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Building Inclusive Leadership: An Exploratory Study of Challenges and Strategies in Non-Profit Organizations

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Abstract: This article aims to provide in-depth insights that non-profit leaders can use in creating effective inclusive leadership strategies. This study is also expected to be able to expand the understanding of how inclusive leadership can be applied practically in the midst of existing limitations, so that non-profit organizations can be more empowered in carrying out their missions. This article is compiled through a review of various relevant articles about non-profit organizations and inclusive leadership. This research uses a qualitative approach, aiming to collect, analyze, and synthesize literature related to the topic. This research emphasizes the importance of inclusive leadership in creating a more proactive and productive work environment, especially in the non-profit sector. Inclusive leadership plays a role in strengthening the relationship between leaders and employees through mechanisms such as relational psychological contracts, which support increased engagement and organizational performance. The main contribution of this research is to identify that for long-term success, it is important to integrate inclusive values with existing organizational cultures, as well as encourage more open dialogue between stakeholders. The study also provides insight that while organizational culture challenges can arise, factors such as employer support, work autonomy, and supportive organizational culture have a profound impact on employee motivation and retention.

Keyword: Inclusive Leadership, Non-Profit Organizations

INTRODUCTION

Non-profit organizations today play a significant role in answering increasingly complex social, economic, and environmental challenges. Their role as agents of social change, whether through community empowerment, advocacy, or the provision of public services, has encouraged non-profit organizations to uphold the values of inclusion, justice, and equity in all aspects of their operations and leadership (Haber, 2019). However, amid the dynamics of an increasingly diverse and complex organizational environment, many non-profit organizations face major challenges in

implementing inclusive leadership. According to (Roberson & Perry, 2022) this challenge is even more obvious because non-profit organizations often operate with limited resources and face pressure from various stakeholders, ranging from donors, governments, to diverse beneficiaries. This phenomenon highlights the importance of inclusive leadership in non-profit organizations, which not only includes meeting the needs of diverse employees but also creating a work environment where each individual feels valued and empowered to make maximum contributions.

Inclusive leadership is a leadership style that emphasizes openness, participation, and commitment to creating a fair workplace for all. In the context of non-profit organizations, inclusive leadership means accommodating a variety of perspectives and backgrounds, from gender and race to physical and mental abilities, in organizational decision-making and policymaking (Shore & Chung, 2022). Unfortunately, the implementation of inclusive leadership is often hindered by structural, cultural, and social constraints that exist in organizations. Previous research has explored the importance of inclusive leadership in the context of companies and the government sector, but there is still a lack of research that reviews specific challenges and strategies in the implementation of inclusive leadership in non-profit organizations (Seijts & Milani, 2022). Most previous studies have focused more on the inclusion aspects of hiring and workforce diversity in the corporate sector, while the nonprofit sector has unique characteristics that set it apart from other sectors. Non-profit organizations have leadership structures that are often based on social commitment and devotion, as well as resource limitations that are not commonly experienced in the corporate sector.

In addition, non-profits also face the need to maintain trust and participation from diverse communities as part of their beneficiaries (Brimhall, 2021). The gaps in this study are important to bridge, especially given that the effectiveness of inclusive leadership can affect the sustainability of non-profit organizations in the long term. Various studies indicate that inclusive leadership is able to encourage better team collaboration, increase member loyalty, and create innovation amid limited resources (Srimulyani et al., 2023). The relationship between inclusive leadership and the performance of non-profit organizations is also strengthened by the need to formulate strategies that are able to overcome specific constraints such as budget constraints, reliance on volunteers, and organizational cultures that tend to be more egalitarian than the business sector (Au et al., 2022). In this regard, exploratory research on the challenges faced and strategies that can be applied in building inclusive leadership in non-profit organizations has become very relevant.

By identifying these challenges, this research aims to provide in-depth insights that non-profit leaders can use in creating effective inclusive leadership strategies. This study is also expected to be able to expand the understanding of how inclusive leadership can be applied practically in the midst of existing limitations, so that non-profit organizations can be more empowered in carrying out their missions.

METHOD

This article is compiled through a review of various relevant articles about non-profit organizations and inclusive leadership. This research uses a qualitative approach, aiming to collect, analyze, and synthesize literature related to the topic. According to Hart et al. (2022), literature review analysis is a systematic and structured process that involves identifying, evaluating, and synthesizing relevant literature. In this study, identification aims to find gaps in the existing literature to build valid research arguments. Literature reviews should be compiled methodologically and structured, using credible and relevant sources (Jennings, 2012).

Denny & Weckesser (2022) stated that literature reviews should be able to identify trends, gaps, and patterns in the literature, as well as show the potential contribution of new research to existing knowledge. This aims to form a new conceptual framework or model in research. In

addition, literature reviews also need to be carried out systematically to analyze and synthesize related literature, and are important in developing a clear conceptual framework that will guide research and determine the contribution of new research (Clark-Carter, 2009).

RESULTS AND DISCUSSION

From the dozens of articles that became the object, the results obtained from dozens of articles from the last ten years stated that there was a significant contribution in the realm of inclusive leadership and its impact on proactive work behavior among non-profit sector employees. This study shows direct and indirect relationships through efficient mechanisms. In terms of theoretical contribution, this approach adopts the relational psychological contract as a mediating variable in the link between inclusive leadership and proactive work behavior in the non-profit sector (Rogozińska-Pawelczyk & Sudolska, 2024). Another study stated that the importance of adapting a new value-focused approach to existing organizational culture elements and predetermined priorities was also expressed, coupled with the benefits of individuals connecting those new value initiatives to their personal values as well as their lives. These practices, along with a broader dialogue between stakeholders on values, play a role in building inclusive transitions within organisational structures and in relation to the wider community. This case study also explores how stakeholder principles and value-based leadership models can be applied in management education based on the results of organizational research (Lee, 2023).

The results of other studies stated that inclusive leadership and employee engagement have a positive relationship. These results contribute to the existing literature and offer valuable implications for managers (Malik et al., 2017). Another study states that leaders and policymakers need to maximize the potential of individuals in the workforce and communities by implementing coproduction and tailored services, as well as building collaborative and inclusive leadership across the public sector (Wilton, 2021). The results of another study from (Baloch & Siddiqui, 2020) state that support from superiors, autonomy, organizational culture, leadership, and trust have a significant impact on employee motivation, retention, and trust in the organization. However, organizational culture has a negative influence on motivation. In addition, except for leadership, all other factors tend to increase the intention to leave the job. In relation to the emotional work dimension, all factors except duration had no significant influence on the three dependent variables.

Another study states related to Education that Challenges such as lack of training for teachers, as well as limited access to resources and infrastructure, require deep attention and strategic solutions. However, behind these challenges, there is a great opportunity in inclusive education. By developing a sense of attachment, collaboration, and respect for diversity, inclusive classrooms bring benefits to all students, which has an impact on improved academic achievement, strengthening social skills, and a more positive learning experience (Meher et al., 2023). Another study states that Leaders at Head Start apply incentives, continuous training, educational support, as well as employment benefits to keep operational employees afloat (Phillips, 2017). The importance of building inclusive leadership (IL) to strengthen employee work engagement (EWE) and affective commitment to the organization (AOC), which ultimately contributes to improved organizational outcomes. This research provides useful insights for organizations and leaders who want to create an inclusive work environment, which can encourage employee engagement and commitment, as well as improve overall organizational performance (Ly, 2024).

The results of the study relate to non-organizations, such as the results that state that nonprofits in New Orleans that adapt their approach to the post-disaster context prove to be more resilient. The ability to adapt and be reflective is a key skill in dealing with post-disaster challenges. Although they achieved much post-Katrina post-disaster progress, the future of local nonprofits in

dealing with disasters is heavily influenced by their relationship with the federal government and its influence on federal policy (Jenkins et al., 2015). While there are some similarities with managerial demands in the private and public sectors, there are distinctive aspects of nonprofit operations that need further research (Bish & Becker, 2016). The benefits obtained by Non-Profit Organizations (NPOs) from the use of social media for fundraising include increased transparency and accountability, involvement in operations, as well as improvement of organizational image (although results for the latter two aspects may vary) (Di Lauro et al., 2019). A study from (Allison & Advising, 2017) states that an inclusive environment acts as a link between mission-focused HR practices and volunteer retention and recruitment (Allison & Advising, 2017).

Another study also stated that the perception of sustainability was based on the respondents' previous experience of failure. Respondents who have experienced failure tend to adopt a long-term approach with a focus on marketing, clear accountability standards, and planned strategies, while other respondents prefer a short-term approach that focuses more on nonprofit operations and human resource management (Ceptureanu et al., 2018). The study states that Our main contribution is to compile a typology that describes the plurality that exists in a critical approach to nonprofit studies, along with its advantages and limitations (Coule et al., 2022). Another achievement stated that it is important to build structured knowledge about the situation of voluntary and transparent information disclosure in this sector. In addition, the Sustainable Development Goals set by the United Nations emphasize the value of transparency to support institutional accountability. To realize sustainable development, peace and good institutional governance are needed. Reducing corruption and increasing transparency are goals that must be achieved to achieve social sustainability (Ortega-Rodríguez et al., 2020).

Another study on nonprofit organizations also stated that higher staff compensation supports various aspects of evaluation, while higher executive compensation has a negative impact. In addition, the evaluation culture plays a mediator in influencing the accuracy and frequency of evaluation through several variables. The practical implications of these findings are discussed for academics and practitioners (Mitchell & Berlan, 2018). Other studies stated that organizational size, professionalism, support from the board, constituent participation, understanding of the law, funding from the government, private donations, funding from foundations, cooperation, and a negative policy environment had a positive and significant relationship with the level of advocacy engagement at a nonprofit (Lu, 2018).

Discussion

From the results of the existing research, the discussion that will be presented From the researcher's perspective, the results of these findings highlight the importance of the role of inclusive leadership in creating a more proactive and productive work environment, especially in the non-profit sector. Inclusive leadership not only influences proactive work behavior directly, but also through mediation mechanisms, such as relational psychological contracts, which can strengthen the relationship between leaders and employees. The researcher also emphasized that in order to achieve long-term success, it is important to integrate new values that align with the existing organizational culture, as well as open up space for more inclusive dialogue among stakeholders. This research reinforces the view that inclusive leadership can increase employee engagement, which in turn has a positive impact on organizational performance. However, the challenge that arises is how to manage the dynamics of organizational culture that sometimes conflicts with the inclusive values carried by leaders. Other factors such as employer support, work autonomy, and organizational culture also show a significant influence on employee motivation

and retention, although it is important to be aware that an unsupportive organizational culture can hinder motivation and performance.

In the realm of education, these findings also show how challenges, such as lack of training for teachers and limited infrastructure, can be overcome with an inclusive approach. Leadership in education must foster collaboration and appreciation of diversity, which not only improves students' academic performance, but also enriches their social experience. Overall, the study provides a comprehensive picture of how inclusive leadership can be applied across different sectors to improve organizational outcomes. Leaders and policymakers are advised to continue to strengthen relationships between employees and the community through strategies that focus on inclusion and diversity. Going forward, further research needs to delve deeper into how the implementation of inclusive leadership can be tailored to the specific needs of each organization, as well as the challenges that arise in the context of different diversity and cultures.

Nonprofits have different challenges compared to the private and public sectors, there are many lessons to be learned from the way they operate, adapt, and survive in situations full of uncertainty. Therefore, further research on the factors affecting the sustainability of nonprofits, both in terms of relations with governments, the use of technology, and the application of the principles of transparency and accountability, is urgently needed to strengthen and optimize their role in achieving broader social goals.

CONCLUSION

This research emphasizes the importance of inclusive leadership in creating a more proactive and productive work environment, especially in the non-profit sector. Inclusive leadership plays a role in strengthening the relationship between leaders and employees through mechanisms such as relational psychological contracts, which support increased engagement and organizational performance. The main contribution of this research is to identify that for long-term success, it is important to integrate inclusive values with existing organizational cultures, as well as encourage more open dialogue between stakeholders. The study also provides insight that while organizational culture challenges can arise, factors such as employer support, work autonomy, and supportive organizational culture have a profound impact on employee motivation and retention.

In the education sector, these findings highlight how challenges related to teacher training and infrastructure can be addressed with an inclusive approach, which not only improves students' academic performance but also enriches their social experience. Overall, this research contributes to demonstrating how inclusive leadership can be applied across different sectors to improve organizational performance and institutional sustainability, especially in the face of the challenges and dynamics of cultural diversity.

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