Social Identity Patterns in Culturally Diverse Organizations: The Role of Diversity Climate

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Many of the problems associated with cultural diversity in organizations stem from individuals’ tendencies to categorize their social environment into “us” and “them.” We present the results of a field study (N = 1111) showing that diversity climate—an organizational climate characterized by openness toward and appreciation of diversity—may be the key to reducing these problems. The results show that diversity climate is positively related to cultural identity for majority members, and to organizational identity for minority members. In organizations with a strong diversity climate, both majority and minority members identify with the organization and their cultural groups simultaneously, thus displaying a dual identity. Diversity climate is positively related to job-related outcomes for both groups, but particularly for minority members.

In past decades, the concept of cultural diversity has increasingly been recognized by organizations worldwide as a vital tool for success. This has resulted in a wave of efforts aimed at recruitment and retention of employees belonging to ethnic or cultural minority groups. The presence of different cultural groups on the work floor does, however, pose certain challenges, potentially affecting the well-being of both majority and minority employees.

A growing body of literature has focused on the interaction between these groups within organizations, and the factors that determine its outcomes (Van Knippenberg & Schippers, 2007). It has been established that many of the problems associated with cultural diversity stem from individuals’ tendencies to categorize their social environment into “us” and “them” (Fiske, 1998), thereby creating a social barrier between majority and minority employees.

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many of these problems may be solved by creating a situation in which employees are able to identify with their cultural backgrounds, while simultaneously identifying with their organization as an overarching group. However, this dual identity has been notoriously difficult to achieve (Wenzel, Mummendey, & Waldzus, 2007).

In this paper, we present the results of a field study showing that diversity climate, which is defined as an organizational climate characterized by openness toward and appreciation of diversity (cf. Luijters, van der Zee, & Otten, 2008), may be the key to establishing dual identity patterns within diverse organizations. We examine the effects of diversity climate on patterns of cultural and organizational identity. We propose that diversity climate will particularly affect the cultural identity of majority members, and the organizational identity of minority employees. Ultimately, diversity climate may be related to the emergence of dual identity patterns for both groups. Furthermore, we examine the effects of diversity climate on job-related outcomes and the role social identities play in this process.

Effects of Cultural Diversity

Cultural diversity in the workplace can be regarded as a double-edged sword; it has been related to both positive and negative outcomes in workgroups. On the one hand, it may have the potential to enhance creativity and flexibility in teams. By taking advantage of different viewpoints, ideas, and knowledge, diverse groups may be more productive and efficient (McLeod & Lobel, 1992; McLeod, Lobel, & Cox, 1996; Van Knippenberg, De Dreu, & Homan, 2004; Watson, Johnson, Kumar, & Critelli, 1998). On the other hand, managing a diverse workforce is not an easy challenge. In many studies, homogeneous teams have been found to outperform diverse teams (e.g., Jehn & Bezrukova, 2004; Thomas, 1999).

Cultural diversity may lead to negative social processes, such as conflict, miscommunication, and discrimination (Milliken & Martins, 1996; Pelled, Eisenhardt, & Xin, 1999). As a result, particularly those employees who are different from most of their colleagues often experience less job satisfaction and higher turnover rates (McKay et al., 2007; Tsui, Egan, & O’Reilly, 1992). The challenge for organizations, therefore, is to manage diversity in such a way that the negative effects are counteracted, while still being able to take advantage of the positive effects. We believe that in order to accomplish this, it is essential to avoid employees dividing themselves along cultural boundaries, and to promote inclusion of all cultural groups within the organization as a whole, without hiding cultural differences. In this paper, we examine how social identity patterns play a role in meeting this chal-
lenge, and how organizations should shape their organizational climates to facilitate this process.

Social Categorization in a Diverse Workplace

Our starting point for answering the questions raised in this paper is the notion that within a complex social environment, such as an organization, individuals have a basic need to belong to and identify with social groups. Consequently, there is a general tendency to think and act on existing group barriers. A paradigm for explaining these phenomena is provided by social identity theory (Tajfel & Turner, 1986) and self-categorization theory (Turner, 1985). By identifying with a social group, characteristics of the group become part of the self. Experiencing similarity with other group members provides a sense of security and helps individuals to predict and give meaning to their social environment. Additionally, a positive evaluation of one’s own group as compared to out-groups can provide a source of self-esteem.

The notion that categorization into “us” and “them” lies at the heart of intergroup conflict has been widely established. Social categorization leads to the emergence of stereotypes and group representations that tend to favor the in-group over the out-group (Fiske, 1998). Studies have shown that in culturally diverse organizations, employees often categorize their fellow workgroup members in terms of their ethnic or cultural heritage (Elsass & Graves, 1997; O’Reilly, Williams, & Barsade, 1998), displaying a positive bias toward members who belong to the same cultural group and a negative bias toward those who do not (Brewer & Brown, 1998). Many efforts aimed at reducing tensions in culturally diverse organizations, therefore, have focused on counteracting employees’ basic tendency to categorize. For example, Brewer and Miller (1984) proposed that employees should be encouraged to view their colleagues as individuals, rather than as members of a cultural group. Also, the development of cross-group friendships (Pettigrew, 1998) or a focus on interpersonal relations, as opposed to intergroup relations (Brickson, 2000; Vos, 2009), has been shown to reduce the negative effects of diversity.

Dual Identity

A different idea has been proposed through Gaertner and Dovidio's (2000) common in-group identity model, in which they argue that it might be more beneficial to recategorize individuals into one overarching group.
In the context of the present paper, the organization as a whole may be seen as a prime example. Employees may focus on being members of the same organization, instead of categorizing themselves as belonging to different cultural subgroups. This idea is particularly promising, since it extends the positive effects of group membership (e.g., commitment, cooperation) toward former out-group members, without denying individuals’ belongingness needs and basic tendency to categorize (Dovidio, Gaertner, & Esses, 2008).

Considerable research has provided support for the positive effects of a common in-group identity (Dovidio, Gaertner, Validzic, & Matoka, 1997; Wit & Kerr, 2002; Wohl & Branscombe, 2005). However, for groups comprised of several distinct subgroups (e.g., an organization consisting of members of different cultural backgrounds), simply promoting an overarching group identity may not be sufficient. Minority employees, in particular, may be reluctant to give up their cultural identities in favor of a larger organizational identity because by ignoring their cultural heritage, they would be denying a very important part of their self-image (cf. Hewstone, 1996). Gaertner and Dovidio (2000), therefore, proposed that social identities should be viewed in terms of hierarchical levels, and that identities on different levels may be salient at the same time.

Aside from the organization, with which all employees could identify, there may simultaneously be room for the existence of separate subgroup identities, which differ for individual group members. When both the overarching (organizational) identity and subgroup (cultural) identity are psychologically relevant at the same time, we speak of a dual identity (cf. Dovidio et al., 2008).

In theory, dual identity patterns may be very beneficial for diverse organizations. On the one hand, employees may feel included within the organization, regardless of their cultural background (thus reducing the negative effects of diversity associated with categorization); while on the other hand, they are able to maintain their cultural identities (thus opening the door for the possible benefits of diversity; e.g., increased creativity).

Difficulties in Creating Dual Identities: In-Group Projection

Research has, indeed, shown that the presence of dual identities may reduce bias between cultural groups, and may increase overall well-being and commitment to the overarching group (Gaertner, Rust, Dovidio, & Bachman, 1996; Huo, Smith, Tyler, & Lind, 1996). However, it appears that in practice, dual identification patterns are very difficult to achieve (Wenzel et al., 2007).
When identifying with a group, individuals have a tendency to form an image of what a prototypical group member should be like. This prototype can be defined as the ideal-type member of a category that best represents its identity in a given context and frame of reference (Oakes, Haslam, & Turner, 1998). This process, termed in-group projection, leads to a situation in which the relative status of subgroups is determined by the degree of similarity with this prototype.

In situations in which an overarching group consists of several subgroups, the dominant subgroup may lay claim to the prototype of the overarching group (Mummendey & Wenzel, 1999). Within a culturally diverse organization, one can see how the majority, being the dominant group, may feel that they are more prototypical for the organization than are minority groups. They may claim the organizational identity as “theirs,” resulting in negative bias toward employees who are not as prototypical. Through in-group projection by the majority group, minority employees may feel excluded from the organization, causing them to identify with it to a lesser degree. Additionally, because they are seen as less prototypical, minority employees are evaluated less positively by the majority group (see Wenzel et al., 2007), and unequal treatment may be perceived as justified (Mummendey & Otten, 2004).

In sum, merely creating an overarching identity within organizations may not be enough to improve relations between majority and minority members. In fact, it is likely to result in a situation in which only majority members identify strongly with the organization, while minority members feel excluded and identify only with their cultural subgroup. In-group projection again leads to a sense of “us” and “them,” and a social barrier between cultural groups, further increasing intergroup bias and prejudice.

As argued by several scholars (Park & Judd, 2005; Wenzel et al., 2007), dual identities are only likely to develop when the most dominant subgroup is not seen as prototypical of the overarching group. It has been proposed that in order to reduce in-group projection, the overarching group must be viewed as a complex, diverse entity. Indeed, studies have shown that it is possible to create a group identity based on “diversity” as a unifying characteristic (Cunningham, 2006; Postmes, Spears, Lee, & Novak, 2005; Rink & Ellemers, 2007; Van Knippenberg & Haslam, 2003). Under these conditions, it may be possible to allow both majority and minority members to identify with the overarching group and their subgroup simultaneously. By circumventing in-group projection in this way, it may thus be possible to create dual identity patterns effectively.

In essence, we argue that in order to prevent the majority group from claiming the organizational identity, the organization must be seen as a complex, diverse entity. This will allow both majority and minority employ-
ees to identify with the organization, while still identifying with their cultural groups. We propose that the key to accomplishing this may be to create an organizational climate that allows for and values cultural differences within its employee base. In this paper, we use the term *diversity climate* to reflect the way an organization deals with the manifestation of different cultural values and cultural identities of its employees.

**Diversity Climate**

Broadly defined, *diversity climate* is the degree to which an organizational climate facilitates the presence of cultural differences, and views this diversity as a positive asset. This definition is in accordance with earlier work by Harquail and Cox (1993) and by Luijters et al. (2008), who suggested that there are two components that make up the diversity climate of an organization: openness to and appreciation of diversity.

*Openness to diversity* is reflected in the possibility to choose one’s own work style and maintain important cultural habits, even though these habits may differ from what is perceived as “normal” (Luijters et al., 2008). It has been termed a *low-prescription climate*, characterized by a high tolerance for ambiguity, the possibility for employees to take calculated risks, and the sense that failure can be seen as a learning opportunity (Cox, 1993). Theoretically, the concept is closely related to other climate measures reflecting an open organization, such as the construct *innovation and flexibility*, suggested by Patterson et al. (2005), which refers to an organizational climate in which new ideas are readily accepted and employees are constantly searching for new ways of looking at problems. Finally, an important aspect of openness to diversity lies in the ability of employees to communicate openly about mutual differences and potential problems that may arise from them (Luijters et al., 2008).

*Appreciation of diversity* is a climate component that refers to the sense of added value in diversity within an organization. Strong appreciation means that the presence of diversity among employees is seen as an advantage, not a nuisance. A lack of appreciation has been related to absenteeism among minority members (Avery, McKay, Wilson, & Tonidandel, 2007), suggesting lower organizational identification. Research on the categorization–elaboration model (Van Knippenberg et al., 2004) has established that appreciation seems to enhance the relationship between workgroup diversity and group identification (Van Dick, Van Knippenberg, Hägele, Guillaume, & Brodbeck, 2008; Van Knippenberg, Haslam, & Platow, 2007). These studies show that appreciation is a key moderator of responses to cultural differences in small groups.
Together, openness and appreciation make up the diversity climate of an organization. As stated earlier, in organizations with a weak diversity climate, employees may tend to categorize themselves along cultural lines, creating a social barrier between majority and minority members. A strong diversity climate, on the other hand, may be associated with a more diverse representation of the organization as a whole, thereby reducing in-group projection. As a result, we predict that when diversity climate is strong, social identity patterns will be such that a dual identity for both majority and minority members is established: Both groups can identify with the organizational and cultural identity simultaneously. However, the road to dual identity is different, depending on employees' cultural background (i.e., whether they are majority or minority members). We believe that diversity climate will particularly affect the cultural identity of majority employees and the organizational identity of minority employees.

Effects of Diversity Climate on Social Identity Patterns

Identification with the cultural group may have different meanings for majority and minority members (Ely, 1995). For minority employees, cultural identity is typically salient in the work environment, as they are continuously reminded of being “different” from most of their colleagues, regardless of the type of diversity climate that is present within the organization. Thus, we expect to see little effect of diversity climate on the cultural identity of minority employees.

For majority members, on the other hand, cultural identity may, indeed, be influenced by diversity climate. An organization characterized by low openness to and appreciation of diversity may stimulate in-group projection, meaning that majority members may view the organization as synonymous with the majority's cultural group. In this situation, majority members may take their cultural background for granted, as they are rarely confronted with it in the workplace. Under the influence of a stronger diversity climate, majority members must recognize the perspectives of other cultural groups, and view minority employees as valid members of the organization. Furthermore, the characteristics of this diversity climate are such that members of all subgroups are encouraged to display their cultural heritage openly. By being confronted with such an inherently diverse workplace, majority members will also be reminded more strongly of their own cultural heritages, thereby strengthening their cultural identities.

Hypothesis 1. There will be an interaction effect of diversity climate and cultural background on cultural identity, and the
positive effect of diversity climate on cultural identity will particularly apply to majority members.

For organizational identity, we predict the opposite pattern. Majority employees tend to identify with the organization, regardless of diversity climate. Their psychological representation of the organization may change from being a majority-run group to a more inclusive group, yet they will be able to identify with it in both cases. For minority members, this is not the case. As explained earlier, a weaker diversity climate may lead to exclusion of minority employees, as they are not seen as prototypical for the overarching group. A group norm characterized by openness and appreciation has been shown to be positively related to the group identification of minority members (Luijters et al., 2008). In other words, the stronger the diversity climate, the more minority members will be given the opportunity to feel included within the organization, thus increasing their organizational identification.

**Hypothesis 2.** There will be an interaction effect of diversity climate and cultural background on organizational identity, and the positive effect of diversity climate on organizational identity will particularly apply to minority members.

An individual is said to display a **dual identity** when both components—that is, cultural identity and organizational identity—are high. Hypotheses 1 and 2 predict, respectively, that diversity climate will enhance cultural identity for majority members and organizational identity for minority members. This opens up the possibility for both majority and minority to display commitment to both the organization and their cultural heritage simultaneously. When diversity climate is strong, both majority and minority employees should display high identification with both groups, thus displaying a dual identity.

**Hypothesis 3.** Diversity climate will be positively related to dual identity for majority and minority members.

**Effects of Diversity Climate on Job-Related Outcomes**

If diversity climate, indeed, influences the social identity patterns of majority and minority employees, it is logical to assume that this may also be reflected in the way both groups interact on the work, and subsequently in the well-being of individual employees (Luijters et al., 2008; Van Knippenberg et al., 2007). We will examine the effects of diversity climate on three outcome
measures. First, we predict that a diversity climate will be beneficial for the overall well-being of employees, increasing their overall job satisfaction. Second, the characteristics of diversity climate are such that employees are encouraged to be themselves and to be more open to individual differences among their colleagues. Therefore, we also predict that the stronger this diversity climate within the organization, the more employees will feel valued and recognized by their colleagues. Third, many prior studies have shown that cultural diversity is related to negative social interactions (e.g., conflict, miscommunication, discrimination; Milliken & Martins, 1996; Pelled et al., 1999). We predict that diversity climate will be related to lower prevalence of these diversity-related conflicts.

**Hypothesis 4a.** Diversity climate will be positively related to job satisfaction.

**Hypothesis 4b.** Diversity climate will be positively related to perceived job recognition.

**Hypothesis 4c.** Diversity climate will be negatively related to diversity-related conflicts.

In organizations characterized by a weaker diversity climate, it is the minority members in particular who face the negative effects of diversity (e.g., prejudice, discrimination, forms of social exclusion; Tsui et al., 1992), potentially resulting in a gap between majority and minority members regarding job-related well-being. Under the influence of a stronger diversity climate, minority employees may feel more included within the organization, thereby lessening this gap to a certain degree. Therefore, we assume that the positive effects of diversity climate will be most pronounced for minority employees (cf. Linnehan, Konrad, Reitman, Greenhalgh, & London, 2003). However, as explained previously, we believe that majority members may also benefit, albeit to a lesser extent. In our analyses, we will explore whether or not there is a difference between cultural groups regarding these effects.

If the aforementioned hypotheses are confirmed, this will allow us to test whether the positive effects of diversity climate on job-related outcomes can be explained through social identity patterns (i.e., dual identification), as outlined in this paper. Concretely, we will explore the mediation effects of social identities on the relationship between diversity climate and job-related outcomes. We will test dual identity, as well as both of its components, as possible mediators. This will allow us to examine whether mediation occurs through organizational identity, cultural identity, or the interaction between the two (i.e., dual identity) as shown in Figure 1. Since diversity climate may
affect social identities differently depending on cultural background (e.g., a change in cultural identity of majority members, organizational identity for minority members), these analyses will be conducted separately for majority and minority members.

Method

Respondents

A total of 1,810 employees of The Netherlands’ public service participated in the present study. In order to assess their experience with working in a diverse workplace, the respondents were asked how many employees in their daily work units belong to a cultural minority group. Those who reported no diversity (score of 0) were omitted from the dataset. This resulted in a sample size of 1,111, including 584 males (52.6%) and 527 females (47.4%). The participants’ mean age was 43.3 years ($SD = 9.9$; range $= 21–69$). In addition, 28.4% of respondents ($n = 316$) belonged to a cultural minority group, as defined by their parents’ country of origin (minority members are those of whom one or both parents were born outside The Netherlands, in accordance with The Netherlands’ government definition). The respondents were generally well educated (72% possessed a college degree). Personnel data show that this is a fairly representative sample of the participating organizations’ workforce. Minority members, who make up 17% of the total workforce, are overrepresented as a result of selection of the sample.

Figure 1. Mediation model of the effects of diversity climate on social identities and job-related outcomes.
Procedure

The data reported in this paper were collected as part of a larger survey aimed at mapping factors influencing job-related well-being and turnover of minority employees. The respondents were contacted using an e-mail invitation to participate in a study on cultural diversity in the workplace, followed by a link to a digital questionnaire. The invitations were sent by the organizations’ personnel departments, and the questionnaire could be completed during work time. Of those approached, approximately 28% of minority employees and 31% of majority employees fully completed the questionnaire.

Measures

Diversity climate. We measured diversity climate using separate subscales for openness and appreciation, which were developed by Luijters et al. (2008). These include three items measuring openness (e.g., “In this organization, cultural differences between colleagues are openly discussed”; $\alpha = .65$) and three items measuring appreciation (e.g., “In this organization, we value differences in cultural background”; $\alpha = .68$). The subscales correlate strongly ($r = .69$, $p < .001$) and exhibit strong convergence when correlated with other variables. For the current analyses, they were thus combined into a single measure of diversity climate (6 items; $\alpha = .79$).

Identity. We measured organizational identity using items from Allen and Meyer (1990), which were translated into Dutch (e.g., “The organization I work for means a lot to me”; 5 items; $\alpha = .83$). The same items were then adapted to measure cultural identity (e.g., “My cultural group means a lot to me”; 5 items; $\alpha = .82$). Finally, each individual respondent was assigned a score on dual identity, consisting of the product term of their cultural and organizational identity.

Job-related outcomes. In the questionnaire, we included three variables that measure job-related outcomes. Job satisfaction was measured using De Witte’s (2000) original scale (e.g., “My current job makes me feel like I have accomplished something”; 6 items; $\alpha = .86$). Perceived job recognition was measured using items adapted from Dinsbach (2005; e.g., “My efforts are valued by my colleagues”; 3 items; $\alpha = .77$). Finally, diversity-related conflict was measured using three original items measuring respondents’ perception of conflict, miscommunication, and discrimination on the basis of cultural background within their organization (e.g., “In your job, do you ever expe-
rience miscommunication as a result of differences in cultural background”; 3 items; $\alpha = .78$). All of the scales were rated on a 5-point Likert-type scale. For job-related outcomes, the scale ranged from 1 (not at all) to 5 (very much), while the other scales ranged from 1 (strongly disagree) to 5 (strongly agree).

Results

Analyses of our data will be reported in three separate sections. To test Hypotheses 1, 2, and 3, we conducted separate regression analyses for diversity climate on cultural, organizational, and dual identity, including cultural background (minority vs. majority) as a fixed factor. To test Hypotheses 4a, 4b, and 4c, the same was done for job satisfaction, perceived job recognition, and diversity-related conflict. Finally, we conducted multiple mediation analyses, including cultural, organizational, and dual identities as possible mediators of the direct relationship between diversity climate and job-related outcomes. The results presented in all three sections include tests of our hypotheses, as well as any significant effects that may add to the understanding of our data.

Effects of Diversity Climate on Social Identities

We predicted diversity climate to be positively related to cultural identity, particularly for majority members (Hypothesis 1). Regression analysis ($R^2 = .09, p < .001$; see Figure 2) shows a main effect of cultural background ($b = .52, p < .001$) indicating that minority members, on average, displayed stronger cultural identities than did majority members. Additionally, the predicted interaction of diversity climate with cultural background on cultural identity was confirmed ($b = -.14, p < .001$). We found a positive relationship of diversity climate on cultural identity for majority members ($b = .16, p < .001$). For minority members, this relationship was not significant. Therefore, Hypothesis 1 is confirmed.

Next, we predicted diversity climate to be positively related to organizational identity, particularly for minority members (Hypothesis 2). Again, the nature of our sample is such that the hypothesized individual-level effects may have been influenced by organizational-level variation. Intraclass correlations (ICCs) were computed for all dependent variables to examine whether it was necessary to take into account the hierarchical nature of our data. However, the ICCs were found to be low, suggesting that the dependent variables’ variance was much greater within organizations than between organizations. Also, our findings were not affected by using a multilevel approach. Therefore, for the sake of clarity, the results presented here are computed using regular regression analyses.
regression analysis ($R^2 = .17, p = .001$) indicates a main effect of cultural background, meaning that majority members, on average, scored higher than did minority members on organizational identity ($b = -19, p < .001$). We also found a significant interaction of diversity climate and cultural background on organizational identity ($b = .16, p = .001$; see Figure 3). The effect of diversity climate on organizational identity was stronger for minority
members \((b = .41, p < .001)\) than for majority members \((b = .25, p < .001)\). Therefore, Hypothesis 2 is confirmed.

Finally, we predicted that diversity climate would be positively related to the dual identity (the product term of cultural identity and organizational identity) of individual respondents, for both majority members and minority members. Figure 4 shows the regression results for both groups \((R^2 = .10, p < .001)\), displaying a strong effect \((b = 1.18, p < .001)\) of diversity climate on dual identity. We found no moderating effect of cultural background. Diversity climate was positively related to dual identification patterns for both majority and minority members, thereby confirming Hypothesis 3.

**Effects of Diversity Climate on Job-Related Outcomes**

We examined the effects of diversity climate on three job-related outcomes. Regression analysis \((R^2 = .05, p < .001;\) see Figure 5) shows a positive overall main effect of diversity climate on job satisfaction \((b = .16, p < .001)\). There was no interaction with cultural background, indicating that diversity climate was positively related to job satisfaction for both majority and minority employees, thus confirming Hypothesis 4a.

We predicted a similar positive effect on perceived job recognition. This regression model \((R^2 = .18, p < .001;\) Figure 6) indeed shows a positive effect of diversity climate \((b = .22, p < .001)\), but the interaction term with cultural
background is also significant ($b = .17, p < .001$). The positive relationship of diversity climate on perceived job recognition was stronger for minority employees ($b = .39, p < .001$) than for majority employees ($b = .22, p < .001$). Hypothesis 4b is confirmed, with the addition that minority members appear to have benefited more from diversity climate, with respect to perceived job recognition, than did majority members.
Finally, we predicted diversity climate to be negatively related to diversity-related conflict. Regression analysis ($R^2 = .10$, $p < .001$; Figure 7) shows a strong main effect of cultural background ($b = .33$, $p < .001$), indicating that, on average, minority members report more diversity-related conflict than do majority members. The interaction of diversity climate with cultural background was also significant ($b = -.25$, $p < .001$). Diversity climate was strongly related to diversity-related conflict for minority employees ($b = -.30$, $p < .001$), but not so for majority employees ($b = -.05$, ns). Therefore, Hypothesis 4c is partially confirmed: The buffering effect of diversity climate on diversity-related conflict only appeared for minority employees.

Overall, employees who experience a strong diversity climate within their organization are more satisfied, feel more recognized, and experience less diversity-related conflict. This seems to hold for both minority employees and majority employees, but the former appear to benefit most. Generally, a weaker diversity climate is associated with differences between majority and minority members in their perceived job recognition and diversity-related conflict, while a stronger diversity climate appears to close this gap to a certain degree.

Mediation by Organizational, Cultural, and Dual Identities

Findings regarding the hypotheses allow us to examine whether the effects of diversity climate on job-related outcomes are mediated by social identities,
as outlined in this paper’s introduction. In order to examine this, we conducted separate mediation analyses for each of the dependent variables: job satisfaction, perceived job recognition, and diversity-related conflict. Diversity climate was added as an independent variable.

First, the two components of dual identity (i.e., cultural identity, organizational identity) were entered as mediators in the model. Next, their interaction term was added, allowing us to test mediation effects of dual identity when controlling for the influence of its components. Regression weights are given for the direct effect of diversity climate on job-related outcomes \( (b) \), as well as the weight of the remaining direct effect when the mediators are added \( (b') \). Sobel’s \( Z \) values are given for significant mediation effects. All analyses were conducted separately for minority and majority members.

For minority employees, the effect of diversity climate on job satisfaction is fully mediated by organizational identity \( (b = .30, p < .001; b' = -.10, p = .091; Z = 8.40, p < .001) \). No significant mediation effect of cultural identity is found. Dual identity (when controlling for its components) provided only a marginally significant mediation \( (Z = 1.69, p = .092) \), suggesting that the positive effects of diversity climate are mostly a result of the increase in organizational identification. Concerning perceived job recognition, we found partial mediation by organizational identity \( (b = .56, p < .001; b' = .41, p < .001; Z = 4.10, p < .001) \), and no mediation by cultural identity or dual identity. The relationship between diversity climate and diversity-related conflict does not seem to have been mediated by social identities.

For majority employees, the effects of diversity climate on job satisfaction were again fully mediated by organizational identity \( (b = .23, p < .001; b' = -.01, ns; Z = 7.80, p < .001) \). No mediation was found by cultural identity or dual identity. A similar pattern was found for perceived job recognition: The effect of diversity climate was partially mediated by organizational identity \( (b = .32, p < .001; b' = -.21, p < .001; Z = 5.90, p < .001) \). Cultural identity and dual identity did not mediate this effect. We found no initial relation of diversity climate with diversity-related conflict for majority employees. Therefore, we cannot test for mediation on this outcome variable.

Our data provide strong evidence that the effects of diversity climate on job-related outcomes are mediated by social identities, which is consistent for both majority and minority employees. In particular, the effects on job satisfaction show full mediation. The positive effects of diversity climate do not seem to be mediated by dual identity, as was assumed. Instead, they are for a large part a result of the increase of one of its components: organizational identity.
Discussion

Diversity Climate and Social Identities

The main aim of the present study was to examine how diversity climate is related to the social identity patterns of majority and minority employees. We have shown that an organizational climate characterized by openness toward and appreciation of diversity is associated with a dual identity pattern for both majority and minority members. However, the road toward this dual identity is different, depending on cultural background.

Minority members who experience a strong diversity climate display dual identity mostly as a result of stronger organizational identity; whereas for majority members, this is a result of stronger cultural identity. Overall, diversity climate is associated with strong identification with both the organization and the cultural group for both majority and minority members. This, by itself, is a valuable finding, since this type of identification pattern may be the key to successful diversity management.

Through promotion of a strong diversity climate, all employees, regardless of cultural background, may identify with the organization, potentially reducing the negative effects of categorization along cultural barriers that are often reported (e.g., Tsui et al., 1992). Simultaneously, all employees are allowed to retain and display their cultural heritage on the work floor, thus opening up the possibility for the positive effects of diversity (e.g., increased creativity) that stem from the presence of different viewpoints and backgrounds (Milliken, Bartel, & Kurtzberg, 2003). Earlier research has implied that dual identity patterns are difficult to promote within a real-life organizational setting (Wenzel et al., 2007). Our results suggest that diversity climate may be the key to accomplishing this.

Through the present study, we have shown that diversity climate has no effect on minority members’ cultural identities; they identify with their cultural groups, regardless of climate. As diversity climate increases, minority members do display stronger organizational identity, suggesting that an open and appreciative climate increases the perceived sense of inclusion of this group. For majority members, the impact of climate on organizational identity is not as pronounced. Instead, they particularly start identifying more with their cultural groups as diversity climate increases. Although diversity climate has been linked to favorable identification patterns in diverse organizations (e.g., Luijters et al., 2008; Oerlemans, 2009), we are not aware of previous research that has systematically compared organizational and cultural identification of majority and minority employees in this type of field setting, and the way they are influenced by organizational climate.
We have argued that the observed effects of diversity climate on dual identification may be a result of reduced in-group projection by the majority group. As explained, in organizations characterized by a weak diversity climate, the psychological representation of the organizational identity may be such that majority employees are seen as most prototypical and, therefore, more entitled to the organization’s resources, power, and status (Mummendey & Otten, 2004). By viewing the organization as a majority-run group, minority employees are categorized as an out-group and, as such, are evaluated less positively (Wenzel et al., 2007).

We believe that, under the influence of diversity climate, the psychological representation of the organizational identity may change. When an organization is viewed as open toward and appreciative of diversity, majority members may be less likely to view themselves as prototypical employees (Mummendey & Wenzel, 1999). The psychological representation of the organization changes from a majority-run group to a complex, diverse entity in which all cultural groups are equally valued. Empirical studies have shown that the majority’s attitude toward inclusion of minorities is a strong predictor of minority members’ sense of acceptance (Tropp, Stout, Boatswain, Wright, & Pettigrew, 2006). Indeed, our findings show that in an organization with a strong diversity climate, majority and minority members are able to identify with the organization to the same degree.

Our theoretical argumentation is further supported by our finding that as diversity climate becomes stronger, majority members tend to identify more with their cultural groups. In an organization with a weak diversity climate, majority employees may not be consciously aware that the organizational identity is partly associated with the majority culture. The majority’s cultural identity does not seem relevant. As the organizational identity changes and becomes more complex and inclusive, majority members become more conscious of their unique cultural heritage, as compared to minority cultures present within the same work context. It is logical to assume that the majority group now views itself as just one of the subgroups within a complex, diverse organization (Wenzel et al., 2007). As a result, the psychological relevance of this subgroup identity may increase.

Although our results do point in this direction, we cannot establish for certain whether the effects found are a result of a reduction in in-group projection. Future research could be aimed at uncovering the exact mechanisms behind the effects on identity patterns that we have observed.

**Diversity Climate and Job-Related Outcomes**

We examined the influence of the aforementioned processes on several job-related outcomes. We assumed that dual identity would be particularly
beneficial for individual employees, since it means that they feel included within the organization, while still being allowed to retain and display their individual cultural heritage. As a result of our findings, these predictions must be slightly nuanced.

As hypothesized, we found that job-related outcomes were influenced in a positive way by diversity climate. Specifically, with respect to job satisfaction, it had an equally strong positive effect for all employees, regardless of cultural background. We have also shown that in organizations with weaker diversity climate, a gap exists between majority and minority members regarding perceived job recognition and diversity-related conflict (in favor of the majority group), which is exemplary for the division along cultural lines that is outlined in the introduction. The stronger the organization’s diversity climate, the smaller this gap becomes.

However, our assumption that these positive effects are a result of the emergence of dual identities was not fully confirmed. In fact, by examining the two components of dual identity, we have shown that the organizational identity by itself is mostly responsible for the increase in job-related outcomes, while the interaction with cultural identity seems to add little to employees’ well-being. In other words, the fact that both majority and minority employees identified more with the organization as a result of diversity climate for a large part explains their respective increase in job-related outcomes. Furthermore, we established that the effects of diversity climate on organizational identity are stronger for minority members than for majority members. This explains why the former benefit most from the increase in diversity climate, with regard to job-related outcomes.

The fact that our findings did not directly support the predicted positive effects of dual identity may be, in part, a result of our choice of outcome measures. Affective measures (e.g., job satisfaction, perceived job recognition) display a strong influence on organizational identity: As employees feel more committed to their employer, they report higher well-being in the workplace (O’Driscoll, 1987).

The other component of dual identity—identification with the cultural group—does not seem to affect these outcomes as strongly. Instead, the effects of strong cultural identity may be more pronounced on the productive outcomes of work teams. The open display of cultural heritage within a work team may increase creativity and innovation. Further research is needed to examine the effects of diversity climate on these types of productive outcomes, which may reveal a more prominent role of dual identity.

As explained, we did not find evidence for the individual-level effects of dual identity as a mediator between diversity climate and job-related outcomes. It may be possible, however, that on the team level, an interaction exists between the social identities of majority and minority members. For
example, it may be that the combination of strong organizational identity of minority members and strong cultural identity of majority members within the same work unit may promote minority members’ well-being. Unfortunately, these relations cannot be tested using the current dataset. Further research should be conducted to establish whether such crossover effects play a role in the influence of diversity climate on job-related outcomes.

We realize that our measures of organizational identification, diversity climate, and job-related outcomes are all based on self-report, which could interfere with our results (i.e., employees who are happy may identify more with the organization and may also rate their organization as being more open to diversity). However, the strength of the effects found, including the moderating role of cultural background, allows for confidence in the validity of our findings.

Obviously, no causal effect can be tested in cross-sectional studies. Mediation analyses assume causality in the predicted direction; however, this cannot be proven using this type of study. In order to establish the predicted causal effects assumed in this paper, it would be useful to conduct further research using real-life interventions aimed at changing an organization’s diversity climate, and examining their impact on social identification and job-related outcomes of majority and minority employees. This type of study could strengthen the theoretical argument that lies beneath the findings of the present research.

Through the present study, we have established that diversity climate may be beneficial for culturally diverse organizations. By creating an atmosphere in which both majority and minority members can identify with the organization while simultaneously displaying strong cultural identity, tensions between majority and minority groups may be reduced. The most important implication of our findings is that organizations aiming to manage cultural diversity in an effective way should focus on shaping their organizational climate toward openness and appreciation of diversity. Diversity should be part of the organization’s mission statement, which should be reflected in personnel selection, management development practices, and other interventions aimed at optimizing work processes, such as teambuilding in diverse groups.

Changing an organizational climate, however, is no sinecure, and it is likely to cause resistance. In particular, the majority group may feel threatened by the changes proposed, since they may lose some of their established power and status (Dovidio et al., 2008; Thomas & Plaut, 2008). Future research may be directed toward examining the perceived threats by majority group members toward diversity climate, and their effects on the success of this particular type of organizational change.
The present research shows that promotion of a strong diversity climate is more than worth the effort. It reduces barriers between cultural groups, which are so often associated with diversity in the workplace. When organizations display openness toward diversity and appreciate cultural differences between their employees, majority and minority employees identify more strongly with their employer. As a result, members of all cultural groups display equal levels of job satisfaction and recognition, and the prevalence of diversity-related conflict is reduced. In sum, promoting a strong diversity climate may be the key to successful diversity management.

References


