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**Relationship between Inclusive Leadership and Employee Engagement:  
Role of Cultural Intelligence (CQ) in Sarawak civil service**

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**Abstract**

This paper examines the link between inclusive leadership and employee engagement in the Sarawak Civil Service, highlighting Cultural Intelligence (CQ) as a moderating factor. Sarawak's diverse workforce presents both opportunities and challenges for leaders. Inclusive leadership emphasizes fairness, openness, and respect that encourages employees to feel valued and engaged, which is essential for effective service delivery. CQ enhances this relationship by enabling leaders to navigate cultural differences more effectively. Together, inclusivity and cultural competence build trust, collaboration, and sustained motivation, offering practical and theoretical insights for leadership in multicultural public sector contexts.

**Keywords:** Inclusive leadership; employee engagement; cultural intelligence; Sarawak civil service

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**1.0 Introduction**

Leadership remains a cornerstone of organizational performance, shaping how employees approach their work, interact with colleagues, and align themselves with institutional goals. In public sector settings, the role of leadership is particularly critical because its impact extends beyond the organization itself to society at large. Policies, programs, and services often succeed or fail depending on the ability of civil servants to stay motivated and committed to their responsibilities. In this regard, the concept of inclusive leadership has attracted growing attention, especially in contexts where workforce diversity is high and cultural differences strongly influence workplace dynamics.

Inclusive leadership emphasizes fairness, equity, and recognition of individual uniqueness. Rather than focusing solely on authority or vision, it seeks to create a climate where diverse perspectives are acknowledged and valued. This style of leadership resonates with the realities of multicultural societies such as Malaysia and, more specifically, Sarawak. Known for its ethnic plurality, Sarawak is home to more than 40 ethnic groups, each with its own traditions, languages, and social norms. Managing such diversity within the civil service is not only a managerial concern but also a broader governance issue. Leaders are required to balance respect for differences with the need to foster unity and shared purpose.

Employee engagement is closely tied to this leadership challenge. Engagement reflects the degree to which employees invest their energy, enthusiasm, and creativity into their work. While disengaged employees may perform tasks mechanically, engaged employees

contribute actively and consistently go beyond basic job requirements. This distinction is particularly important in the civil service, where performance directly influences citizen trust in government institutions. When citizens encounter motivated and engaged civil servants, they are more likely to perceive the government as effective, accountable, and responsive.

Scholars have proposed different theories to explain engagement. Kahn (1990) described it as the harnessing of employees' physical, cognitive, and emotional energies in their work roles. Later frameworks, such as the Job Demands–Resources (JD-R) model (Bakker & Demerouti, 2008), highlight the balance between demands and resources as a determinant of engagement. These theoretical insights are useful but must be considered alongside the role of leadership, since leaders influence both the resources available to employees and the organizational climate in which they operate.

In Sarawak's civil service, the stakes are particularly high. The state government's Post-COVID Development Strategy (PCDS 2030) sets out ambitious goals for economic modernization and social inclusion. Achieving these goals requires a civil service workforce that is not only competent but also motivated and engaged. Leaders who demonstrate inclusivity—by being open, accessible, and fair—are better positioned to inspire this level of commitment. At the same time, leadership effectiveness is shaped by cultural dynamics. What may be perceived as inclusive in one cultural setting might not carry the same meaning in another.

This is where Cultural Intelligence (CQ) becomes crucial. CQ refers to the capability to function effectively in culturally diverse settings. Leaders with high CQ are able to interpret cultural cues, adapt their behavior, and engage constructively with employees from different backgrounds. In a state as diverse as Sarawak, CQ ensures that inclusive leadership does not remain a general principle but is translated into practices that resonate with employees across cultural divides.

Taken together, inclusive leadership, employee engagement, and CQ form a triad that is vital for organizational success in multicultural public services. This article examines these interconnections with the aim of contributing both to academic debates and to practical policy considerations. By situating the analysis within Sarawak's civil service, the study also provides insights for other diverse organizational contexts where inclusivity and cultural competence are critical for sustaining engagement and performance. This study aims to examine the relationship between inclusive leadership and employee engagement in the Sarawak State Civil Service, as well as to investigate whether cultural intelligence (CQ) moderates this relationship. Specifically, the study seeks to determine the extent to which inclusive leadership influences employee engagement and to assess the role of CQ in strengthening or shaping this relationship within the multicultural context of the Sarawak State Civil Service.

## 2.0 Inclusive Leadership

The study of leadership has always evolved in response to changes in organizational life. Early theories tended to emphasize traits, assuming that leaders were born with certain characteristics that made them effective. Later, the focus shifted to behaviors and contingency models, which argued that leadership effectiveness depended on adapting to circumstances. More recently, leadership studies have expanded to capture relational and ethical dimensions, such as transformational leadership, servant leadership, and authentic leadership. Within this progression, inclusive leadership has gained increasing attention, particularly in contexts where diversity is no longer an exception but the norm.

Inclusive leadership can be described as a style that emphasizes openness, accessibility, and recognition of difference (Nishii & Mayer, 2009; Randel et al., 2018). Unlike models that rely heavily on authority or charisma, inclusive leadership is about creating spaces where individuals feel valued and respected. Importantly, inclusion is not about treating everyone exactly the same. Instead, it requires recognizing and accommodating differences while still cultivating a sense of shared purpose. This balancing act is what makes inclusive leadership especially relevant in public sector organizations where employees come from varied cultural, educational, and professional backgrounds.

One of the central features of inclusive leadership is active listening. Leaders are not only expected to communicate their own vision but also to create opportunities for employees to express ideas and concerns. By genuinely listening, leaders signal that employees' voices matter, which in turn fosters trust. For civil servants in Sarawak, many of whom serve in remote or culturally distinct communities, knowing that their perspectives are acknowledged can be a powerful motivator.

Another important element is fairness and equity. In bureaucratic systems, perceptions of favoritism or bias can quickly erode morale. Inclusive leaders work deliberately to counter such perceptions by ensuring that recognition, promotions, and opportunities are distributed transparently. This commitment to fairness not only strengthens trust but also encourages employees to give their best, confident that their efforts will be judged fairly.

Inclusive leadership is also deeply tied to the concepts of belonging and uniqueness (Shore et al., 2011). Employees need to feel that they are part of the organization, but they also want their individual strengths and identities to be acknowledged. Leaders who can maintain this balance create an environment where employees do not feel pressured to "fit in" at the cost of losing their individuality. For Sarawak's diverse workforce, this balance is critical: an Iban officer, a Malay colleague, and a Chinese manager may all find common ground in their roles, yet each brings cultural values that should be recognized rather than erased.

Practical illustrations of inclusive leadership can be found in everyday management practices. For instance, a department head who rotates meeting locations to ensure rural staff do not always bear the travel burden is sending a signal of fairness. Similarly, a leader who makes space for indigenous traditions in workplace celebrations is affirming the cultural identities of staff while strengthening collective bonds. Such gestures may appear minor, but they contribute significantly to employees' sense of being valued.

Evidence from organizational research supports these observations. Carmeli et al. (2010) demonstrated that inclusive leadership fosters psychological safety, which in turn enhances creativity and commitment. Nembrand and Edmondson (2006) showed that when leaders actively solicit input and acknowledge contributions, employees are more engaged and willing to go beyond their formal roles.

Randel et al. (2018) further emphasized that inclusivity enhances team innovation, especially in diverse groups. Together, these findings underscore that inclusive leadership is not simply an ethical choice; it produces tangible organizational benefits.

For the Sarawak Civil Service, inclusive leadership carries particular weight because of the state's development ambitions. Delivering on PCDS 2030 requires not just technical expertise but also a motivated and cohesive workforce. Civil servants are tasked with bridging urban and rural divides, delivering services across vast geographical distances, and working with communities that have different cultural expectations. In such a setting, leadership that relies solely on authority risks alienating employees. Inclusivity, by contrast, builds trust and commitment, enabling civil servants to contribute more fully to collective goals.

In short, inclusive leadership provides a framework for managing diversity in ways that enhance engagement and performance. It calls on leaders to move beyond positional authority and to practice openness, fairness, and respect. For the Sarawak Civil Service, where diversity is both an asset and a challenge, inclusive leadership is not optional; it is central to ensuring that employees remain motivated and aligned with the state's developmental agenda.

### **3.0 Employee Engagement**

The concept of employee engagement has become one of the most discussed topics in organizational research over the past three decades. While there are many definitions, most scholars agree that engagement goes beyond job satisfaction or organizational commitment. It refers to the degree to which employees are genuinely invested in their work, bringing not only their skills but also their energy, enthusiasm, and creativity. In other words, engaged employees do not simply "do their jobs"; they contribute discretionary effort that raises the quality and impact of organizational performance (Kahn, 1990; Saks, 2006).

Engagement is often described as involving three dimensions: cognitive, emotional, and behavioral. Cognitively, engaged employees are attentive and absorbed in their tasks. Emotionally, they feel a sense of pride, passion, or attachment to their work. Behaviorally, they go beyond the minimum—volunteering ideas, helping colleagues, or seeking ways to improve processes. This multidimensional nature explains why engagement is so highly valued: it combines performance with motivation and commitment.

However, engagement is not automatic. It is influenced by leadership, organizational culture, HR practices, and even external factors. Research by Schaufeli and Bakker (2004) highlights that engagement tends to thrive when employees experience meaningful work, autonomy, and social support. Conversely, when employees feel alienated, underappreciated, or treated unfairly, disengagement sets in. Disengagement does not always appear as outright resistance; it may be subtle, such as reduced effort, absenteeism, or a reluctance to innovate. Over time, this erodes organizational capacity.

In public sector organizations, engagement takes on an even deeper meaning. Unlike private firms, civil services are judged not by profit margins but by the quality of governance and service delivery. Citizens expect civil servants to be responsive, accountable, and efficient. When engagement levels are high, civil servants are more likely to demonstrate these qualities, thereby strengthening public trust. When engagement is weak, however, service delivery suffers, and with it, the credibility of government institutions.

For Sarawak, engagement is particularly critical. The state's development blueprint, PCDS 2030, relies heavily on an agile and motivated civil service. Policies aimed at reducing inequality, improving infrastructure, or empowering rural communities require civil servants who are not only technically competent but also emotionally committed. Without engaged employees, even the best-formulated policies may falter in implementation. It is therefore unsurprising that state leaders have repeatedly emphasized the importance of nurturing an engaged and forward-looking public service.

What, then, drives engagement in such a diverse workforce? The answer is complex. For some employees, engagement may stem from personal recognition—being seen and appreciated for their contributions. For others, it may arise from a sense of belonging or shared purpose. Still others may find engagement in opportunities for professional growth or in the alignment of organizational goals with their own values. A "one size fits all" approach is unlikely to work. Leadership therefore, plays a critical role in identifying and meeting these varied needs.

Another key factor is fairness. Employees are far more likely to be engaged when they perceive that promotions, rewards, and workloads are handled equitably. Conversely, even a small perception of bias or favoritism can quickly erode engagement. This is especially significant in a multicultural environment like Sarawak's, where employees from different ethnic or cultural backgrounds may be sensitive to issues of representation and fairness.

Engagement also has a strong relational component. Supportive supervisors, collaborative colleagues, and opportunities for teamwork can create a positive climate that fuels motivation. In contrast, toxic environments characterized by distrust, poor communication, or excessive bureaucracy discourage employees from going the extra mile. This relational dimension underscores why leadership style is so influential: leaders set the tone for how relationships are managed within teams and across departments.

While engagement is often portrayed positively, it is important to recognize that it can fluctuate. Employees may feel highly engaged at certain times—for example, when working on meaningful projects—but less engaged when tasks become repetitive or when personal circumstances intervene. This fluidity means that engagement must be nurtured continuously rather than assumed as a given.

In summary, employee engagement is a multidimensional construct that captures how employees think, feel, and act in relation to their work. It goes beyond mere satisfaction, encompassing passion, commitment, and discretionary effort. For the Sarawak Civil Service, engagement is vital not only for organizational effectiveness but also for fulfilling the state's developmental vision. The challenge lies in sustaining engagement across a culturally diverse workforce where motivations and expectations vary. This is precisely where inclusive leadership and Cultural Intelligence become critical, as they provide the tools to create conditions in which engagement can flourish.

#### 4.0 Inclusive Leadership and Employee Engagement

Leadership and employee engagement are closely connected. Decades of organizational research have consistently shown that the way leaders behave has a strong impact on how employees think, feel, and act in their work. Leaders shape the environment that employees operate in: they influence levels of trust, perceptions of fairness, and whether individuals feel valued. When leadership is inclusive, it creates a climate where employees are more willing to commit themselves, often going beyond the minimum required.

Inclusive leadership supports engagement in at least three important ways. First, it creates psychological safety—a concept popularized by Edmondson (1999). Psychological safety means employees feel able to speak up with ideas, concerns, or mistakes without fear of embarrassment or punishment. Inclusive leaders cultivate this by actively inviting contributions and responding respectfully. In Sarawak's civil service, this could mean a director encouraging younger officers to share views in meetings, even when senior figures are present. For employees, knowing their input is welcomed builds confidence and strengthens engagement.

Second, inclusive leadership is tied to fairness and justice. Employees are more engaged when they believe that opportunities and rewards are distributed equitably. Civil servants often compare how promotions, assignments, or recognition are handled. If decisions are perceived as biased, disengagement quickly follows. Inclusive leaders reduce these risks by making processes transparent and by showing that outcomes are based on merit. In Sarawak's multicultural workforce, where sensitivity to favoritism can be high, fairness is especially important for sustaining engagement.

Third, inclusive leadership provides a sense of belonging and recognition of uniqueness (Shore et al., 2011). People want to feel part of something bigger while also being recognized for their individual strengths. Inclusive leaders manage this balance by acknowledging differences—be they cultural, professional, or personal—without isolating individuals. For example, incorporating indigenous practices in workplace activities signals recognition of cultural identity, while still reinforcing a collective civil service identity. Employees who feel both accepted and valued are more likely to engage deeply with their work.

The relationship between inclusive leadership and engagement is not just theoretical. A growing body of empirical studies supports the link. Nembhard and Edmondson (2006) showed that when leaders are inclusive, team members report higher engagement and learning behaviors. Carmeli et al. (2010) found that inclusive leadership fosters psychological safety, which encourages employees to be creative and proactive. More recently, Randel et al. (2018) highlighted that inclusivity enhances both engagement and innovation in diverse teams. Together, these findings reinforce the argument that inclusivity is a practical pathway to improving engagement.

For the Sarawak Civil Service, these insights carry real weight. Employees are spread across departments, districts, and regions, often working in challenging conditions. Leaders who rely only on authority risk alienating their teams, especially when expectations differ across cultural groups. By practicing inclusivity, leaders can build stronger bonds with employees, making them feel part of a shared mission. This is crucial for initiatives under PCDS 2030, which depend on collective effort and sustained motivation.

It is worth noting, however, that inclusive leadership is not always easy to practice. Leaders may face time pressures, bureaucratic constraints, or resistance from those accustomed to hierarchical approaches. At times, inclusivity may be misinterpreted—for instance, openness to discussion might be seen by some as indecisiveness. These challenges highlight that inclusivity requires skill and balance. Leaders must learn to combine openness with clarity, fairness with firmness, and recognition of difference with reinforcement of shared goals.

Despite these difficulties, the benefits of inclusivity outweigh the costs. Employees who feel valued and included are less likely to withdraw, less likely to leave, and more likely to contribute ideas that improve services. In a public service environment where resources are limited and expectations are high, this discretionary effort can make a decisive difference. Moreover, inclusivity builds trust, not only within the organization but also with the communities civil servants serve. When citizens see a civil service that respects diversity internally, they are more likely to trust that government programs will be implemented fairly.

To summarize, inclusive leadership strengthens employee engagement by fostering psychological safety, fairness, and belonging while recognizing individuality. These mechanisms are supported by both theory and evidence, and they resonate strongly with the realities of the Sarawak Civil Service. While challenges exist, inclusivity offers a practical and ethical framework for leaders who seek to motivate a diverse workforce and ensure that employees are invested in achieving shared goals.

#### 5.0 Cultural Intelligence (CQ) as a Moderator

As workplaces become more diverse, the concept of Cultural Intelligence (CQ) has moved from the margins of academic discussion to the center of organizational research. Earley and Ang (2003) first described CQ as the ability to function effectively across different cultural settings. Since then, it has been expanded to include not only knowledge of cultural norms but also the capacity to adapt one's behavior, attitudes, and strategies when interacting with people from different cultural backgrounds.

In many ways, CQ is more than just an "add-on" skill. It represents a set of capabilities that allow leaders and employees to navigate cultural diversity with sensitivity and confidence. Ang and Van Dyne (2015) outline four dimensions: metacognitive, cognitive, motivational, and behavioral. Each dimension plays a role in shaping how individuals respond to multicultural environments.

Metacognitive CQ involves being aware of cultural assumptions and monitoring one's thought processes during cross-cultural interactions. Leaders with strong metacognitive CQ often reflect before acting, considering whether their approach will resonate with different cultural groups. Cognitive CQ refers to actual knowledge about cultural norms, practices, and institutions. For example, understanding how decision-making differs between collectivist and individualist cultures can prevent misunderstandings. Motivational CQ reflects the willingness and drive to adapt. Leaders who enjoy engaging with other cultures are more likely to persist in building inclusive environments, even when it is challenging. Behavioral CQ concerns the ability to adapt verbal and non-verbal actions—such as communication styles or body language—to suit cultural expectations. When viewed together, these four dimensions show that CQ

is both a mindset and a skillset. It is not simply about knowing facts about other cultures but also about being motivated to engage and able to adjust behaviors in real situations.

In the context of the Sarawak Civil Service, CQ is particularly relevant. The workforce is composed of employees from multiple ethnic groups, each with its own language, traditions, and expectations about hierarchy, communication, and collaboration. Leaders who lack CQ may inadvertently alienate employees by using approaches that clash with cultural norms. For example, encouraging open debate may work well with some groups but may be seen as disrespectful by others. Leaders with high CQ, however, can sense these differences and adapt their methods accordingly—perhaps by framing discussions in ways that maintain respect for hierarchy while still giving space for diverse voices.

The moderating role of CQ becomes evident when considering the link between inclusive leadership and employee engagement. Inclusivity alone might not always guarantee engagement if employees interpret a leader's behavior differently due to cultural expectations. CQ helps bridge this gap. Leaders with high CQ can translate inclusive intentions into actions that employees recognize as genuine and respectful. For instance, acknowledging cultural celebrations in the workplace might feel tokenistic if done superficially, but when approached with genuine understanding and respect—hallmarks of CQ—it strengthens trust and engagement.

Beyond leadership, CQ also matters for employees themselves. Staff with higher CQ are more likely to interpret their leaders' inclusive behaviors positively and to contribute more effectively in multicultural teams. They may be better at resolving conflicts, collaborating across departments, or engaging with citizens from different communities. In this sense, CQ operates at both the leadership and employee levels, reinforcing the overall culture of inclusivity in the organization.

Research backs up this moderating role. Studies by Rockstuhl et al. (2011) and Moon (2013) have shown that CQ enhances the effectiveness of leadership in diverse settings. Employees working under leaders with high CQ tend to report stronger engagement and better team performance. These findings suggest that CQ not only influences individual interactions but also amplifies the impact of inclusive leadership on broader organizational outcomes.

For Sarawak's public sector, where cultural diversity is not just a backdrop but a defining feature, CQ cannot be overlooked. Leaders and employees alike are required to interact with multiple communities, from urban centers to remote villages, each with distinct cultural expectations. Embedding CQ into leadership training, recruitment, and professional development could therefore play a pivotal role in strengthening engagement and ensuring that inclusivity is more than a rhetorical commitment.

In short, CQ acts as the glue that binds inclusive leadership to employee engagement. Without it, well-meaning efforts at inclusivity may fail to resonate across cultural lines. With it, inclusivity becomes a lived experience that employees recognize, value, and respond to with greater commitment. For the Sarawak Civil Service, this combination is not just desirable—it is essential for delivering on the promises of effective and equitable governance.

## **6.0 Hofstede's Cultural Dimensions**

No discussion of culture in organizational studies would be complete without mentioning Geert Hofstede's framework. First introduced in 1980, Hofstede's dimensions provided one of the earliest systematic ways to compare cultural values across countries. Although some critics argue that the model oversimplifies complex realities, it has remained widely used because it offers a practical lens for understanding how cultural differences shape behavior at work.

Hofstede originally identified four dimensions—power distance, individualism–collectivism, uncertainty avoidance, and masculinity–femininity—later expanded to six with the addition of long-term orientation and indulgence–restraint. Each dimension highlights a particular aspect of how societies organize themselves and how individuals interact with authority, rules, and one another.

- Power Distance refers to the extent to which people accept unequal distributions of power. In high power distance societies, hierarchy is expected and respected. In lower power distance cultures, equality and participation are emphasized.
- Individualism vs. Collectivism contrasts societies that prioritize personal goals with those that value group cohesion.
- Uncertainty Avoidance describes how comfortable people are with ambiguity and risk.
- Masculinity vs. Femininity looks at whether societies emphasize competitiveness and achievement (masculinity) or cooperation and quality of life (femininity).
- Long-Term Orientation distinguishes between societies focused on future rewards versus those oriented toward tradition and short-term outcomes.
- Indulgence vs. Restraint relates to how freely societies allow the gratification of desires.

In practice, these dimensions help explain why employees in different settings respond differently to leadership behaviors. For instance, in high power distance contexts, employees may expect leaders to make decisions without much consultation, while in low power distance settings, participatory decision-making may be valued.

Applying Hofstede's framework to Sarawak is not straightforward, given the state's multicultural makeup. Different communities may emphasize different values even within the same civil service organization. For example, some groups may be more comfortable with hierarchical authority, while others may prefer more collaborative approaches. Leaders with high Cultural Intelligence are therefore better able to navigate these differences, applying inclusive leadership in ways that resonate with various cultural expectations.

Consider power distance as an illustration. Many Asian contexts, including parts of Malaysia, are often characterized as high in power distance. Civil servants may expect senior officials to provide direction and may hesitate to challenge authority. Yet in Sarawak, generational shifts and exposure to global practices have introduced more varied expectations. Younger officers, particularly those trained overseas, may prefer more participatory styles. A leader who practices inclusivity must therefore strike a careful balance: respecting hierarchical norms while still creating space for dialogue.

The individualism–collectivism dimension is equally relevant. Sarawak’s communities often emphasize collective responsibility and social harmony. This can support engagement when leaders appeal to shared goals and communal values. At the same time, employees also seek recognition for their personal contributions. Inclusive leadership addresses this tension by affirming both the individual and the group, ensuring that employees feel valued as unique contributors while also belonging to a larger whole.

Uncertainty avoidance provides another lens. Some employees may prefer clear rules and structured processes, while others thrive in flexible environments. In the civil service, where rules and procedures are often rigid, leaders who can balance compliance with encouragement of innovation are more likely to sustain engagement. Inclusivity plays a role here by ensuring that employees feel safe to voice new ideas, even within a bureaucratic framework.

Critics have pointed out that Hofstede’s model risks stereotyping cultures and ignoring intra-cultural variation. This is a valid concern, especially in a place like Sarawak where multiple ethnic groups coexist and interact daily. Nonetheless, the framework remains useful as a starting point. It reminds leaders that cultural values shape expectations and that what counts as “inclusive” may look different depending on the context. A practice that motivates one group may not resonate with another, underscoring the importance of both inclusivity and CQ.

Ultimately, Hofstede’s cultural dimensions highlight the complexities leaders face in multicultural settings. They cannot assume that one leadership style will suit everyone equally. Instead, leaders must be attentive, adaptable, and respectful of differences. For Sarawak’s civil service, where diversity is both a defining feature and a valuable resource, applying inclusive leadership with cultural sensitivity is key to unlocking higher levels of engagement.

## 7.0 Conceptual Framework and Hypotheses

Bringing together the earlier discussion, this study proposes a framework that connects inclusive leadership, employee engagement, and Cultural Intelligence (CQ). The logic is simple but important: inclusive leadership helps build stronger engagement, but the strength of this relationship depends on the level of CQ. Leaders with higher CQ are better able to ensure that their inclusivity is understood and appreciated across cultural groups, which in turn amplifies engagement.

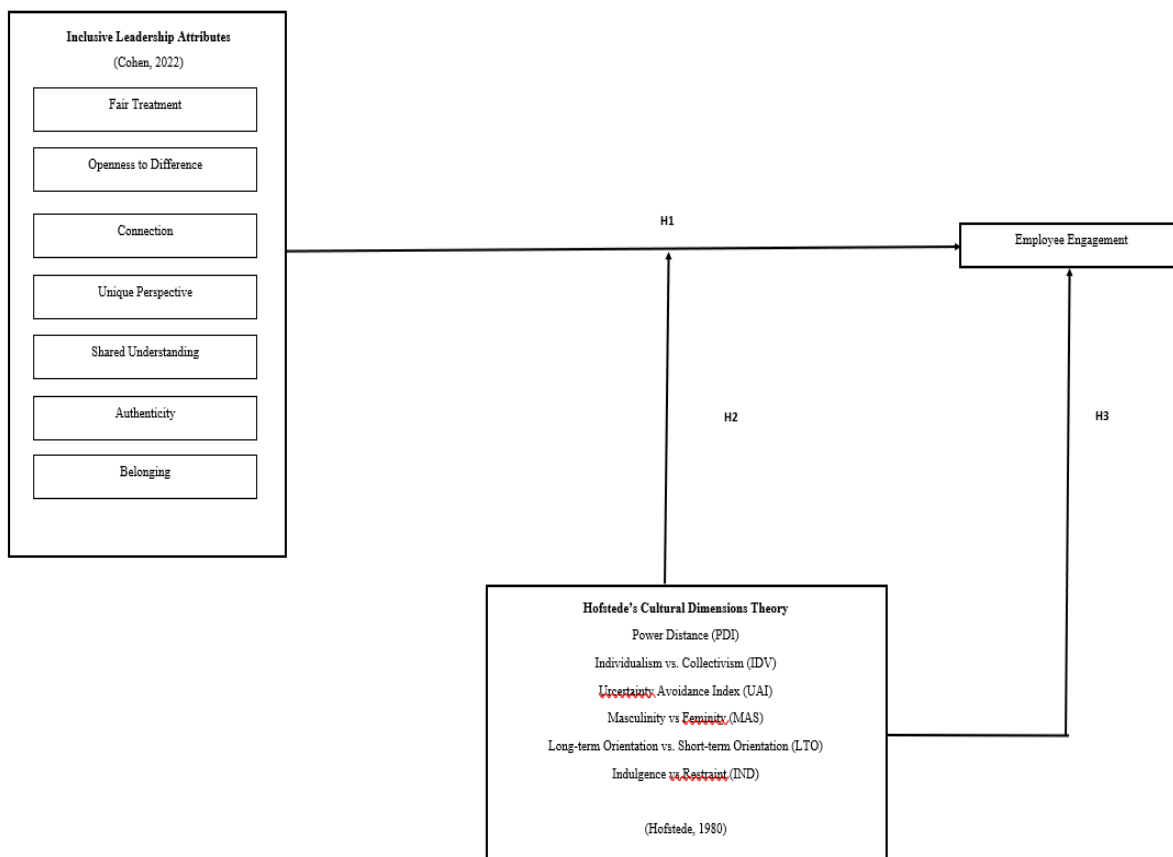


Fig 1: Conceptual Framework

The framework (see Fig. 1) rests on three pillars:

- Leadership theory: Leaders shape organizational climate and motivation. Inclusive leadership extends this by explicitly valuing diversity.
- Engagement literature: Research shows that psychological safety, fairness, and belonging are key drivers of discretionary effort.

- Cross-cultural theory: CQ provides the tools for interpreting and managing cultural differences so inclusivity is not lost in translation. Taken together, these ideas suggest that inclusivity creates the conditions for engagement, while CQ ensures these efforts resonate across diverse groups. Without CQ, inclusivity may be misunderstood or dismissed. With CQ, inclusivity is more likely to be seen as authentic and relevant.

To illustrate: a leader may encourage open dialogue in meetings. Some staff may welcome this as empowerment, while others may see it as undermining authority. A leader with high CQ would sense these differences and adapt—for example, by framing participation in a way that respects hierarchy while still inviting contributions. In this way, CQ moderates the inclusivity–engagement link. From this reasoning, three hypotheses are proposed: H1: Inclusive leadership is positively related to employee engagement. Inclusive leaders foster psychological safety, fairness, and belonging, which strengthen engagement. Research consistently supports this view (e.g., Carmeli et al., 2010; Randel et al., 2018). H2: Cultural Intelligence is positively related to employee engagement. Beyond leadership, CQ itself encourages engagement by helping employees navigate cultural differences, reduce conflict, and work more effectively in diverse teams. H3: Cultural Intelligence moderates the relationship between inclusive leadership and employee engagement, such that the relationship is stronger when CQ is high. Inclusivity without CQ may not always land as intended, but when leaders and staff demonstrate CQ, inclusivity is recognized as genuine and meaningful, strengthening engagement.

This conceptual paper adopts a theory-driven approach to hypothesis development through an extensive review and synthesis of prior empirical and theoretical literature. The hypotheses were developed based on established leadership, organizational behavior, and cross-cultural management theories. Specifically, Hypothesis 1 is grounded in inclusive leadership theory and employee engagement literature, drawing from Rodriguez (2018), who emphasized the role of organizational context in shaping the effectiveness of inclusive leadership behaviors, and Vroom and Jago (2021), who argued that leadership behavior cannot be fully understood without considering contextual influences. Hypothesis 2 is developed based on Cultural Intelligence (CQ) theory, informed by Rockstuhl et al. (2011), who demonstrated that CQ enhances leadership effectiveness in multicultural settings by improving followers' interpretation of leader behaviors, and Groves and Feyerherm (2011), who found that leader CQ moderates the relationship between team diversity and performance. These studies collectively support the conceptualization of CQ as a moderating variable that strengthens the relationship between inclusive leadership and employee engagement. The integration of these theories and empirical findings provides a strong conceptual foundation for the proposed hypotheses.

This framework has clear practical implications. Leadership development should not only promote inclusivity but also build CQ. Training, mentoring, and cross-cultural exchanges can equip leaders and staff with the skills to adapt inclusivity to different contexts. In a civil service as diverse as Sarawak's, these competencies are not optional—they are essential for ensuring that engagement is sustained across communities and generations.

## **8.0 Conclusion**

This paper has examined the role of inclusive leadership in shaping employee engagement within the Sarawak Civil Service, with Cultural Intelligence (CQ) positioned as a moderating variable. Drawing from existing theories and empirical findings, the discussion demonstrates that inclusivity fosters engagement by creating psychological safety, promoting fairness, and balancing belongingness with recognition of individuality. In diverse organizations, these mechanisms are indispensable for cultivating trust, collaboration, and motivation.

The moderating role of CQ further highlights that inclusivity alone is not sufficient. In multicultural contexts such as Sarawak, inclusivity must be paired with cultural competence to ensure that leadership behaviors are interpreted positively. Leaders and employees with high CQ can navigate cultural differences more effectively, reducing misinterpretations and reinforcing the value of inclusivity. Without CQ, well-intentioned inclusive practices may fail to resonate across cultural lines, limiting their impact on engagement.

For Sarawak, the findings carry both theoretical and practical implications. Theoretically, the study extends leadership and engagement scholarship into public sector contexts that are multicultural but underexplored. Practically, it underscores the need for leadership development programs that combine inclusivity with CQ. Training initiatives, HR policies, and organizational strategies should equip civil servants with these competencies, ensuring that inclusivity is not only espoused but also effectively practiced.

The implications extend to the broader governance agenda. Sarawak's PCDS 2030 envisions inclusive and sustainable development, which depends heavily on the performance of its civil service. Engaged employees are more likely to demonstrate innovation, accountability, and resilience—qualities essential for delivering ambitious reforms. Leaders who embody both inclusivity and cultural intelligence play a pivotal role in realizing this vision by motivating their teams and ensuring that diversity is harnessed as a strength rather than a barrier.

In conclusion, inclusive leadership and CQ together form the foundation for employee engagement in the Sarawak Civil Service. Their integration offers a pathway toward building a motivated, cohesive, and high-performing workforce capable of advancing both organizational goals and societal well-being.

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## Paper Contribution to Related Field of Study

This paper adds to leadership and engagement studies by drawing on the unique case of Sarawak's civil service, one of the most culturally diverse workforces in Malaysia. Much of the existing literature comes from corporate or Western contexts; this study instead situates inclusive leadership and employee engagement in a multicultural public sector where service delivery shapes citizen trust. By examining Cultural Intelligence (CQ) as a moderating factor, it shows how inclusivity can be strengthened when leaders navigate cultural differences with sensitivity. The Sarawak case therefore, offers both theoretical insights and practical lessons for managing diversity in government institutions

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