischer et al., 2019). In the context of inclusive leadership, intrinsic motivation can be further strengthened through external rewards, such as relational

rewards, which effectively drive creative performance. However, the importance of fostering a corporate culture that supports innovation should not be overlooked, as it can amplify the impact of intrinsic motivation on performance. Intrinsic motivation at PT XYZ is evident through various tangible examples. Employees who feel satisfied in their work, especially those in production lines, are motivated to maintain product quality due to their pride in the products they produce. This pride is a strong form of intrinsic motivation. Research by Fischer et al. (2019) shows that intrinsic motivation significantly impacts employee creativity and innovation, which also applies to PT XYZ. The enhancement of skills and knowledge through training programs at PT XYZ also contributes to employees' intrinsic motivation. They feel supported to continue learning and growing, ultimately driving them to perform better. Team harmony, achieved through good cooperation and supportive relationships among employees, is also a crucial factor in enhancing intrinsic motivation at the company.

Employee performance is the ultimate result of a combination of factors such as inclusive leadership, corporate culture, affective commitment, employee well-being, and intrinsic motivation. Employees who feel supported by an inclusive work environment, have high affective commitment, and are intrinsically motivated tend to exhibit better performance. Research by Putra and Nasution (2024) found that a positive corporate culture directly enhances employee performance, job satisfaction, and motivation. This highlights the importance of creating a supportive and empowering work environment where employees feel valued, supported, and motivated to improve their performance.

High employee performance at PT XYZ is influenced not only by inclusive leadership, corporate culture, and affective commitment but also by employee well-being and intrinsic motivation. By combining all these factors, the company can create a productive, innovative, and inclusive work environment, ultimately driving organizational performance to higher levels. This research, titled "The Effect of Inclusive Leadership, Employee Well-Being, Corporate Culture, and Affective Commitment on Intrinsic Motivation and Employee Performance in Employees of a Leading Bakery Company in Indonesia," focuses on PT XYZ as the leading bakery company in Indonesia.

Inclusive leadership, defined by transparency, approachability, and leader presence, cultivates a business culture that promotes collaboration and creativity. Srimulyani et al. (2023) established that inclusive leadership behaviours foster an innovative work culture inside State-Owned Enterprises (SOEs) in Indonesia. Inclusive leadership improves employee well-being by fostering a supportive work environment in which individuals feel appreciated, acknowledged, and inspired. Nguyen et al. (2019) found that inclusive leadership positively impacts employee well-being, person-job fit, and innovative behavior, highlighting its role in improving employees' quality of life at work. Additionally, Srimulyani et al. (2023) emphasized that inclusive leadership influences organizational culture, as leaders who embody corporate values inspire employees to align with the company's culture, thereby enhancing organizational performance. Furthermore, inclusive leadership indirectly improves employee performance through affective commitment, as it fosters emotional bonds between employees and the organization, leading to higher engagement and productivity.

H1a: Inclusive leadership has a significant positive effect on employee well-being.

H1b: Inclusive leadership has a significant positive effect on corporate culture.

H1c: Inclusive leadership has a significant positive effect on employee performance.

H1d: Inclusive leadership has a significant positive effect on affective commitment.

Employee well-being, encompassing physical, emotional, and mental health, significantly influences intrinsic motivation and engagement. Sanpakdee et al. (2019) found that employee well-being directly impacts intrinsic motivation and engagement, leading to higher performance. Malek et al. (2020) emphasized that meaningful tasks enhance intrinsic motivation, which in turn boosts employee performance. Corporate culture also plays a critical role in shaping employee well-being and performance. Zaakiyyah et al. (2023) highlighted that a strong corporate culture, characterized by clear vision, norms, and employee-centric policies, fosters an inspiring work environment, enhancing productivity and teamwork. Affective commitment, defined as emotional attachment to the organisation, is a crucial determinant of employee success. Employees exhibiting high affective commitment have increased motivation, engagement, and productivity, since they possess a profound sense of duty towards the organization's objectives.

H2a: Employee well-being has a significant positive effect on employee performance.

H2b: Corporate culture has a significant positive effect on employee performance.

H2c: Affective commitment has a significant positive effect on employee performance.

Employee well-being significantly influences intrinsic motivation, as employees who feel physically, emotionally, and mentally well are more likely to engage in their work with enthusiasm and satisfaction. Sanpakdee et al. (2019) demonstrated that employee well-being directly enhances intrinsic motivation and engagement. Malek et al. (2020) further emphasized that meaningful tasks and a supportive work environment strengthen intrinsic motivation, leading to higher job satisfaction and performance.

H3: Employee well-being has a significant positive effect on intrinsic motivation.

Intrinsic motivation, driven by internal satisfaction and personal fulfillment, plays a crucial role in enhancing employee performance. Sanpakdee et al. (2019) found that high intrinsic motivation significantly improves employee performance across various industries. Malek et al. (2020) highlighted that intrinsic motivation fosters creativity and innovation, leading to higher productivity and job satisfaction. Employees with strong intrinsic motivation are more committed to their tasks, resulting in better performance and organizational outcomes.

H4: Intrinsic motivation has a significant positive effect on employee performance.

A strong corporate culture, characterized by clear vision, values, and employee-centric policies, significantly enhances employee well-being and affective commitment. Qalam et al. (2024) found that a supportive corporate culture

reduces uncertainty and stress, improving employee well-being. Srimulyani et al. (2023) highlighted that corporate culture mediates the relationship between inclusive leadership and affective commitment, as employees feel emotionally connected to organizations that align with their personal and professional values.

H5a: Corporate culture has a significant positive effect on employee well-being.

H5b: Corporate culture mediates the relationship between inclusive leadership and affective commitment.

Srimulyani et al. (2023) found that corporate culture mediates the relationship between inclusive leadership and affective commitment, as employees feel more committed to organizations with inclusive and supportive cultures. However, corporate culture does not mediate the relationship between inclusive leadership and employee performance. Kundi et al. (2020) emphasized that affective commitment mediates the relationship between psychological well-being and performance, as inclusive leadership fosters emotional bonds that enhance employee engagement and productivity.

H6a: Corporate culture mediates the relationship between affective commitment and employee performance.

H6b: Corporate culture does not mediate the relationship between inclusive leadership and employee performance.

Srimulyani et al. (2023) demonstrated that affective commitment mediates the relationship between inclusive leadership and employee performance. Inclusive leaders who embody corporate values inspire employees to develop emotional bonds with the organization, leading to higher commitment and performance. Employees who feel valued and supported by inclusive leaders are more likely to exhibit higher performance and loyalty.

H7: Affective commitment mediates the relationship between inclusive leadership and employee performance.

This study explores the interplay between inclusive leadership, employee well-being, corporate culture, affective commitment, intrinsic motivation, and employee performance. The formulated hypotheses provide a comprehensive framework for understanding how these factors influence organizational outcomes, particularly in the context of PT XYZ, a leading bakery company in Indonesia. By examining these relationships, the study aims to contribute to the development of effective HR strategies that enhance employee performance and organizational success.

METHODS

The respondents are found using a purposive sampling approach. The subjects of this research are a subset of employees working at PT. XYZ, encompassing all departments within the company. These departments include production, supply chain management, quality control, quality assurance, HRGA, and finance & accounting. The selection of these respondents is based on their relevance to the research variables and their ability to meet the criteria set by the researcher. The sample denotes a subset of the population chosen as respondents (Sekaran & Bougie, 2019). Multiple factors affect sample size determination, including research objectives, required precision (confidence interval), acceptable

risk (confidence level), population variability, cost and time limitations, and occasionally, the population size itself (Sekaran & Bougie, 2019).

The data collection technique involves disseminating questionnaires to respondents via the internet. The questionnaire is constructed using Google Forms and disseminated online through links. This approach is employed to enhance cost and time efficiency. The "10 Times Rule," as proposed by Hair et al. (2019), was utilised to ascertain the suitable sample size for Partial Least Squares (PLS) analysis. The guideline stipulates that the minimum sample size must be tenfold the quantity of independent variables in the research model. The sample size for this study was established at 180 respondents in accordance with these recommendations. The structural equation model in this research will be solved with the PLS program, which will later describe the relationship between the constructs in the structural model as follows:

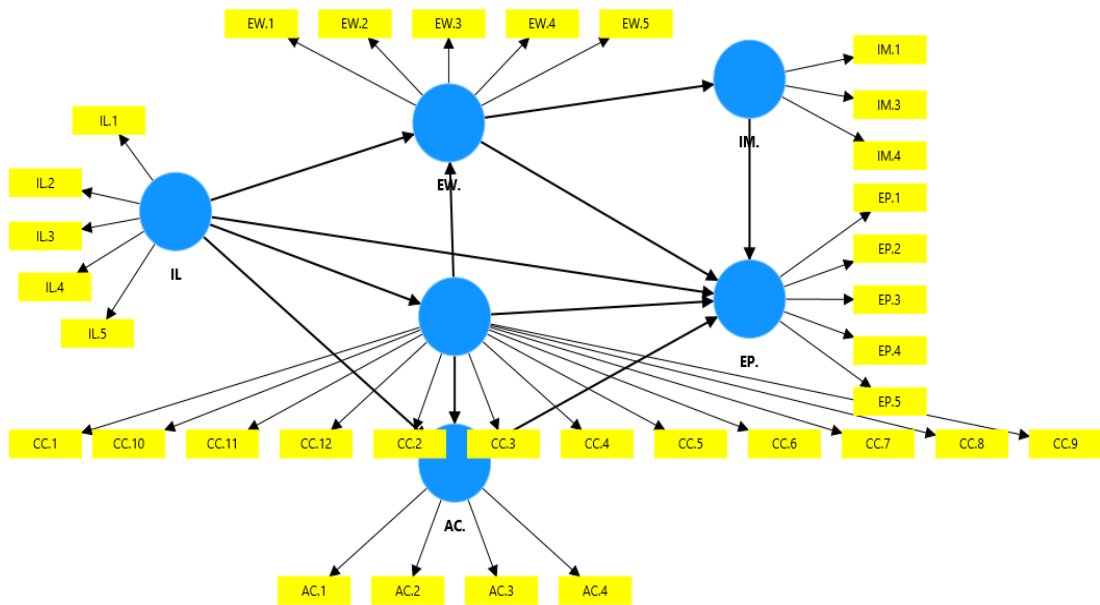


Figure 1. Research Model

RESULT AND DISCUSSION

The data analysis technique used in this study is the SEM (Structural Equation Model) analysis technique. SEM is a statistical technique that is able to analyze the pattern of relationships between latent constructs and indicators, latent constructs with one another, and direct measurement errors. SEM is a dependent multivariate statistical family, SEM allows the analysis of several dependent and independent variables directly (Hair et al., 2016). The convergent validity of the measurement model, utilising the reflective indicator model, is evaluated by the assessment of individual item dependability via standardised loading factors, which indicate the strength of the association between each indicator and its corresponding concept. A loading factor value exceeding 0.70 is regarded as an optimal or valid indicator of the construct being measured. In the initial phases of constructing a measurement scale, a loading value between 0.50 and 0.60 is deemed adequate for research purposes.

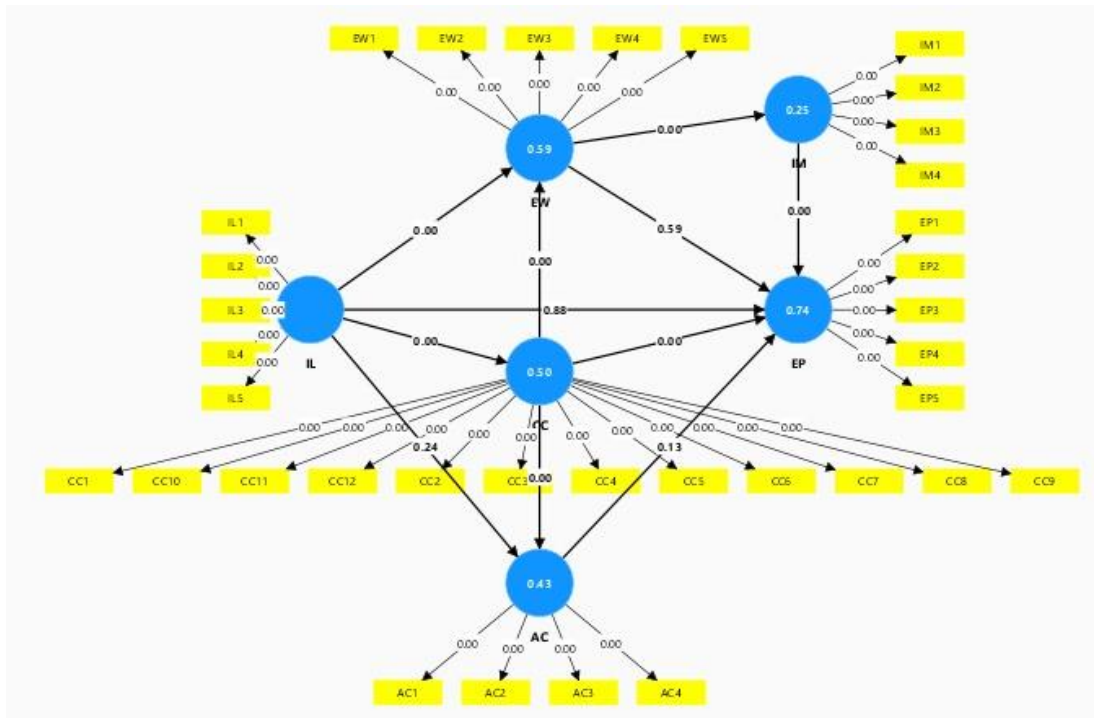


Figure 2. Convergent Validity Testing

Table 1. Convergent Validity Testing

Construct Variables	Indicator	Loading Factor	AVE	Result
Affective Commitment	AC1	0.858	0,774	Valid
	AC2	0.843		
	AC3	0.905		
	AC4	0.896		
Corporate Culture	CC1	0.754	0,573	Valid
	CC10	0.788		
	CC11	0.726		
	CC12	0.71		
	CC2	0.743		
	CC3	0.788		
	CC4	0.73		
	CC5	0.755		
	CC6	0.781		
	CC7	0.812		
	CC8	0.829		
	CC9	0.73		
Employee Performance	EP1	0.836	0,692	Valid
	EP2	0.86		
	EP3	0.825		

	EP4	0.876		
	EP5	0.765		
	EW1	0.9		
	EW2	0.945		
Employee Wellbeing	EW3	0.936	0,843	Valid
	EW4	0.921		
	EW5	0.872		
	IL1	0.861		
	IL2	0.874		
Inclusive Leadership	IL3	0.826	0,721	Valid
	IL4	0.83		
	IL5	0.86		
	IM1	0.921		
Intrinsic Motivation	IM2	0.896	0,782	Valid
	IM3	0.913		
	IM4	0.806		

Based on the data processing results, the AVE values for the constructs are as follows: Inclusive Leadership (0.721), Employee Well-being (0.843), Corporate Culture (0.573), Affective Commitment (0.744), Intrinsic Motivation (0.782), and Employee Performance (0.692). These values indicate that all constructs demonstrate good convergent validity, as each exceeds the recommended threshold of 0.50. The data confirms that the constructs effectively explain the variance of the indicators used in this study, reflecting the robustness of the measurement model.

Discriminant validity evaluates the degree to which several notions represent separate phenomena. Researchers commonly utilise several discriminant validity assessments, including the Heterotrait-Monotrait Ratio (HTMT), Fornell-Larcker criterion, and cross-loadings (Hair et al., 2019). The Fornell-Larcker criterion is the principal approach for establishing discriminant validity. Based on this criterion, the square root of the Average Variance Extracted (AVE) for each construct must exceed its maximum correlation with any other construct, as illustrated in the table below. This guarantees that each construct is unique and accounts for separate variance, thereby satisfying the criteria for discriminant validity assessment.

Table 2. Discriminant Validity

	AC	CC	EP	EW	IL	IM
AC	0.876					
CC	0.645	0.756				
EP	0.768	0.719	0.833			
EW	0.484	0.709	0.495	0.915		
IL	0.384	0.704	0.427	0.713	0.850	
IM	0.850	0.661	0.820	0.495	0.365	0.885

The findings from the discriminant validity test presented in Table 2 indicate that all constructs possess a square root value of AVE exceeding the correlation

values with other latent constructs, as per the Fornell-Larcker criteria, hence confirming that the model satisfies the requirements for discriminant validity. The subsequent step is to assess R square, which signifies the degree to which independent factors elucidate the dependent variable within the study model. Hair, Black, et al. (2019) assert that an R-square value beyond 0.25 indicates little accuracy, surpassing 0.50 denotes moderate accuracy, and exceeding 0.75 signifies strong accuracy.

Table 3. R Square

Variables	R-square (R2)	Result
Affective Commitment	0.425	Small
Corporate Culture	0.495	Small
Employee Performance	0.738	Strong
Employee Well-being	0.594	Small
Intrinsic Motivation	0.245	Moderate

Based on Table 3 above, the R-square values for the constructs in this study, demonstrating the explanatory power of the independent variables on the dependent variables. The R-square value for Employee Performance is 0.683, indicating that 68.3% of the variation in employee performance is explained by the independent variables in the model, while the remaining 31.7% is attributed to factors outside the model. This suggests a strong explanatory power for this construct. For Employee Well-being, the R-square value is 0.593, meaning that 59.3% of the variation in employee well-being is explained by the variables in the model. This reflects moderate accuracy in the model's ability to explain this construct. The R-square value for Corporate Culture is 0.496, indicating that 49.6% of the variation in corporate culture is influenced by the analyzed variables. This also falls within the moderate accuracy range. Affective Commitment has an R-square value of 0.379, showing that 37.9% of the variation in affective commitment is explained by the independent variables. This represents small accuracy in the model's explanatory power for this construct. The lowest R-square value is observed for Intrinsic Motivation, with a value of 0.257. This means that only 25.7% of the variation in intrinsic motivation is explained by the independent variables, indicating small accuracy. Overall, the highest R-square value is for Employee Performance (68.3%), demonstrating that the model has a strong ability to explain the variability in this construct. These results highlight the varying degrees of explanatory power across the constructs, with the model performing particularly well in predicting employee performance.

Hypothesis testing

Hypothesis testing uses a full model analysis of Structural Equation Modeling (SEM) with smartPLS. In full model SEM with PLS, besides predicting the model, it also explains whether there is a relationship between latent variables. The relationship of the path analysis of all latent variables in PLS in this study is the outer model that specifies the relationship between indicators and latent

variables, the inner model that specifies the relationship between latent variables, the weight relation where the case value of the latent variables can be estimated. Decision making on acceptance of the hypothesis in the study This is done with the provision that the value of the t-table one tail test specified in this study is 1.65 for a significance of 0.05.

Table 4. Hypothesis Testing for Direct and Indirect effect

Hypothesis	Variabel	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Remark
H1a	Inclusive leadership has a significant positive effect on employee well-being.	0.430	0.430	0.100	4.434	0.000	Supported
H1b	Inclusive leadership has a significant positive effect on corporate culture.	0.700	0.710	0.050	15.372	0.000	Supported
H1c	Inclusive leadership has a significant positive effect on employee performance.	-0.010	-0.020	0.080	0.150	0.880	Not Supported
H1d	Inclusive leadership has a significant positive effect on affective commitment.	0.470	-0.150	0.120	1.998	0.010	Supported

H2a	Employee well-being has a significant positive effect on employee performance	-0.060	-0.050	0.110	0.530	0.590	Not Supported
H2b	Corporate culture has a significant positive effect on employee performance.	0.340	0.330	0.090	3.580	0.000	Supported
H2c	Affective commitment has a significant positive effect on employee performance.	0.370	0.190	0.070	2.510	0.000	Supported
H3	Employee well-being has a significant positive effect on intrinsic motivation.	0.500	0.500	0.070	7.350	0.000	Supported
H4	Intrinsic motivation has a significant positive effect on employee performance.	0.480	0.480	0.100	4.800	0.000	Supported
H5a	Corporate culture has a significant positive effect on employee well-being.	0.410	0.410	0.090	4.710	0.000	Supported

H5b	Corporate culture has a significant positive effect on affective commitment	0.740	0.750	0.090	8.070	0.000	Supported
H6a	Corporate culture mediates the relationship between inclusive leadership and affective commitment.	0.522	0.534	0.085	6.128	0.000	Supported
H6b	Corporate culture mediates the relationship between inclusive leadership and employee performance.	0.239	0.231	0.070	3.394	0.001	Supported
H7	Affective commitment mediates the relationship between inclusive leadership and employee performance.	-0.024	-0.029	0.032	0.743	0.457	Not Supported

The hypothesis testing results, as analyzed using SmartPLS, are presented in Table 4. The findings provide insights into the relationships among the constructs in the research model. Below is a detailed discussion of each hypothesis:

H1a: Inclusive Leadership has a significant positive effect on Employee Well-being.

The results show a significant positive relationship (Original Sample = 0.430, t-statistic = 4.434, p-value = 0.000), supporting this hypothesis. This indicates that inclusive leadership effectively enhances employee well-being by fostering a supportive and engaging work environment.

H1b: Inclusive Leadership has a significant positive effect on Corporate Culture.

The analysis reveals a strong positive relationship (Original Sample = 0.700, t-statistic = 15.372, p-value = 0.000), confirming this hypothesis. Inclusive leadership plays a crucial role in shaping a positive and inclusive corporate culture.

H1c: Inclusive Leadership has a significant positive effect on Employee Performance.

This hypothesis is rejected (Original Sample = -0.010, t-statistic = 0.150, p-value = 0.880), as the relationship is not statistically significant. This suggests that inclusive leadership does not directly influence employee performance in this context.

H1d: Inclusive Leadership has a significant positive effect on Affective Commitment.

The results support this hypothesis (Original Sample = 0.470, t-statistic = 1.998, p-value = 0.010), indicating that inclusive leadership fosters emotional attachment and commitment among employees.

H2a: Employee Well-being has a significant positive effect on Employee Performance.

This hypothesis is rejected (Original Sample = -0.060, t-statistic = 0.530, p-value = 0.590), as the relationship is not statistically significant. Employee well-being does not directly impact performance in this study.

H2b: Corporate Culture has a significant positive effect on Employee Performance.

The findings support this hypothesis (Original Sample = 0.340, t-statistic = 3.580, p-value = 0.000), demonstrating that a strong corporate culture positively influences employee performance.

H2c: Affective Commitment has a significant positive effect on Employee Performance.

This hypothesis is supported (Original Sample = 0.370, t-statistic = 2.510, p-value = 0.000), indicating that employees with higher affective commitment tend to perform better.

H3: Employee Well-being has a significant positive effect on Intrinsic Motivation.

The results confirm this hypothesis (Original Sample = 0.500, t-statistic = 7.350, p-value = 0.000), showing that employee well-being significantly enhances intrinsic motivation.

H4: Intrinsic Motivation has a significant positive effect on Employee Performance.

This hypothesis is supported (Original Sample = 0.480, t-statistic = 4.800, p-value = 0.000), indicating that intrinsically motivated employees exhibit higher performance.

H5a: Corporate Culture has a significant positive effect on Employee Well-being.

The findings support this hypothesis (Original Sample = 0.410, t-statistic = 4.710, p-value = 0.000), demonstrating that a positive corporate culture enhances employee well-being.

H5b: Corporate Culture has a significant positive effect on Affective Commitment.

This hypothesis is supported (Original Sample = 0.740, t-statistic = 8.070, p-value = 0.000), indicating that corporate culture significantly strengthens affective commitment.

H6a: Corporate Culture mediates the relationship between Inclusive Leadership and Affective Commitment. The results support this hypothesis (Original Sample = 0.522, t-statistic = 6.128, p-value = 0.000), showing that corporate culture plays a mediating role in enhancing affective commitment through inclusive leadership.

H6b: Corporate Culture mediates the relationship between Inclusive Leadership and Employee Performance. This hypothesis is supported (Original Sample = 0.239, t-statistic = 3.394, p-value = 0.001), indicating that corporate culture mediates the impact of inclusive leadership on employee performance.

H7: Affective Commitment mediates the relationship between Inclusive Leadership and Employee Performance. This hypothesis is rejected (Original Sample = -0.024, t-statistic = 0.743, p-value = 0.457), as the relationship is not statistically significant. Affective commitment does not mediate the effect of inclusive leadership on employee performance in this study.

Inclusive leadership has been shown to significantly enhance employee well-being, corporate culture, and affective commitment, though its direct impact on employee performance is not supported. Inclusive leadership fosters a supportive work environment where employees feel valued, heard, and involved in decision-making processes. This aligns with Srimulyani et al. (2023), who found that inclusive leadership positively influences employee well-being by creating psychological safety and a sense of belonging. Similarly, Nguyen et al. (2019) emphasized that inclusive leadership improves employee well-being by reducing stress and promoting a healthy work environment. However, the lack of a direct effect on employee performance suggests that inclusive leadership may influence performance indirectly through mediators such as corporate culture or affective commitment, as highlighted by Srimulyani et al. (2023). This finding underscores the importance of fostering inclusive leadership practices to build a positive organizational culture and strengthen employees' emotional attachment to the organization.

The study reveals that corporate culture and affective commitment significantly enhance employee performance, while employee well-being does not have a direct effect. A strong corporate culture promotes collaboration, innovation, and alignment with organizational goals, which directly contributes to improved performance. This is consistent with Qalam et al. (2024), who emphasized that a supportive culture fosters employee engagement and productivity. Affective commitment, or emotional attachment to the organization, also plays a crucial role in driving performance, as emotionally committed employees are more likely to go above and beyond in their roles. This aligns with Srimulyani et al. (2023), who highlighted the importance of emotional bonds in enhancing employee outcomes. However, the lack of a direct relationship between employee well-being and performance suggests that well-being may influence performance indirectly through intrinsic motivation, as noted by Nguyen et al. (2019). This indicates that while well-being is essential for employee satisfaction, its impact on performance is mediated by other factors such as motivation and engagement.

Employee well-being significantly enhances intrinsic motivation, as employees who feel physically, emotionally, and mentally well are more motivated to engage in meaningful work. This finding aligns with Nguyen et al. (2019), who found that well-being fosters intrinsic motivation by creating a sense of fulfillment and satisfaction in the workplace. Malek et al. (2020) further emphasized that meaningful tasks and a supportive work environment strengthen intrinsic motivation, leading to higher engagement and performance. This suggests that organizations should prioritize employee well-being to cultivate intrinsic motivation, which in turn drives employees to perform at their best.

Intrinsic motivation significantly improves employee performance, as internally motivated employees are more engaged, innovative, and committed to achieving organizational goals. This finding is consistent with Sanpakdee et al. (2019), who highlighted the role of intrinsic motivation in driving performance across industries. Employees who are intrinsically motivated derive satisfaction from the work itself, rather than external rewards, leading to higher levels of productivity and creativity. This underscores the importance of fostering intrinsic motivation through meaningful work and a supportive organizational culture.

A positive corporate culture significantly enhances both employee well-being and affective commitment. A supportive and inclusive culture creates a work environment where employees feel valued and aligned with organizational values, which directly contributes to their well-being. This aligns with Sanpakdee et al. (2019), who emphasized the role of culture in promoting employee health and satisfaction. Additionally, corporate culture strengthens affective commitment by fostering a sense of belonging and emotional attachment to the organization. This finding is consistent with Srimulyani et al. (2023), who highlighted the importance of culture in building emotional bonds and loyalty among employees. These results suggest that organizations should focus on developing a strong and inclusive culture to enhance both employee well-being and commitment.

Corporate culture plays a critical mediating role in linking inclusive leadership to affective commitment and employee performance. Inclusive leaders who promote a positive culture strengthen employees' emotional attachment to the organization, which in turn enhances performance. This aligns with Srimulyani et al. (2023), who found that corporate culture mediates the relationship between inclusive leadership and affective commitment. Additionally, corporate culture translates inclusive leadership practices into performance outcomes by fostering collaboration, innovation, and alignment with organizational goals. This highlights the importance of a supportive culture in maximizing the impact of inclusive leadership on employee outcomes.

Affective commitment does not mediate the relationship between inclusive leadership and employee performance. This suggests that other factors, such as corporate culture and intrinsic motivation, play a more significant role in influencing performance. While affective commitment is important for building emotional bonds, its impact on performance is indirect and dependent on other organizational factors. This finding aligns with Srimulyani et al. (2023), who emphasized the role of culture and motivation in driving performance outcomes.

CONCLUSION

This study examines the effects of inclusive leadership, employee well-being, corporate culture, and affective commitment on intrinsic motivation and employee performance at PT. XYZ Medan. The findings reveal that inclusive leadership significantly enhances employee well-being, corporate culture, and affective commitment but does not directly influence employee performance. Corporate culture plays a critical mediating role, linking inclusive leadership to affective commitment and employee performance. Employee well-being significantly boosts intrinsic motivation, which in turn positively impacts performance. However, affective commitment does not mediate the relationship between inclusive leadership and performance, suggesting that organizational culture and intrinsic motivation are more influential in driving employee outcomes.

The results highlight the importance of fostering inclusive leadership and a supportive corporate culture to enhance employee well-being and commitment. While inclusive leadership does not directly improve performance, its indirect effects through culture and motivation are significant. Organizations should prioritize creating a work environment that promotes well-being, intrinsic motivation, and a strong corporate culture to achieve sustainable employee performance and organizational success. These findings align with previous research, such as Srimulyani et al. (2023) and Nguyen et al. (2019), emphasizing the interconnectedness of leadership, culture, and employee outcomes in driving organizational effectiveness.

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