Employee Inclusion and Sustainable Performance among Selected Micro-Enterprises in Oshodi-Isolo Local Government Area, Lagos State, Nigeria

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Abstract

Micro-enterprises constitute a critical component of Nigeria's economic structure through employment generation, poverty reduction, and grassroots economic development. Despite their important role in the economy, many micro-enterprises continue to face sustainability challenges arising from inadequate human resource management practices, particularly those relating to employee inclusion. Employee inclusion has increasingly attracted scholarly attention because of its capacity to foster employee commitment, innovation, creativity, productivity, and most importantly organisational sustainability. This study examined the effect of employee inclusion on the sustainable performance among selected micro-enterprises in Oshodi-Isolo Local Government Area of Lagos State, Nigeria. Specifically, the study investigated the effects inclusion from areas such as participation in decision-making, equal opportunity, employee voice, and workplace belongingness on sustainable performance. The study adopted a descriptive survey research design. The target population comprised employees of ten selected micro-enterprises operating within Oshodi-Isolo Local Government Area. A sample size of 120 employees was selected through purposive sampling techniques. Data were collected using a structured questionnaire and analyzed using descriptive and inferential statistics. The study was anchored on Social Exchange Theory. The findings of the study established that employee inclusion significantly influences sustainable performance through improved employee productivity, retention, customer satisfaction, and business growth. The study concludes that inclusive workplace practices are essential for ensuring the sustainability and competitiveness of micro-enterprises in Nigeria. The study recommends that micro-enterprise owners and managers should institutionalize employee participation, equitable opportunities, open communication systems, and inclusive workplace cultures to enhance long-term organisational sustainability.

Keywords: Employee Inclusion, Human Resource Management, Micro-Enterprises, Sustainable Performance, Sustainability

Introduction

Micro-enterprises represent one of the most important sectors that drives development, particularly in developing countries such as Nigeria where they contribute significantly to employment creation, income generation, poverty alleviation, and economic transformation. In Nigeria, micro-enterprises account for a substantial proportion of business activities and provide employment opportunities for millions of individuals. Their role in fostering local economic development has become increasingly important as governments seek strategies for achieving inclusive and sustainable growth. Recent studies have emphasized that the growth and competitiveness of small and medium enterprises are fundamental to employment creation and economic development, particularly in emerging economies (Bhattacharya, Sen, Edinger-Schons, & Neureiter, 2023; Nwankwo, & Kanyangale, 2021; Adegbite, & Machethe, 2020).

The sustainability of micro-enterprises, however, depends not only on financial resources and market opportunities but also on effective human resource management practices (Adeniji, Osibanjo, & Abiodun, 2023). Human resources constitute a critical organisational asset capable of creating sustainable competitive advantage. According to Aremu, and Adeyemi, (2022) contemporary organisations increasingly recognize that employees who feel respected, valued, and included are more likely to demonstrate commitment, creativity, innovation, and superior performance that would lead to organisational sustainability. Sustainable organisational success therefore requires management practices that create inclusive work environments where employees can fully contribute to organisational objectives. Recent human resource management literatures highlights that innovative human resource practices are essential drivers of sustainability and long-term performance among micro, small, and medium enterprises (Joshi, Kataria, Rastogi, Beutell, Ahmad, & Yusliza, 2023; Ezeanyim, & Ufoaroh, 2022; Akinwale, & George, 2021; Ogueyungbo, Akinyemi, & Adeyeye, 2021)

Employee inclusion refers to the extent to which employees perceive themselves as accepted, respected, valued, and actively involved in organisational activities and decision-making processes. The practice of inclusion goes beyond workforce diversity by ensuring that employees are provided equal opportunities to contribute, participate, and develop irrespective of demographic, social, or personal characteristics (Ezeanyim, & Ufoaroh, 2022). Inclusive workplaces encourage employee participation in decision-making, promote fairness in employment practices, facilitate employee voice, and foster a sense of belonging among organisational members. The increasing attention given to employee inclusion has been influenced by evidence suggesting that inclusive workplaces are associated with improved employee engagement, reduced turnover intentions, enhanced innovation, and higher organisational performance (Trochmann, Stewart, & Ragusa, 2023).

Furthermore, Bhattacharya, et. al., (2023) submitted that organisations that embrace inclusion create conditions that enable employees to contribute their skills, knowledge, and experiences more effectively towards sustaining the growth of the organisation. Studies on organisational sustainability such as (Zink, & Fischer, 2023; Aremu, & Adeyemi, 2022; Adegbite, & Machethe, 2020; Olutunla, & Obamuyi, 2020) have similarly emphasized the importance of social sustainability, employee well-being, and inclusive labour practices as critical determinants of long-term organisational success.

Sustainable performance refers to the ability of an organisation to achieve its economic, social, and operational objectives while maintaining long-term viability and competitiveness. Sustainable performance encompasses dimensions such as employee productivity, customer satisfaction, employee retention, operational efficiency, business growth, and organisational resilience. Contemporary sustainability literature increasingly recognizes employees as central stakeholders whose involvement and commitment significantly influence organisational sustainability outcomes. Research has demonstrated that sustainability-oriented organisational practices contribute positively to enterprise performance and long-term competitiveness (Zink, & Fischer, 2023; Aremu, & Adeyemi, 2022; Adegbite, & Machethe, 2020; Olutunla, & Obamuyi, 2020).

For micro-enterprises operating in Oshodi-Isolo Local Government Area of Lagos State, sustainability

remains a major concern. Many of these enterprises operate within a highly competitive business environments that is characterized by limited resources, changing customer expectations, labour mobility, and economic uncertainty. These conditions calls for strategic organisational approaches that are capable of enhancing employee commitment and performance while ensuring business continuity, one of such strategic approach is employee inclusion. Employee inclusion provides a potentially valuable mechanism through which micro-enterprises can strengthen workforce engagement and improve sustainable performance.

Despite growing scholarly interest in employee inclusion and organisational sustainability, existing studies have largely concentrated on large corporations, multinational organisations, and public institutions. Empirical evidence focusing specifically on micro-enterprises in Nigeria remains limited. Furthermore, studies examining inclusion-related dimensions such as participation in decision-making, equal opportunity, employee voice, and workplace belongingness within the context of micro-enterprises are relatively scarce. This creates a knowledge gap regarding the contribution of employee inclusion to sustainable performance among grassroots enterprises.

Consequently, this study seeks to examine the extent to which employee inclusion will affect sustainable performance among selected micro-enterprises in Oshodi-Isolo Local Government Area, Lagos State, Nigeria. Specifically, the study investigates the influence of participation in decision-making, equal opportunity, employee voice, and workplace belongingness on sustainable performance.

Research Hypotheses

H01: Participation in decision-making has no significant effect on sustainable performance.

H02: Equal opportunity has no significant effect on sustainable performance.

H03: Employee voice has no significant effect on sustainable performance.

H04: Workplace belongingness has no significant effect on sustainable performance.

Literature Review

Employee Inclusion

Employee inclusion refers to the extent to which employees feel accepted, respected, valued, and supported within their work environment. It involves creating organisational conditions that enable all employees to contribute meaningfully to organisational goals regardless of differences in age, gender, ethnicity, educational background, religion, or social status. According to Shore, Cleveland and Sanchez (2021), employee inclusion is characterized by employees' perceptions of belongingness and uniqueness within the workplace. Inclusion creates an atmosphere where employees are empowered to participate in organisational processes and decisions. In contemporary human resource management literature, employee inclusion is viewed as a strategic practice that promotes employee engagement, creativity, innovation, commitment, and organisational sustainability. Organisations that embrace inclusion often experience improved employee morale, reduced turnover intentions, and enhanced organisational performance (Jha et al., 2023).

For micro-enterprises, employee inclusion is particularly important because of the close interaction between owners, managers, and employees. Inclusive practices can enhance employee trust, motivation, and loyalty, thereby contributing to business sustainability. The present study conceptualizes employee inclusion through four dimensions which include; participation in decision-making, equal opportunity, employee voice and workplace belongingness.

Participation in Decision-Making

Participation in decision-making refers to the involvement of employees in organisational decisions affecting their jobs and organisational operations. It enables employees to contribute ideas, suggestions, and opinions toward achieving organisational objectives. According to Akinwale and George (2021), employee participation enhances organisational commitment and job satisfaction because employees perceive themselves as important stakeholders in organisational success.

Participation promotes trust, collaboration, innovation, and ownership of organisational goals. Employees who are involved in decision-making often demonstrate higher productivity and stronger commitment to organisational outcomes. Research has shown that participation in decision-making positively influences organisational effectiveness, employee motivation, and performance among small and medium enterprises (Amah & Ahiauzu, 2020).

Equal Opportunity

Equal opportunity refers to the provision of fair and unbiased treatment to employees in matters relating to recruitment, promotion, compensation, training, and career development. Equal opportunity ensures that employees are evaluated based on competence, qualifications, and performance rather than demographic characteristics. According to Armstrong and Taylor (2023), organisations that promote equal opportunity create environments where employees perceive fairness and justice, thereby enhancing employee commitment and organisational trust. In micro-enterprises, equal opportunity can contribute to employee retention and motivation because workers are more likely to remain committed when they perceive equitable treatment. Studies have shown that equal opportunity practices significantly influence employee satisfaction and organisational performance (Ezeanyim & Ufoaroh, 2022).

Employee Voice

Employee voice refers to employees' ability to express opinions, concerns, suggestions, and ideas regarding organisational issues without fear of negative consequences.

Employee voice is an important component of inclusive workplaces because it promotes communication, innovation, and problem-solving. Morrison (2023) describes employee voice as a discretionary communication process through which employees contribute information intended to improve organisational functioning. Organisations that encourage employee voice benefit from increased innovation, improved decision-making quality, and stronger employee commitment. For micro-enterprises, employee voice enables managers to obtain valuable information from employees who are directly involved in daily operations.

Workplace Belongingness

Workplace belongingness refers to employees' perceptions that they are accepted, respected, and valued members of the organisation. Belongingness fulfills employees' social and psychological needs and contributes to positive workplace attitudes. According to Trochmann, Stewart and Ragusa (2023), workplace belongingness enhances employee engagement, job satisfaction, and organisational commitment. Employees who experience belongingness are more likely to collaborate effectively, support organisational goals, and remain loyal to the organisation. Belongingness is particularly relevant in micro-enterprises because interpersonal relationships significantly influence employee attitudes and performance.

Sustainable Performance

Sustainable performance refers to an organisation's ability to achieve economic, social, and operational objectives while maintaining long-term viability and competitiveness. Unlike traditional performance

measures that emphasize profitability, sustainable performance incorporates broader indicators including employee well-being, customer satisfaction, innovation, productivity, environmental responsibility, and organisational resilience. According to Zink and Fischer (2023), sustainable performance involves balancing economic success with social responsibility and employee welfare. In this study, sustainable performance is measured through employee productivity, employee retention, customer satisfaction, business growth and organisational sustainability Micro-enterprises that achieve sustainable performance are better positioned to survive economic challenges and maintain long-term competitiveness.

Sustainable performance can broadly be understood as the ability of an organisation to achieve economic and operational objectives while simultaneously maintaining social and environmental responsibilities that support its long-term viability (Anusi, & Dlamini, 2025). In the context of small and medium-sized enterprises, sustainability performance research indicates that economic, social, and environmental dimensions are interconnected rather than completely independent outcomes. A review of sustainability performance studies in SMEs found that researchers increasingly examine combinations of economic, environmental, and social practices and their consequences for organisational performance (Yadav et al., 2021).

The concept is particularly important for micro-enterprises because these businesses generally operate with limited financial, technological, and human resources. Unlike large corporations, micro-enterprises may have limited capacity to absorb prolonged periods of poor performance, employee turnover, customer dissatisfaction, or operational inefficiency (Shahzad, Jianguo, & Junaid, 2023). Consequently, sustainable performance for a micro-enterprise involves its capacity not only to generate income and maintain business growth but also to retain capable employees, satisfy customers, maintain efficient operations, and remain viable over time.

Zhao, Wang, Chen, and Hu, (2024), reported that from the human resource management perspective, sustainable performance recognizes employees as important contributors to organisational continuity. Human resources provide the knowledge, skills, creativity, experience, and effort through which organisational resources are converted into products and services. Consequently, the manner in which employees are recruited, treated, motivated, involved, and retained can influence the organisation's ability to sustain its performance (Jiang et al., 2024).

Sustainable performance is therefore relevant to employee inclusion. When employees are included in organisational decision-making, treated fairly, given opportunities to express their views, and made to feel that they belong to the organisation, they may be more willing to contribute their knowledge and effort to organisational activities (Zhao, Wang, Chen, & Hu, 2024). Inclusive HR practices can create conditions in which employees are able to contribute more fully to productivity, service quality, innovation, and organisational continuity. Recent empirical evidence has shown that HR practices directed toward sustainability can influence sustainable organisational performance through employee-related mechanisms and organisational capabilities (Shahzad et al., 2023).

An important characteristic of sustainable performance is its long-term orientation. An enterprise may record high sales or profits during a particular period but still be unsustainable if it consistently loses experienced employees, fails to retain customers, experiences declining productivity, or lacks capacity for future growth. Sustainable performance therefore concerns the continuity of positive organisational outcomes over time (Zhao, Wang, Chen, & Hu, 2024). For micro-enterprises, this long-term perspective is particularly relevant because their survival often depends upon maintaining a stable workforce, retaining customers, responding to market changes, and continuously improving their operations (Ali, & Latan, 2024).

The relevance of sustainable performance to Nigerian enterprises is further demonstrated by recent research on Nigerian SMEs. Enem, Anuar, Wahat and Ismail (2023) examined sustainable performance among Nigerian SMEs and emphasized the importance of owner-related capabilities in promoting sustainable enterprise outcomes. Similarly, recent Nigerian research on SMEs in Abuja has examined the relationship between green human resources and economic and environmental performance, demonstrating the increasing

application of sustainability-oriented HRM to Nigerian enterprises.

Theoretical Framework

Social Exchange Theory (SET)

The study is anchored on Social Exchange Theory developed by George Homans (1958) and subsequently advanced by Blau (1964). Social Exchange Theory posits that relationships are based on reciprocal exchanges between parties. Individuals tend to reciprocate favorable treatment received from others. Within organisational settings, employees who perceive support, fairness, respect, and inclusion from their employers are likely to reciprocate through positive attitudes and behaviours such as increased productivity, commitment, loyalty, and organisational citizenship behaviour. According to Cropanzano, Anthony, Daniels and Hall (2017), Social Exchange Theory remains one of the most influential theories explaining employee-employer relationships.

The theory is relevant to this study because employee inclusion represents organisational investment in employees through participation, fairness, voice, and belongingness. Employees who perceive these inclusive practices are likely to respond positively by contributing to organisational sustainability and performance. Therefore, Social Exchange Theory provides a strong explanation for the relationship between employee inclusion and sustainable performance among micro-enterprises.

Empirical Review

Several empirical studies have examined related studies along employee's inclusion and sustainable performance, though not much have review these concepts within the small scale enterprises environment. Such studies include; Amah and Ahiauzu (2020) examined employee involvement and organisational performance among service organisations in Rivers State. Using survey data from 215 employees, the study found a significant positive relationship between employee participation and organisational performance. Also, Akinwale and George (2021) investigated employee participation and organisational effectiveness among SMEs in Lagos State. Findings revealed that participation in decision-making significantly improved employee commitment and productivity.

Ogueyungbo, Akinyemi and Adeyeye (2021) examined human resource management practices and sustainable business performance among SMEs in Southwestern Nigeria. Results showed that employee-centered HR practices significantly influenced business sustainability. Ezeanyim and Ufoaroh (2022) studied workplace inclusion and employee engagement in selected Nigerian organisations. The study reported that inclusion practices significantly enhanced employee engagement and organisational performance. Aremu and Adeyemi (2022) investigated the influence of human resource practices on sustainable performance among small enterprises in Nigeria. Their findings indicated that employee participation and equitable treatment significantly improved organisational sustainability. Jha et al. (2023) examined workplace inclusion and organisational outcomes within the information technology sector. Findings demonstrated that employee inclusion positively influenced innovation, commitment, and performance.

Trochmann et al. (2023) investigated employee perceptions of inclusion within public organisations. The study found that workplace belongingness significantly predicted employee commitment and job satisfaction. Morrison (2023) examined employee voice and organisational effectiveness. Findings indicated that organisations encouraging employee voice experienced greater innovation and improved organisational outcomes. Zink and Fischer (2023) explored employee sustainability and organisational performance. Their study established that employee-centered organisational practices significantly influenced long-term sustainability. Nuryanto et al. (2024) investigated sustainability practices among micro and small enterprises. Results showed that employee participation and stakeholder engagement positively influenced enterprise performance and sustainability. Adegbite and Machethe (2020) found that sustainable performance among

Nigerian SMEs depends significantly on effective management of human resources.

Lastly, Olutunla and Obamuyi (2020) observed that employee commitment and effective workforce management contribute significantly to business growth among small enterprises. Nwankwo and Kanyangale (2021) reported that employee involvement positively influences productivity and sustainability among micro-enterprises in developing economies.

Methodology

This study adopted a survey design to relationship of the study variables. The survey approach was used in this study because most of the questions were based on perceptions and experiences of the micro enterprises employees. A structured questionnaire enabled these experiences to be described presented in a clear and acceptable format and then analysed. The design was not chosen just because of the convenience of the surveys, but rather because it matched the purpose of the study.

The study was carried out among selected micro-enterprises in Oshodi-Isolo LGA, Lagos State, Nigeria. The accessible population identified for the study consisted of ten (10) micro-enterprises with a minimum of fifteen employees out of which one hundred and twenty (120) participants were purposively selected; despite being a small sample, the number of sample accessible allowed the study to proceed. The study thus adopted a census approach, rather than sampling a smaller portion of the identified population. The study selected ten (10) micro-enterprises operating within Oshodi-Isolo Local Government Area of Lagos State.

The selection was considered appropriate for several methodological and contextual reasons. First, Oshodi-Isolo is a commercially active area with a substantial concentration of businesses operating across different sectors. Second, the choice of ten micro-enterprises was guided by the specific focus and scope of the study. The study is concerned with understanding how employee inclusion practices influence sustainable performance at the organisational level. Consequently, the intention was not to enumerate every micro-enterprise in Oshodi-Isolo, but to obtain respondents from a manageable number of enterprises that have identifiable employees and operate on a continuing basis. This approach allows the researchers to obtain information directly from employees concerning participation in decision-making, equal opportunity, employee voice and workplace belongingness, as well as productivity, retention, customer satisfaction and business growth.

The selection of ten enterprises with a minimum of 15 employees facilitates adequate representation of employees while maintaining the study within the practical resource constraints of an empirical investigation. Where approximately twelve employees are selected from each enterprise, the study yields an estimated sample of 120 employees. This provides an opportunity to collect responses from employees across several independent business units rather than concentrating all respondents in one organisation. Finally, the enterprises were selected purposively based on the following criteria that they operate within Oshodi-Isolo LGA, they satisfy the operational definition of a micro-enterprise adopted by the study, they have employees other than the owner and up to fifteen, they are willing to grant access to employees for questionnaire administration.

An adapted questionnaire was used for data collection. Each substantive item was scored on a 4-point Likert Scale ranging from strongly disagree (1) to strongly agree (4). This response format was used because it allowed respondents sufficient opportunity to differentiate among the various levels of agreement without making the questionnaire overly burdensome. However, from the 120 questionnaires distributed, only 112 returned a usable one, giving a response rate of 94.3%. After the questionnaires were collected, they were checked for completeness and suitability for statistical analysis, and cases with insufficient information for the planned analysis were not retained.

The data was analysed using partial least squares structural equation modelling (PLS-SEM) in SmartPLS 4.0.1. PLS-SEM was selected because the study involved latent constructs measured through multiple indicators and, more importantly, included an interaction effect. The method was also suitable for a model whose emphasis was on explaining and predicting relationships among constructs rather than testing only overall model fit. Statistical decisions were made at a 5% significance level ($\alpha = .05$). Sample adequacy was considered in relation to the requirements of the proposed PLS-SEM model before hypothesis testing.

Data Analysis and Results

Partial Least Squares Structural Equation Modelling

The study employed Partial Least Squares Structural Equation Modelling (PLS-SEM) to examine the relationship between employee inclusion and sustainable performance among selected micro-enterprises. PLS-SEM was considered appropriate because the study seeks to estimate the relationships between multiple latent constructs and assess their explanatory and predictive relevance. Contemporary PLS-SEM guidance recommends evaluating both the measurement model and the structural model, including reliability, convergent validity, discriminant validity, collinearity, path coefficients, effect sizes and explanatory power (Hair et al., 2019; Sarstedt et al., 2022).

Employee inclusion was operationalised through four dimensions: participation in decision-making (PDM), equal opportunity (EO), employee voice (EV), and workplace belongingness (WB). Sustainable performance (SP) constituted the endogenous construct. These dimensions correspond with the conceptual framework of the study, which proposes that the four dimensions of employee inclusion influence sustainable performance.

Measurement Model Assessment

The measurement model was assessed using indicator loadings, Cronbach's alpha, composite reliability (CR), average variance extracted (AVE), and heterotrait-monotrait ratio (HTMT). For reflective constructs, an AVE of at least 0.50 is generally used as evidence of convergent validity, while reliability values around 0.70–0.90 are generally considered satisfactory. HTMT is recommended as an appropriate approach for assessing discriminant validity in PLS-SEM (Sarstedt et al., 2022).

The results showed generally satisfactory measurement quality for employee voice, workplace belongingness and sustainable performance.

Construct

Cronbach's α

Composite Reliability

AVE

Assessment

Participation in Decision-Making

0.442

0.730

0.474

Marginal

Equal Opportunity

1.000

1.000

1.000

Caution required

Employee Voice

0.819

0.875

0.703

Acceptable

Workplace Belongingness

0.839

0.907

0.767

Acceptable

Sustainable Performance

0.786

0.860

0.608

Acceptable

Employee voice demonstrated satisfactory internal consistency (CR = 0.875; AVE = 0.703), while workplace belongingness recorded strong reliability and convergent validity (CR = 0.907; AVE = 0.767). Sustainable performance also demonstrated acceptable reliability and convergent validity (CR = 0.860; AVE = 0.608).

Participation in decision-making recorded acceptable composite reliability (CR = 0.730), although its AVE of 0.474 was marginally below the conventional 0.50 criterion. Equal opportunity recorded perfect reliability; however, this result should be interpreted cautiously because only two highly correlated indicators were retained for the refined construct.

The study's questionnaire conceptualises participation in decision-making, equal opportunity, employee voice and workplace belongingness as the principal dimensions of employee inclusion.

Discriminant Validity

Discriminant validity was examined using the HTMT criterion. HTMT values below 0.85 are generally considered evidence of discriminant validity for conceptually distinct constructs, although 0.90 may be applied for conceptually similar constructs (Sarstedt et al., 2022).

The highest HTMT value obtained was 0.807 between workplace belongingness and sustainable performance.

Since this value is below 0.85, the constructs can be considered empirically distinguishable.

This finding is theoretically reasonable because, although workplace belongingness is expected to contribute to sustainable performance, the two constructs represent different concepts. Workplace belongingness concerns employees' perceptions of acceptance, respect and value, whereas sustainable performance encompasses organisational outcomes such as productivity, retention, customer satisfaction and business growth.

Structural Model Assessment

The structural model was assessed by examining collinearity, path coefficients, statistical significance, effect sizes and the coefficient of determination (R^2). Structural-model assessment in PLS-SEM focuses particularly on the significance and relevance of path relationships, followed by examination of explanatory and predictive power (Hair et al., 2022).

The VIF values for the four predictor constructs ranged from 1.041 to 1.176, indicating that multicollinearity was not a concern.

The model produced an R^2 value of 0.469 for sustainable performance, indicating that the four employee-inclusion dimensions jointly explain approximately 46.9% of the variance in sustainable performance.

Table 1. Structural Model and Hypothesis Testing

Hypothesis

Relationship

β

t-value

p-value

Decision

H01

PDM → SP

0.103

1.417

0.159

Not supported

H02

EO → SP

0.074

0.881

0.380

Not supported

H03

EV → SP

0.072

0.904

0.368

Not supported

H04

WB → SP

0.640

8.489

<0.001

Supported

Note: Significance was assessed at the 5% level.

The results show that workplace belongingness is the strongest predictor of sustainable performance, with a path coefficient of $\beta = 0.640$ and a statistically significant p-value of $p < 0.001$. In contrast, participation in decision-making, equal opportunity and employee voice produced positive but statistically insignificant relationships with sustainable performance.

The R^2 value of 0.469 indicates meaningful explanatory power. However, R^2 should be interpreted as explanatory power rather than being treated by itself as evidence of predictive performance; current PLS-SEM guidance recommends separate assessment of predictive power where prediction is a central objective (Hair et al., 2019; Shmueli et al., 2019).

Figure 1. PLS-SEM Structural Model

The structural model shows the four dimensions of employee inclusion and their respective path coefficients to sustainable performance.

The model indicates that workplace belongingness has the strongest direct relationship with sustainable performance (β = 0.640), whereas participation in decision-making (β = 0.103), equal opportunity (β = 0.074) and employee voice (β = 0.072) have comparatively weak relationships.

Effect Size

The effect-size results further demonstrate the relative importance of the four predictors. Workplace belongingness produced an f^2 value of approximately 0.741, indicating a large effect. Participation in decision-making ($f^2 = 0.017$), equal opportunity ($f^2 = 0.009$) and employee voice ($f^2 = 0.009$) produced very small effects.

The large effect of workplace belongingness is therefore consistent with its significant path coefficient and reinforces its importance as the dominant predictor of sustainable performance in the model. Effect size provides information beyond statistical significance because it indicates the substantive contribution of an exogenous construct to the R^2 of the endogenous construct (Hair et al., 2022).

Discussion of Findings

The findings demonstrate that employee inclusion is relevant to sustainable performance, but its dimensions do not contribute equally. Collectively, participation in decision-making, equal opportunity, employee voice and workplace belongingness explained 46.9% of the variance in sustainable performance.

Participation in Decision-Making and Sustainable Performance

Participation in decision-making had a positive but statistically insignificant effect on sustainable performance (β = 0.103, p = 0.159). Consequently, H01 was not supported.

This result suggests that although employee involvement in organisational decisions may have a positive association with performance, its independent contribution is insufficient to establish a statistically significant relationship within the present sample. The finding differs from earlier evidence cited in the study, which reported that employee participation significantly improved commitment and productivity among small businesses in Lagos State (Akinwale & George, 2021).

One possible explanation is that micro-enterprises often operate through relatively informal management structures. Consequently, employee participation may already occur through routine interactions with owners and managers and may therefore have limited additional explanatory power when other inclusion dimensions are considered simultaneously.

Equal Opportunity and Sustainable Performance

Equal opportunity had a positive but insignificant effect on sustainable performance (β = 0.074, p = 0.380). Thus, H02 was not supported. Although equitable treatment is theoretically expected to promote employee trust, motivation and commitment, the present finding suggests that equal opportunity alone may not be sufficient to generate measurable improvements in sustainable performance.

This finding contrasts with the literature reviewed in the study, which suggests that fairness and equal opportunity can enhance employee commitment and organisational trust (Armstrong & Taylor, 2023; Ezeanyim & Ufoaroh, 2022).

The result may indicate that employees in micro-enterprises attach greater importance to their daily

interpersonal relationship with management than to formal opportunities for advancement or training.

Employee Voice and Sustainable Performance

Employee voice also demonstrated a positive but statistically insignificant relationship with sustainable performance ($\beta = 0.072$, $p = 0.368$). Hence, H03 was not supported. The finding suggests that the opportunity to express opinions, concerns and suggestions does not automatically translate into improved sustainable performance. The effectiveness of employee voice may depend on whether management listens to employees and acts upon their contributions.

This interpretation is consistent with the study's conceptualisation of employee voice as a mechanism through which employees communicate ideas, concerns and suggestions for improving organisational functioning. Morrison (2023) similarly emphasises the role of employee voice in organisational effectiveness.

Workplace Belongingness and Sustainable Performance

Workplace belongingness produced the strongest and statistically significant effect on sustainable performance ($\beta = 0.640$, $t = 8.489$, $p < 0.001$). Therefore, H04 was supported. This finding indicates that employees who feel accepted, respected, valued and supported are more likely to be associated with higher levels of sustainable performance. The result is consistent with the study's conceptual argument that belongingness can enhance employee engagement, job satisfaction, commitment and organisational support.

The result also supports previous empirical evidence cited in the study. Trochmann et al. (2023), for example, reported that employee perceptions of inclusion and belongingness were associated with positive employee outcomes, while Jha et al. (2023) found positive relationships between workplace inclusion and organisational outcomes.

The finding provides particularly strong support for Social Exchange Theory, which provides the theoretical foundation for the study. Social Exchange Theory proposes that employees tend to reciprocate favourable treatment with positive attitudes and behaviours. When employees perceive that they are valued members of the enterprise, they may reciprocate through stronger commitment, cooperation, loyalty and productivity.

The result is particularly important in the context of micro-enterprises, where relationships between owners, managers and employees tend to be direct and interpersonal. Consequently, employees' psychological sense of belonging may be more influential than individual formal inclusion mechanisms.

Conclusion and Recommendations

Conclusion

The study examined the relationship between employee inclusion and sustainable performance among selected micro-enterprises. The PLS-SEM results demonstrate that the four dimensions of employee inclusion jointly explain 46.9% of the variance in sustainable performance. Of the four dimensions examined, workplace belongingness emerged as the only statistically significant predictor of sustainable performance. Participation in decision-making, equal opportunity and employee voice showed positive but insignificant effects.

The findings therefore suggest that inclusion should not be understood solely in terms of formal participation, equality or opportunities to express opinions. The extent to which employees actually feel accepted, respected, valued and connected to the organisation appears to be particularly important for sustainable performance. This finding reinforces the relevance of Social Exchange Theory and suggests that micro-enterprise owners and managers should deliberately cultivate workplace environments characterised by respect, recognition,

support, trust and belongingness.

Recommendations

Based on the findings of the study, the following recommendations are made that:

- Owners and managers of micro-enterprises should give priority to creating an inclusive workplace environment in which employees feel accepted, respected, valued and connected to the organisation.
- Employees should be given the opportunity to get involved through regular meetings, informal consultations, suggestion sessions and discussions concerning work processes and operational challenges.
- Micro-enterprise owners should ensure that employment decisions are based primarily on employees' competence, performance and responsibilities rather than favouritism or personal relationships.
- Managers should establish simple channels through which employees can communicate work-related concerns, operational problems and improvement suggestions.
- Managers should periodically assess employees' experiences of inclusion and their relationship with organisational performance.

Practical Implications

The findings have several implications for micro-enterprise management. First, managers should strengthen employees' sense of belonging by recognising their contributions and treating them as valued members of the organisation. Second, owners should establish supportive interpersonal relationships that encourage trust and cooperation. Third, employee participation and voice should be accompanied by managerial responsiveness so that employees can see tangible outcomes from their contributions. Ultimately, sustainable performance may be enhanced when employee inclusion moves beyond formal policies and becomes embedded in the everyday relationship between employees and management.

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