TRANSFORMATIONAL LEADERSHIP FOR INCLUSIVE BUSINESS AND THEIR SOCIAL IMPACT ON BOTTOM OF THE PYRAMID (BOP) POPULATIONS

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ABSTRACT

The goal of the present study is to probe into the essential role of transformational leadership and diversity in culture for the successful implementation of business models aiming at the Bottom of the Pyramid (BoP).Inclusive businesses seek to alleviate poverty. This is done by integrating people from BOP backgrounds as consumers, suppliers, or distributors of companies producing goods; it cares for economic empowerment and social fairness. This research uses transformational leadership theory and cultural dimensions theory for its analysis. Leadership practices are measured, as well the impact of cultural sensitivity on ways in which people access goods and services, their level of employment or income. The results show that transformational leaderships significantly improve results: for example, transformational leadership's dimensions such as inclusiveness, innovation and transformation (enterprise). The study offers guidance to entrepreneurs and policymakers. It emphasizes the need for sustainable, scalable strategies in order to demonstrate that the economic and social impact of Inclusive business initiatives can be maximized to pay off.

KEYWORDS

Inclusive Business Models, Transformational Leadership, Cultural Diversity, Bottom of the Pyramid (BoP), Economic Empowerment

INTRODUCTION

The concept of Bottom of the Pyramid (BoP) refers to economically marginalized populations living on less than $8 per day (Prahalad, 2004). Inclusive business models have emerged as transformative approaches to integrate these communities into mainstream economic

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activities. IB addresses systemic poverty while generating profitability and social impact. Unlike traditional corporate social responsibility (CSR), inclusive businesses embed social objectives within their core strategies. Therefore, IB involvs BoP populations as active participants in supply chains as consumers, producers, or distributors (Jenkins, 2005). This dual focus on economic empowerment and business sustainability has positioned inclusive business as a promising tool for poverty alleviation and sustainable development.

Despite their potential, the success of inclusive business models depends on several critical determinants. Leadership practices, cultural adaptability, access to capital, and regulatory support predict success of IB. Transformational leadership, characterized by inclusivity, innovation, and adaptability, plays a pivotal role in overcoming barriers and driving social impact in BoP contexts (Bass, 1985). However, limited empirical research explores the interplay between leadership practices and the specific needs of BoP populations. Furthermore, challenges related to scalability, infrastructure deficits, and the alignment of social and economic goals remain unresolved. So further exploration is necessary (Karnani, 2007; London & Hart, 2004).

Using a quantitative approach, the research evaluates how leadership dimensions and culturally adaptive practices influence improved access to goods and services, as well as increased employment and income among BoP communities.

RESEARCH PROBLEM

The concept of inclusive business models aims to economic empowerment and social upliftment by integrating Bottom of the Pyramid (BoP) populations as active participants in supply chains, either as consumers, suppliers, or distributors. Despite the potential of these models to alleviate poverty and create sustainable economic opportunities, their success largely depends on effective leadership strategies that address the unique challenges of these marginalized communities (Prahalad, 2004; Hammond et al., 2007). Transformational leadership, characterized by its ability to inspire, innovate, and adapt to diverse environments, plays a critical role in guiding inclusive businesses toward achieving their dual goals of profitability and social impact. However, the absence of transformational leadership often hinders the success of these initiatives by failing to address cultural diversity, community engagement, and the socio-economic barriers that BoP populations face (Karnani, 2007; London & Hart, 2004).

Culturally diverse perceptions further complicate the implementation of inclusive business strategies, as leadership often struggles to navigate local norms, values, and traditions while designing products, services, and business operations that resonate with these communities (London & Anupindi, 2012). The lack of culturally sensitive transformational leadership leads to ineffective engagement with BoP populations, resulting in limited scalability, reduced trust, and diminished long-term impact. Research highlights that inclusive business models often fail to account for the critical role of leadership in applying innovation, building community relationships, and ensuring operational sustainability (UNDP, 2010; George, McGahan, & Prabhu, 2012).

Moreover, the absence of transformational leadership not only limits the economic empowerment of BoP communities but also restricts their potential for social advancement. Effective leaders who incorporate cultural awareness and inclusivity into their practices can drive meaningful transformation by a shared vision, creating a supportive organizational culture, and building capacity within BoP populations (Prahalad & Hart, 2002). Addressing this gap requires a deeper understanding of how transformational leadership can be adapted to culturally diverse contexts and integrated into inclusive business models to enhance their impact on marginalized communities.

This research explores the intersection of transformational leadership and culturally diverse perceptions within inclusive business models, identifying how these factors influence

the success and scalability of initiatives aimed at empowering BoP populations. By addressing this research problem, the study aims to provide actionable insights for businesses and policymakers to develop leadership strategies that promote sustainable and inclusive growth in culturally diverse environments.

RESEARCH QUESTION
1. What are the key determinants of success in inclusive business models targeting bottom-of-the-pyramid (BoP) populations?
2. What is the relationship between *inclusive leadership and organizational culture* and *job growth* in Bottom of the Pyramid (BoP) communities?
3. To what extent do *regulatory support* and *collaborative donor contributions* predict *job growth and career opportunities* in BoP communities?

Through this quantitative exploration, the study aims to provide a structured understanding of the elements that enhance the success and scalability of inclusive business models, ultimately contributing to sustainable economic growth and social upliftment for marginalized communities.

LITERATURE REVIEW
Inclusive Business Models and Their Relevance to BoP Communities
Inclusive business models have received a great deal of attention because they give equal consideration to financial profitability and social good. They are particularly interesting in reaching the 4 billion individuals at the "Bottom of the Pyramid" (BoP). BoP populations, defined by Prahalad (2004) as individuals earning less than $8 per day, represent a substantial market opportunity while also embodying the pressing challenge of global poverty. Inclusive business models can, from a theoretical point of view, incorporate BoP communities as participants in the value chain. They can act both as distributors and consumers there, rendering both economic upliftment and social improvement (Hammond et al., 2007). Nevertheless at the same time they are also objects of criticism because these models have their own limitations in practical operation, possibly lack local sustainability, and may possibly contribute to entrenching social hierarchies In practical terms, BoP markets are important for two reasons: as a massive potential consumer market, and as part of the production and distribution system for necessities. Inclusive business models have innovation in their DNA. They break through geographic boundaries that partition the global marketplace into micro-domains and multinational arenas by creating products, services and business systems to simultaneously meet separate local needs while on the other hand linking those same users with the core business environment. In other words, unlike traditional Corporate Social Responsibility (CSR) initiatives, which tend to be useful appendages to the main business activity, inclusive business integrates social values with the very heart of its business strategy. This institutional integration is often seen as a major advantage, ensuring long-term corporate survival and accord with the Sustainable Development Goals (SDGs). Critics also argue that this integration is often superficial, with some firms simply wrapping an inclusivity label around business as usual (Karnani, 2007).

One of the major limitations of inclusive business models is their inherent scalability. Although such mini-stocktake initiatives as microfinance and fair trade have shown signs of localized success, replicating them at scale has proved difficult. Due partly to the high costs of delivering goods and services to geographically scattered and economically marginal populations, and to infrastructural deficits in many BoP markets (London & Hart, 2004). Moreover, some inclusive business initiatives depend on external public or private sector support and questions arise as to how feasible they are: Critics fear that without reforms in market access, regulation and infrastructure, inclusive business models will become unsustainable.

Cultural dynamics also play a decisive role in determining the success of inclusive business initiatives. Involving BoP communities effectively necessitates a sophisticated understanding of local habits, traditions and values. While inclusive business models stress this improved cultural adaptation, in practice these subtleties often are ignored--for instance, products or services designed without sufficient local consultation may fail to catch on; and so their intended benefits are nullified. Finally, there is the danger that within an inclusive business model where profit making is paramount the well-intentioned exploitation of community workers becomes rife (Karnani, 2017).

Another critical issue lies in the inherent power dynamics of inclusive business models. Big firms often dominate value chains, with small producers marginalized and local initiative weakened. Though inclusive business models talk about partnership and empowerment, the reality is more often than not unequal relationships; far from redressing existing inequalities they actually reinforce them. This raises ethical questions as to whether these models truly promote social equity or provide a vehicle for corporate expansion -- under the guise of inclusion.

While inclusive business models are full of promise for poverty relief and sustainable development, this approach is not without significant challenges. Whether Inclusive Business will be successful or not depends on whether it addresses scalability issues, is culturally applicable and can put power relations into proper perspective. Without such considerations, inclusive business may generate new injustices out of its drive to alleviate old ones. A more critical approach to their design and implementation is thus vital if these new forms of organization are to fulfil the promise they hold for BoP communities.

Transformational Leadership and Organizational Effectiveness

Transformational leadership, characterized by its emphasis on vision, innovation, and adaptability, has been widely recognized as a pivotal factor in driving organizational success. It is distinguished by the ability of leaders to inspire and motivate teams toward achieving higher levels of performance and innovation while promoting an inclusive and collaborative organizational culture (Bass, 1985). In the context of Bottom of the Pyramid (BoP)-focused businesses, transformational leadership plays a crucial role in navigating complex socio-economic environments and addressing the unique challenges faced by marginalized communities.

One defining characteristic of transformational leadership is its visionary approach, which enables leaders to articulate a compelling future state for their organizations. This vision makes alignment between organizational goals and broader social impact objectives, particularly in inclusive business models. Leaders with a strong vision are better equipped to mobilize resources, engage stakeholders, and create a sense of purpose among employees and community members (Avolio & Bass, 1995). However, critics argue that visionary leadership, if not grounded in practical strategies, can result in unmet expectations and disillusionment among stakeholders (Karnani, 2007).

Innovation is another hallmark of transformational leadership, enabling organizations to adapt to the dynamic needs of BoP markets. Transformational leaders encourage creative problem-solving and empower their teams to develop solutions tailored to the specific needs of underserved populations (Bass & Riggio, 2006). For instance, innovative distribution models and affordable product designs have been key drivers of success in BoP-focused initiatives. However, the emphasis on innovation may also lead to resource allocation biases, where long-term community benefits are overshadowed by the pursuit of short-term gains (London & Hart, 2004).

Adaptability, the third core characteristic of transformational leadership, is particularly relevant in culturally diverse and resource-constrained environments. Leaders who demonstrate cultural sensitivity and inclusivity are better equipped to promote trust and

collaboration within BoP communities. Evidence suggests that inclusive leadership practices, such as engaging local stakeholders in decision-making processes and respecting cultural norms, significantly enhance the social and economic outcomes of inclusive businesses (Avolio, Walumbwa, & Weber, 2009). Nonetheless, some critiques highlight the challenges of balancing inclusivity with the pressures of organizational efficiency and profitability (Karnani, 2017).

Transformational leadership also contributes to improving organizational culture by an environment of trust, empowerment, and shared responsibility. A positive organizational culture not only enhances employee engagement but also strengthens the organization's capacity to achieve social impact. Studies have shown that transformational leadership positively correlates with increased organizational effectiveness and community well-being, particularly in contexts where social equity is a core objective (Bass & Riggio, 2006). However, the reliance on individual leaders to drive transformation can lead to vulnerabilities, particularly in the absence of robust institutional frameworks (Avolio et al., 2009).

Transformational leadership is integral to driving organizational success, especially in BoP-focused businesses. Its emphasis on vision, innovation, and adaptability provides a strong foundation for addressing the unique challenges of marginalized communities while achieving sustainable growth. However, the effectiveness of transformational leadership depends on its ability to balance inclusivity, practicality, and long-term impact. Future research should explore strategies to institutionalize transformational practices to mitigate the risks associated with over-reliance on individual leaders.

Cultural Diversity and Perceptions in Inclusive Leadership

Cultural diversity plays a crucial role in shaping the outcomes of inclusive leadership, particularly in the context of Bottom of the Pyramid (BoP) markets. Understanding local traditions, norms, and values is essential for trust, collaboration, and engagement within culturally diverse communities (London & Anupindi, 2012). Leaders who demonstrate cultural awareness are better equipped to design strategies that resonate with local populations, thereby enhancing the effectiveness of inclusive business models. However, the challenges posed by cultural diversity, such as misalignment between organizational practices and local norms, can hinder the scalability and impact of these initiatives (Karnani, 2007).

The importance of cultural awareness in leadership is highlighted in studies emphasizing the need to integrate local customs and values into business practices. For example, London and Anupindi (2012) argue that culturally adaptive leadership ensures mutual respect and cooperation, which are critical for long-term success in BoP markets. Leaders who actively engage with local stakeholders, respect traditional practices, and incorporate community feedback into decision-making processes are more likely to achieve sustainable outcomes. These practices not only enhance social cohesion but also strengthen the organization's reputation and acceptance within the community (Hammond et al., 2007).

Cultural barriers, however, remain a significant challenge in implementing inclusive leadership strategies. These barriers may include language differences, deeply rooted traditional practices, and resistance to external interventions perceived as culturally intrusive (Karnani, 2007). For instance, businesses that fail to account for cultural norms in product design or marketing strategies may encounter low adoption rates, as seen in cases where products designed for Western markets were poorly received in BoP settings due to cultural mismatches (Prahalad, 2004). Overcoming such barriers requires a deep understanding of local contexts and the ability to adapt organizational practices to align with community expectations.

Culturally adaptive leadership practices have been instrumental in driving success in BoP markets. One notable example is the micro-entrepreneurship model employed by organizations like BRAC and Grameen Bank, which integrates cultural norms into its

operations to empower women while respecting traditional gender roles (Yunus, 2003). Similarly, fair trade initiatives have successfully combined cultural awareness with market-driven strategies by creating long-term relationships with local producers and ensuring transparency and mutual benefit (Raynolds et al., 2007). These examples demonstrate how culturally sensitive leadership can bridge the gap between organizational goals and community needs.

Cultural diversity is a critical factor in the success of inclusive leadership strategies. Leaders who prioritize cultural awareness and adapt their practices to align with local norms and values are better positioned to overcome barriers and achieve sustainable outcomes. However, the complexity of cultural diversity necessitates continuous learning, adaptability, and engagement to ensure that inclusive business models remain relevant and impactful in diverse contexts.

Key Determinants of Inclusive Business Success

The scalability and sustainability of inclusive businesses rely on several critical factors that directly influence their ability to create long-term impact in Bottom of the Pyramid (BoP) communities. Among these, access to financial resources and donor contributions is foundational. Financial support, including microloans, impact investments, and grants, enables inclusive businesses to overcome operational constraints and invest in infrastructure and community engagement (Morduch, 1999). However, Karnani (2007) critiques the over-reliance on external funding, arguing that sustainable models must balance financial independence with social objectives. While donor contributions can provide an essential starting point, businesses must develop self-sustaining revenue models to ensure long-term viability.

Skills development and capacity building are equally crucial in bringing the success of inclusive businesses. BoP populations often face significant skills gaps, limiting their ability to participate effectively in supply chains and entrepreneurial activities. Programs that focus on vocational training, financial literacy, and leadership development empower these communities to become active contributors to the business ecosystem. For instance, initiatives like BRAC's capacity-building programs have demonstrated that equipping individuals with market-relevant skills can significantly enhance productivity and economic empowerment (Hammond et al., 2007). Nonetheless, the scalability of these programs often depends on partnerships with governments and non-governmental organizations to expand their reach and impact.

Regulatory support also plays a pivotal role in shaping the operational environment for inclusive businesses. Favorable policies, such as tax incentives, streamlined business registration processes, and infrastructure development, create an enabling environment that encourages investment in underserved markets. Conversely, regulatory barriers, including complex compliance requirements and inadequate legal frameworks, can stifle innovation and growth. Inclusive businesses operating in BoP markets often advocate for policy reforms to address these challenges, as supportive regulatory ecosystems are integral to their success and scalability (London & Hart, 2004).

Lastly, technology and innovation are transformative forces in expanding market reach for inclusive businesses. Digital platforms, mobile tools, and supply chain technologies have enabled businesses to connect with BoP communities more efficiently and at lower costs. For example, mobile banking solutions have revolutionized financial inclusion by providing affordable and accessible banking services to underserved populations (Prahalad, 2004). Similarly, innovations in product design tailored to local needs have enhanced adoption rates and customer satisfaction in BoP markets. However, the adoption of technology must consider cultural and infrastructural constraints to maximize its impact.

The success of inclusive businesses depends on a combination of financial resources, skills development, regulatory support, and technological innovation. While each of these factors plays a distinct role, their interplay determines the scalability and sustainability of inclusive business initiatives. Future research should focus on identifying effective strategies to integrate these determinants, creating a comprehensive framework for inclusive business success.

Outcomes of Inclusive Business Initiatives

Inclusive business initiatives have proven to be transformative in Bottom of the Pyramid (BoP) communities, delivering measurable impacts across economic, social, and infrastructural dimensions. A key outcome is improved access to goods and services, ensuring affordability, availability, and quality for underserved populations. By designing cost-effective products and leveraging innovative distribution channels, inclusive businesses have successfully reached BoP markets where traditional businesses failed. For instance, social enterprises like Solar Sister provide affordable, renewable energy solutions that enhance productivity and quality of life in remote areas (Solar Sister, 2021). However, access challenges persist in regions with inadequate infrastructure, necessitating partnerships with local organizations to bridge these gaps effectively (Hammond et al., 2007).

Economic empowerment is another critical impact of inclusive business models. These initiatives have generated job opportunities, improved wage levels, and increased productivity within BoP populations. For example, micro-entrepreneurship programs supported by organizations like BRAC and Grameen Bank have empowered individuals, particularly women, to become self-reliant and contribute to household incomes (Yunus, 2003). Furthermore, inclusive businesses that integrate BoP populations into supply chains, either as suppliers or distributors, create stable income streams and enhance skill development. Despite these achievements, critics argue that the jobs created are often low-wage and lack long-term security, underscoring the need for inclusive businesses to prioritize equitable and sustainable employment practices (Karnani, 2007).

The social benefits of inclusive business initiatives extend beyond economic metrics, fostering enhanced quality of life, community engagement, and social equity. By addressing systemic barriers to education, healthcare, and infrastructure, these initiatives uplift marginalized populations and promote broader social cohesion. For instance, healthcare programs like Novartis's Arogya Parivar have combined affordable medicines with community health education, significantly improving health outcomes in underserved areas (Novartis, 2020). Additionally, inclusive business models that involve local communities in decision-making processes making a sense of ownership and agency, further strengthening trust and collaboration. However, some models have faced criticism for reinforcing existing inequalities, particularly when large corporations dominate value chains, leaving little room for local producers to thrive (London & Hart, 2004).

The outcomes of inclusive business initiatives are multifaceted, ranging from improved access to essential goods and economic empowerment to enhanced social equity and quality of life. While these initiatives have achieved significant progress, their long-term impact depends on addressing challenges related to scalability, sustainability, and inclusivity. A comprehensive approach that balances economic and social goals will be critical to maximizing the benefits of inclusive business for BoP communities.

Gaps in Literature

Despite growing interest in inclusive business, significant gaps remain in understanding its leadership dynamics and outcomes for Bottom of the Pyramid (BoP) communities. Existing research offers limited empirical studies on how specific leadership practices influence BoP outcomes, leaving a gap in actionable insights for businesses (Hammond et al., 2007).

Moreover, the role of cultural diversity in leadership for inclusive business is underexplored, despite its critical importance in shaping strategies that resonate with local communities (London & Anupindi, 2012). Additionally, there is a pressing need for quantitative analyses that link specific leadership variables, such as inclusivity and adaptability, to measurable outcomes like economic empowerment and social equity. Addressing these gaps will provide a more robust framework for developing effective leadership in inclusive business.

Theoretical Framework

The study is grounded in two complementary theoretical frameworks: Transformational Leadership Theory and Cultural Dimensions Theory, which together provide a robust lens for examining the effectiveness of leadership in inclusive business contexts.

Transformational Leadership Theory emphasizes the ability of leaders to inspire, motivate, and empower individuals to achieve exceptional outcomes while fostering innovation and adaptability (Bass, 1985). This theory highlights key leadership attributes—vision, inclusivity, and adaptability—that are particularly relevant in addressing the challenges of Bottom of the Pyramid (BoP) markets. Transformational leadership serves as a critical driver for aligning organizational goals with social impact, enabling businesses to foster economic empowerment and community development (Bass & Riggio, 2006).

Cultural Dimensions Theory, developed by Hofstede, offers a framework for understanding how cultural values and norms shape leadership practices and organizational behaviors (Hofstede, 1980). This theory is essential for analyzing the role of cultural diversity in leadership effectiveness, particularly in BoP contexts, where cultural sensitivity and local engagement are critical to success. By applying this framework, the study examines how cultural perceptions influence leadership strategies and their impact on BoP communities.

Together, these theories provide a comprehensive foundation for exploring the interplay between leadership practices and cultural diversity, enabling a deeper understanding of their combined effect on the scalability and sustainability of inclusive businesses.

THIS STUDY

This study seeks to explore the critical elements that drive the success of inclusive business models targeting Bottom of the Pyramid (BoP) populations. It aims to identify the key determinants of success, focusing on factors such as inclusive leadership, cultural adaptability, skills development, regulatory support, and collaborative donor contributions. Specifically, the study examines the relationship between inclusive leadership practices and organizational culture in fostering job growth within BoP communities. Furthermore, it evaluates the predictive power of regulatory support and donor collaborations in creating sustainable career opportunities and enhancing economic empowerment for marginalized populations.

RESEARCH METHODS

Data Collection

The study employs quantitative research design. Data for this study were collected online via email surveys sent to individuals working in inclusive businesses across various sectors. The email included a brief introduction to the study, assurances of confidentiality, and a link to the online survey. To enhance participation, respondents were informed that a small gift would be provided upon completing the survey. This approach aligns with academic best practices, where incentives are used to acknowledge respondents' time and effort, thereby improving response rates and data quality (Singer & Ye, 2013). Ethical considerations, such as voluntary participation and informed consent, were strictly adhered to throughout the process.

Instrumentation
The study employs 5 point Likert-scale-based survey items to assess independent variables (e.g., transformational leadership practices, cultural adaptability) and dependent variables (e.g., job growth, affordability, and social impact). Instruments are adapted from validated scales like the Multifactor Leadership Questionnaire (Bass & Avolio, 1995) and tailored to the context of BoP communities.

Statistical Data Analysis Techniques
The data were analyzed using SPSS 27th version. Key techniques include:
Descriptive statistics: To summarize respondent demographics and variable distributions.
Correlation analysis: To explore the strength and direction of relationships between leadership practices and BoP outcomes.
Multiple regression analysis: To evaluate the predictive power of transformational leadership dimensions and cultural diversity on dependent variables.
These methods aim to validate hypotheses and provide actionable insights into improving inclusive business practices.

RESULTS
Descriptive Results
Demographic information is crucial for contextualizing research findings and ensuring the representativeness of the sample. By analyzing demographic characteristics, researchers can identify patterns within specific subgroups, and applicability of their conclusions. Additionally, demographic data aids in tailoring recommendations to the unique needs of diverse populations. (Bryman, 2016).

Years of Experience
The sample comprises individuals with diverse levels of experience, ranging from 1 to 22 years. A significant proportion (40%) of respondents have two years of experience, followed by 10% each with six, eight, or three years of experience. This variety reflects a broad range of insights across different professional stages, making the sample robust for analyzing leadership and organizational dynamics in inclusive business.

Gender Distribution
The sample is predominantly male, with 70% of respondents identifying as male and 30% as female. This gender distribution suggests a higher representation of men in roles associated with inclusive business, potentially highlighting industry-specific gender dynamics.

Age
The participants' ages range primarily between 18 and 50 years, with 45% falling into the 26–30 age bracket. Additionally, 25% are aged 31–40, while 15% each are in the 18–25 and 41–50 age groups. This distribution demonstrates a concentration of younger and mid-career professionals actively engaged in inclusive business operations.

Educational Qualifications
The educational background of respondents is notable, with 60% holding postgraduate degrees, 30% graduates, and 10% having completed higher secondary education. This high level of education suggests a well-informed and skilled sample, capable of contributing effectively to inclusive business models.

Employment Status
The sample includes diverse employment types, with full-time employment accounting for 23.8%, part-time roles and own business comprising another 23.8% each, followed by 17.5%

contract employees, 12.5% temporary workers, and smaller proportions of commission-based (11.3%) and unemployed individuals (2.5%). This distribution highlights the varied professional contexts within the sample.

Primary Role in the Job

Operational-level employees form the largest group, making up 45% of respondents, while 40% occupy senior management or managerial roles, and 15% are CEOs, founders, or directors. This reflects a balanced representation of leadership and operational perspectives.

Type of Organization

A majority (60%) of respondents are affiliated with inclusive businesses, 30% with social enterprises, and 5% each with for-profit enterprises or other organizations. This indicates a strong emphasis on inclusive and socially driven business operations within the sample.

Industry Sector

Financial services dominate the sample, representing 60% of respondents, followed by distribution and supply chain (30%) and other sectors (10%). This concentration on financial services suggests a critical role of this sector in inclusive business activities.

Organization Size

Half of the organizations are medium enterprises (50%), while 32.5% are micro-enterprises, 13.8% small enterprises, and 3.8% large businesses. This mix illustrates the predominance of small and medium-sized enterprises (SMEs) in inclusive business models.

Geographical and Operational Focus

All organizations operate in the Dhaka region and are exclusively urban-based, indicating a strong urban focus in the inclusive business initiatives represented in this study.

Correlation between Transformational Leadership Practices and Improved Access to Goods and Services

The analysis revealed a strong positive correlation between transformational leadership practices and improved access to essential goods and services in Bottom of the Pyramid (BoP) communities ($r=0.775, p<0.001$). Transformational leadership practices, with a mean score of 4.02 (SD = 0.33), were significantly associated with enhanced availability, affordability, and quality of goods, which had a mean score of 3.99 (SD = 0.37). This result highlights that as leaders adopt more inclusive and innovative approaches, the capacity of organizations to deliver essential goods to underserved populations improves substantially. These findings emphasize the role of visionary and adaptive leadership in overcoming barriers to distribution and meeting the critical needs of BoP communities.

Correlation between Transformational Leadership Practices and Increased Employment, Income, and Productivity

A moderately strong positive correlation was observed between transformational leadership practices and increased employment, income, and productivity among BoP populations ($r=0.652, p<0.001$). Transformational leadership practices, with a mean score of 4.02 (SD = 0.33), were linked to improved economic outcomes, represented by increased employment opportunities, higher income levels, and enhanced productivity (Mean = 3.47, SD = 0.51). This finding suggests that transformational leadership not only improves operational efficiency but also creates sustainable economic benefits for marginalized communities. By applying innovation and inclusivity, leaders can significantly contribute to job creation and economic empowerment in BoP markets.

Correlation between Leaders' Social and Cultural Perception and Improved Access to Goods and Services

The analysis revealed a moderate positive correlation between leaders' social and cultural perception and improved access to essential goods and services in Bottom of the Pyramid (BoP) communities (r=0.380,p=0.001). Leaders' social and cultural perception, with a mean score of 3.09 (SD = 0.58), was moderately associated with enhanced availability, affordability, and quality of goods, which had a mean score of 3.99 (SD = 0.37). This finding indicates that when leaders exhibit greater cultural sensitivity and understanding of local communities, organizations are more effective in delivering essential goods to underserved populations

Correlation between Leaders' Social and Cultural Perception and Increased Employment, Income, and Productivity

A strong positive correlation was observed between leaders' social and cultural perception and increased employment, income, and productivity (r=0.884,p<0.001). Leaders' social and cultural perception, with a mean score of 3.09 (SD = 0.58), was strongly linked to economic outcomes, represented by increased employment opportunities, higher income levels, and enhanced productivity (Mean = 3.47, SD = 0.51). This strong relationship underscores the importance of culturally aware leadership in driving significant economic empowerment for BoP communities. Leaders who demonstrate sensitivity to cultural and social nuances play a pivotal role in inclusive practices that result in better livelihoods and productivity improvements.

Evaluation of Predictive Power: Multiple Regression Analysis

To assess the predictive power of transformational leadership dimensions and dimensions of cultural diversity on the two dependent variables, improved access to goods and services and increased employment and income, the following two sets of regression analysis were employed:

Regression Analysis for Improved Access to Goods and Services

To evaluate the predictive power of transformational leadership dimensions on improved access to goods and services, a multiple regression analysis was conducted. The independent variables included transformational leadership dimensions such as vision, innovation, inclusivity, and adaptability. The dependent variable, improved access to goods and services, was analyzed to determine how these predictors influence its outcomes. The regression coefficients (β) for each predictor provided insights into their individual contributions toward enhancing access to essential goods. Additionally, the R^2 value measured the overall variance explained by the predictors, offering an indication of the model's effectiveness in accounting for improvements in access to goods and services. This analysis highlights the impact of transformational leadership dimensions on achieving better accessibility for BoP communities.

The multiple regression analysis assessed the predictive power of transformational leadership dimensions on improved access to goods and services among BoP communities. The analysis revealed a highly significant model (F(11,64)=80.943,p<0.001) with an R^2 value of 0.933, indicating that 93.3% of the variance in improved access to goods and services could be explained by the predictors.

Significant Predictors:

1. Years of Experience (β=−0.407,p<0.001): There was a significant negative association between years of experience and access to goods, suggesting that more experienced individuals may not necessarily improve access in this context.
2. Primary Role in the Job (β=−0.298,p<0.001): A negative relationship was observed, indicating that operational roles may face challenges in enhancing access to goods.

3. Inclusivity in Leadership (β=0.132,p=0.040): A positive and significant predictor, highlighting the importance of inclusive leadership practices in improving access to essential goods.

    4. Cultural Sensitivity in Leadership (β=0.771,p<0.001): The strongest positive predictor, emphasizing that culturally sensitive leadership significantly enhances access to goods and services in BoP contexts.
    5. Organizational Practices (β=0.327,p<0.001): A strong and significant predictor, reflecting the importance of effective operational practices in achieving improved access.
    6. Sustainable Development Goals Integration: (β=0.287,p<0.001): A significant positive contributor, showing that alignment with SDGs positively influences access to goods and services.

Table 1: Regression Coefficients

Predictors	Beta (Standardized Coefficients)	p-value
Years of Experience	-0.407	<0.001
Primary Role in the Job	-0.298	<0.001
Organization Size	0	0.995
Inclusivity in Leadership	0.132	0.04
Cultural Diversity in Awareness	-0.083	0.382
Employee Engagement	0.143	0.042
Organizational Practices	0.327	<0.001
Cultural Sensitivity in Leadership	0.771	<0.001
Leadership Flexibility	-0.331	<0.001
BoP Oriented Operations	0.036	0.741
Sustainable Development Goals Integration	0.287	<0.001

Regression Analysis for Increased Employment and Income

Another multiple regression analysis was conducted to assess the predictive power of transformational leadership dimensions on increased employment and income. This time, the dependent variable, increased employment and income, was analyzed to evaluate the economic outcomes influenced by these independent variables i.e. predictors. The regression coefficients (β) for each variable indicated their individual contributions to employment creation and income improvement. Additionally, the R^2 value reflected the overall variance in economic outcomes explained by the model, providing insights into the effectiveness of leadership and cultural diversity in economic empowerment for BoP communities. The model demonstrated strong predictive capability (R^2=0.743), explaining 74.3% of the variance in the dependent variable. The model was statistically significant ($F(11,64)$=16.841, $p<0.001$), indicating that the predictors collectively influence employment and income outcomes.

Significant Predictors:
1. Years of Experience (β=0.760, p<0.001): A strong positive predictor, indicating that more experienced individuals significantly contribute to improved employment and income outcomes in BoP settings.
2. Primary Role in the Job (β=0.331, p=0.004): Positively associated, showing that individuals in operational or managerial roles contribute to economic empowerment.
3. Cultural Diversity in Community Awareness (β=0.508, p=0.008): A significant predictor, highlighting the importance of understanding and respecting cultural diversity.
4. Employee Engagement (β=0.549, p<0.001): Strongly predictive, emphasizing that engaged employees play a critical role in enhancing productivity and income.
5. Cultural Sensitivity in Leadership (β=1.219, p<0.001): The most significant predictor, suggesting that culturally sensitive leadership has the strongest influence on improving economic outcomes.
6. Sustainable Development Goals Integration (β=−0.276, p=0.038): Although negative, the predictor is significant, indicating potential complexity in aligning organizational goals with SDG-focused initiatives.

Non-Significant Predictors:
Organization Size: (β=0.059,p=0.386): No significant relationship with employment and income outcomes.
Leadership Flexibility: (β=−0.068, p=0.621): Demonstrated no significant predictive power in this context.

Table 2: Regression Coefficients Table for Employment, Income, and Productivity

Predictors	Beta (Standardized Coefficients)	p-value
Years of Experience	0.76	<0.001
Primary Role in the Job	0.331	0.004
Organization Size	0.059	0.386
CDCA_M (Cultural Diversity in Awareness)	0.508	0.008
EMRP_M (Employee Engagement)	0.549	<0.001
CISI_M (Cultural Sensitivity in Leadership)	1.219	<0.001
LFPL_M (Leadership Flexibility)	-0.068	0.621
SDGI_M (Sustainable Development Goals Integration)	-0.276	0.038

DISCUSSION AND CONCLUSION

The first two results of correlational analysis collectively demonstrate that transformational leadership is a critical determinant of both social and economic outcomes in BoP contexts. Leaders who prioritize inclusivity, innovation, and adaptability enable organizations to achieve significant improvements in access to essential goods and economic well-being. These findings underscore the importance of embedding transformational leadership practices in strategies aimed at sustainable development and social equity in underserved populations.

The second two results of correlational analysis emphasize that leaders' social and cultural perception is a key determinant of both social and economic outcomes in BoP

contexts. While moderate improvements were observed in access to goods and services, the impact on economic empowerment highlights the critical role of culturally informed leadership in enhancing the well-being of marginalized communities.

The results of first regression indicated that transformational leadership dimensions were crucial in enhancing access to goods and services in BoP communities. Leaders who prioritize inclusivity and cultural understanding are better positioned to address barriers to accessibility. Additionally, aligning organizational practices with sustainable development goals further strengthens the ability to deliver essential goods effectively. Negative associations with experience and primary roles suggest the need for further exploration of structural or contextual factors influencing these outcomes.

The results of second regression indicated that transformational leadership dimensions are crucial for increased employment, income, and productivity in BoP communities. Years of experience and roles within organizations contribute positively to these outcomes, while alignment with SDGs shows a more complex relationship requiring further exploration. These findings reinforce the need for leadership strategies that prioritize cultural understanding and inclusivity to maximize economic empowerment in underserved communities.

The findings of this study highlight the significant role of transformational leadership and culturally sensitive practices in driving the success of inclusive business models targeting BoP communities. The strong positive correlations observed between transformational leadership and outcomes like improved access to goods and services (r=0.775) and increased employment, income, and productivity (r=0.652) reinforce the literature's emphasis on the value of visionary, inclusive, and adaptive leadership. These results align with Bass and Riggio's (2006) assertion that transformational leadership influences innovation and inclusivity, critical for addressing the unique challenges of BoP contexts. Moreover, the findings underline the importance of embedding social impact goals into organizational culture to ensure sustainable outcomes.

The regression analysis further substantiates the predictive power of transformational leadership dimensions, with inclusivity and cultural sensitivity emerging as the strongest predictors of positive outcomes. This supports the insights of London and Anupindi (2012), who emphasize that culturally adaptive leadership significantly enhances the social and economic impact of inclusive business models. However, the negative relationship between years of experience and improved access to goods warrants further investigation. This finding may reflect structural barriers or outdated approaches among more experienced leaders, suggesting the need for ongoing leadership development.

The study also highlights the importance of leaders' social and cultural perceptions in driving economic empowerment. The strong positive correlation (r=0.884) between these perceptions and increased employment and income underscores the critical role of cultural awareness in trust, collaboration, and community engagement. These findings align with the arguments of Prahalad (2004) and Karnani (2007), who advocate for culturally sensitive business practices to address the complex needs of BoP communities.

CONCLUSION

This study demonstrates that transformational leadership and cultural sensitivity are pivotal for the success of inclusive business models in BoP contexts. Leaders who prioritize inclusivity, innovation, and adaptability are better equipped to overcome barriers to accessibility and economic empowerment. The findings emphasize the need for culturally aware leadership practices that resonate with local communities and align organizational goals with social impact objectives. While the study highlights several positive outcomes, it also identifies areas requiring further exploration, such as the impact of structural barriers on

experienced leaders and the complexities of aligning business practices with sustainable development goals.

FUTURE RESEARCH DIRECTIONS

Future research should focus on investigating the long-term effects of transformational leadership practices on BoP communities, particularly in sustaining economic empowerment and promoting social equity. It is essential to examine how regional and cultural contexts influence the effectiveness of leadership practices in inclusive businesses and to explore the intersection of demographic factors such as gender and age in shaping leadership dynamics and outcomes. Combining quantitative analysis with qualitative insights can offer a nuanced understanding of leadership practices and their impact on community engagement. Additionally, future studies should address the scalability challenges of inclusive businesses by developing frameworks tailored to geographically dispersed and resource-constrained environments. By exploring these areas, future research can enhance understanding of the factors driving the sustainability and scalability of inclusive business models, ensuring meaningful social and economic benefits.

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Appendix: Survey Questionnaire
SECTION A: TRANSFORMATIONAL LEADERSHIP FOR INCLUSIVE BUSINESS [INDEPENDENT VARIABLE]
Inclusive Leadership and Organizational Culture
Our leadership team prioritizes inclusivity in decision-making processes.
Leaders and managers actively encourage diverse perspectives in business operations.
There is a clear vision from leadership that aligns business success with social impact on the needs of underserved community.
Our management does not support inclusive practices across all levels of the organization.
Our leadership effectively balances profitability with social responsibility.
Collaborative Donor Contributions and Alliances
Our organization receives sufficient financial support from donors to achieve our goals.
Our donors and partners are not actively involved in capacity-building initiatives.
Collaborations with donor organizations have enhanced our operational efficiency.
Our partnerships with donor organizations have facilitated market expansion.
Donors support has been instrumental in overcoming business challenges.
Expanding Market Reach and Potential
Our organization effectively identifies and seizes new market opportunities.
Our organization faces ongoing difficulties in overcoming barriers to entering underserved markets.
Our business strategies are well-aligned with the needs of the largest underserved market.
We have established innovative distribution channels to reach out target market.

The organization continuously explores new markets to expand its impact on supply chain, last mile distribution, healthcare, education, clean energy and financial services.

Creative Solutions and Flexibility

Our organization continuously develops new products or services for unique needs of underserved communities.

We are quick to adapt to market changes and customer needs of the largest underserved market.

Inclusiveness in innovation is a core part of our business strategy.

We employ cost effective solutions to make products affordable for low-income customers.

The organization struggles to update its business model to remain competitive while achieving SDGs.

Community Involvement and Social Impact

Our organization actively involves with local communities in decision-making processes.

Feedback from the local community is rarely incorporated into our business strategies.

We have a positive and measurable impact on the communities we serve.

Our organization creates job opportunities for local communities.

We collaborate with communities to address their most pressing needs.

Legal Framework and Policy Landscape

Our organization is well-informed about the regulatory requirements in our operating regions.

Government policies support our efforts to achieve social impact.

We engage with policymakers to advocate for favorable regulations.

Our business operations comply with all relevant regulations.

Regulatory changes are poorly managed within the organization.

Base of the Pyramid-Oriented Operations

Our business model is specifically designed to serve the Base of the Pyramid (BoP) market.

We have developed affordable products/services for low-income consumers.

The organization struggles to overcome challenges related to infrastructure in BoP markets.

We partner with local organizations to enhance our reach in BoP markets.

The BoP focus of our operations has significantly improved community well-being.

Sustainable Development Goals (SDG) Initiatives

Our business strategies are aligned with specific Sustainable Development Goals (SDGs).

We rarely measure our contribution to the SDGs.

The organization prioritizes environmental sustainability in its operations.

Our initiatives are designed to address global challenges like poverty, inequality, gender equality, health and wellbeing etc.

SDG-focused interventions are central to our long-term business success.

SECTION B: LEADERS' SOCIAL AND CULTURAL PERCEPTION [INDEPENDENT VARIABLE]

Promoting Social Diversity and Inclusion

We actively include community members in our decision-making processes.

Our business practices do not effectively promote social inclusion and diversity.

We engage with local leaders and influencers to understand community needs.

Our projects and initiatives are designed to benefit all community members, regardless of their social background.

Understanding Cultural Contexts

Our organization is aware of the cultural norms and values of the communities we serve.

We consider cultural differences when designing our products and services.

Training on cultural awareness is rarely provided to our employees.

Our marketing strategies are adapted to fit the cultural contexts of different communities.

Valuing Local Customs and Traditions

We respect and integrate local traditions into our business operations.

Our products and services are designed to respect and uphold local customs.

We participate in local cultural events and traditions to build stronger community ties.

Our organization sometimes engages in practices that conflict with local traditions.

Creating Community Ties and Social Value

Our community engagement efforts are well-received and appreciated.

We regularly communicate with community members to address their concerns and feedback.

Our partnerships with community organizations are often ineffective and lack of benefits.

Community members acknowledge the positive changes brought by our business.

SECTION C: IMPROVED ACCESS TO ESSENTIAL GOODS AND SERVICES AMONG BOP COMMUNITIES [DEPENDENT VARIABLE]

Access and Affordability of Essential Offerings

Our inclusive business initiative has made essential goods more available to BoP communities.

The prices of our products/services are affordable for BoP customers.

We have increased the range of essential goods and services available to BoP communities.

Our organization ensures that BoP customers can easily access our products/services.

Our distribution networks often fail to effectively reach BoP communities with essential goods and services.

Standards and Dependability of Offerings

The quality of our products/services has improved for BoP customers.

Our products/services are reliable and meet the needs of BoP communities.

We infrequently monitor and maintain the quality of our products/services for BoP customers.

Our organization receives positive feedback regarding the quality and reliability of our offerings from BoP customers.

Client Contentment with Services and Products

BoP customers are satisfied with the products/services we provide.

Customer feedback indicates improved satisfaction with our offerings.

We actively seek and respond to feedback from BoP customers to enhance their satisfaction.

Our organization rarely conducts surveys to gauge BoP customer satisfaction.

The level of repeat purchases among BoP customers indicates high satisfaction with our products/services.

SECTION D: INCREASED EMPLOYMENT, INCOME AND PRODUCTIVITY AMONG BOP COMMUNITY [DEPENDENT VARIABLE]

Job Growth and Career Opportunities

Our inclusive business initiatives have created significant employment opportunities for BoP individuals.

We have increased the number of jobs available to people in BoP communities.

Our hiring practices prioritize candidates from BoP communities.

We do not consistently offer stable and long-term employment opportunities to BoP communities.

Our organization's growth has led to the creation of new job roles for BoP communities.

Economic Empowerment and Wage Growth

Employment in our organization has enhanced the income levels of BoP employees.

Our inclusive business practices have contributed to increased household incomes in BoP communities.

We do not offer competitive wages, which fails to improve the economic status of BoP employees.

Our employees from BoP communities report higher satisfaction with their income levels.

We provide additional financial benefits that positively impact the income levels of BoP employees.

Enhancing Skills and Operational Efficiency

We do not provide sufficient training and development programs to improve the skills of BoP employees.

The productivity of our BoP employees has increased due to our inclusive business practices.

Our initiatives have led to greater economic empowerment for BoP individuals.

BoP employees have access to career advancement opportunities within our organization.

The skills acquired through our training programs have enhanced the job performance of BoP employees.