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# Racial dissimilarity and diversity climate effect on organizational identification

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## Abstract

**Purpose** – The purpose of this paper is to empirically examine the relationship between psychological diversity climate (PDC) and organizational identification (OID) when influenced by racial dissimilarity between the subordinate and supervisor.

**Design/methodology/approach** – Ordinary least squares hierarchical regression analysis was run for hypotheses testing.

**Findings** – Three of the four hypothesized relationships were supported. Support was found for the direct relationship between PDC and OID. The moderator race was significant thus also supported. The moderator of dissimilarity was not supported. Finally the three-way interaction with race and dissimilarity was supported.

**Practical implications** – OID is an important variable for overall organizational success. OID influences a wealth of organizationally relevant outcomes including turnover intentions. Considering higher turnover exists for minority employees, understanding how diversity climate perceptions vary by employee race and therefore impact OID differently, helps managers when making decisions about various initiatives.

**Originality/value** – This study is the first the authors know of to investigate the impact of dissimilarity on the PDC-OID relationship.

**Keywords** Organizational identification, Dissimilarity, Psychological diversity climate

**Paper type** Research paper

## Introduction

Over the last decade, a resurgence of diversity climate studies have occurred (McKay *et al.*, 2011; Avery *et al.*, 2007; Goyal and Sangya, 2013). This research has become more prevalent and important due to the continual increase of diversity in the workforce (Bureau of Labor, 2008). As organizations respond to changes through various initiatives, there remains a lack in understanding how these responses affect workers (Kidder *et al.*, 2004; Mor Barak *et al.*, 1998; Greeff, 2015). The management of diversity within organizations has, in large part, focused on the initiative of increasing representation of women and minorities to positions of power (Allen and Montgomery, 2001; Gonzalez, 2010). This initiative, however, can present unique challenges, as dissimilarity between supervisors and subordinates affects employee perceptions differently (Choi, 2013; Schaffer and Riordan, 2013). While mixed findings as to the impact of demographics remains, race receives the most support (Schaffer and Riordan, 2013).

Using both public and private organizations in the USA and Canada, we further explore the underdeveloped dimension of racial/ethnic diversity in the workplace.



Specifically, we examine the interaction between supervisor and subordinate dissimilarity and positive diversity climate perceptions, as they relate to organizational identification (OID). We find this relationship of particular interest, as the integration of the organization with a perception of the self-decreases negative behaviors impacting the organization, such as employee turnover (Stewart *et al.*, 2010), a growing issue for today's US businesses (Bureau of Labor Statistics Tenure Report, 2012; Meister, 2012).

The theoretical contribution of this empirical study is twofold. We are confirming previous findings that Psychological diversity climate (PDC) is positively related to OID (Cole and Cooper, 2014) and influenced via the motive of self-enhancement (Cooper and Thatcher, 2010). We are also continuing the discussion on demographic similarity in dyadic relationships and beneficial organizational outcomes (Schaffer and Riordan, 2013). On the practical side, we are contributing to manager's awareness and understanding of the importance of a positive diversity climate. We expand on this by addressing the role supervisors play in influencing perceptions of inclusion and subsequent employee identification (Loi *et al.*, 2014; Lam *et al.*, 2015).

### **PDCs relationship with OID**

In order to satisfy societal pressures regarding diversity, organizations have begun incorporating diversity into identity through policies and actions (Cole and Salimath, 2013; Bartkus and Glassman, 2008). Assessment of an organization's identity establishes what members believe to be important to the organization (Gatewood *et al.*, 1993; Nguyen and LeBlanc, 1998) and, thus, creates an internal climate. Climate is "the meaning people attach to, or make sense of, clusters of psychologically related events" (Schneider and Reichers, 1983, p. 21). Climate is a function of situational attributes with direct ties to individual experiences in the work environment (Gent *et al.*, 1979); thus, individuals' perception of the organization's identity as valuing diversity and their experience with actions that support this perception combine to create PDC (McKay *et al.*, 2007; Thomas and Wise, 1999). In other words, organizations that promote and signal the value of diversity through the policies and procedures they enact are more likely to be perceived by employees as supportive and fair and, thus, maintain a positive diversity climate (Herdman and McMillan-Capehart, 2010; Triana and Garcia, 2009). These perceptions subsequently influence organizationally relevant outcomes, such as identification (Cole and Cooper, 2014).

OID is defined as "a cognitive connection between a person and an organization" (Bhattacharya and Elsbach, 2002, p. 26). Social identity theory and more specifically the motive of self-enhancement, posits when an organization is perceived to be engaging in beneficial or positively desired activities; individuals are more likely to identify (Cooper and Thatcher, 2010; Hogg and Terry, 2000; Lam *et al.*, 2015). The psychological process of identification involves individuals incorporating aspects of a group's identity into their own identity for the purpose of defining the self (Ashforth *et al.*, 2008; Mael and Ashforth, 1992). Individuals identify with organizations perceived as having positive climates, those perceived as fair and just (DeConinck, 2011; Bartels *et al.*, 2007), to support the psychological need to maintain a positive perception of self (Cooper and Thatcher, 2010). Because belonging to an organization perceived to be fair and supportive of diversity is viewed as positive (McKay *et al.*, 2007; Thomas and Wise, 1999), individuals are more likely to identify with such organizations for the purpose of self-enhancement. Conversely, individuals who perceive a negative diversity climate will choose to distance themselves, thus, not identifying. Therefore:

*H1. PDC positively relates to OID.*

*The role of employee race/ethnicity*

Continuing with a SIT framework, in addition to being motivated to self-enhance, individuals also identify for the purpose of self-continuity. The motive of self-continuity argues that individuals try to stay true to themselves by identifying with groups that reinforce or are similar to existing perceptions of themselves. Classification into a minority group is hypothetically a component of self-identity (Ashforth and Mael, 1989). Members of a minority group choose to identify with others that share similar beliefs and characteristics, providing an opportunity for self-expression (Goldberg *et al.*, 2010). Organizations that are perceived as being more favorably disposed toward minorities (Highhouse *et al.*, 1999) and are identity conscious are potentially more attractive to minorities than non-minorities. Additionally, minority employees tend to be more cognizant of organizational signals, such as development and implementation of policies and practices pertaining to diversity (Avery *et al.*, 2007). Therefore, an organization's practices toward diversity are more closely aligned with the identity of minorities than non-minorities.

In sum, similar environments at work can affect OID differently depending on personal interpretations and organizational attributes (Gents *et al.*, 1979; Greeff, 2015). Organizations that value diversity and create perceptions of a positive climate provide an environment particularly attractive for minorities (Cox, 1994; Mor Barak *et al.*, 1998). Identities consistent with our own individual identity create perceptions of continuity (Hogg and Terry, 2000; Tajfel, 1969; George and Chattopadhyay, 2005). Fulfilling the motive of self-continuity is important to OID (Cooper and Thatcher, 2010). Perceptions of the organization's treatment of minorities will be more important to a minority employee than to individuals not targeted by the diversity actions (Mor Barak *et al.*, 1998). Therefore, employee race will influence the strength of the diversity climate – OID relationship:

- H2. Employee race will moderate the positive relationship between PDC and OID, such that when the employee is a minority, the relationship is stronger than when the employee is not a minority.

*Racial dissimilarity and the employee-supervisor relationship*

In addition to perceiving congruence between the organization's positive diversity climate and one's minority racial status, the member, and more specifically, the supervisor with whom the employee works, is anticipated to affect the strength of identification. While, there remains scant availability of racial dissimilarity subordinate-superior dyadic research (Schaffer and Riordan, 2013; Tsui and O'Reilly, 1989), there is evidence supporting same-race benefits (Avery *et al.*, 2008). Having racial similarity is important because it may increase communication, fosters trust, and creates the perception of additional support (Winfield and Rushing, 2005; DeConinck, 2011; Randel *et al.*, 2016; Loi *et al.*, 2014). Dissimilarity in supervisor-subordinate relationships creates perceptions of discrimination and exclusionary treatment (Schaffer and Riordan, 2013). Specifically, racial dissimilarity leads to perceptions of less support and lower relationship quality than in demographically similar dyads (Schaffer and Riordan, 2013; Kirby and Jackson, 1999; Tsui and O'Reilly, 1989). Therefore:

- H3. Demographic similarity will moderate the positive PDC and OID relationship, such that the above relationship is stronger when there is demographic similarity between the employee and supervisor than when they are dissimilar.

Lastly, while the above hypotheses describe the influence of subordinate race and demographic dissimilarity on the PDC-OID relationship in isolation, we move forward to discuss the combined effect. Racial and ethnic minority individuals perceiving

self-continuity/congruence with the organization strengthen the PDC-OID relationship. Further, racial similarity between subordinates and superiors will strengthen the relationship. This suggests more can be understood by looking at the holistic model, a three-way interaction between PDC, demographic dissimilarity, and subordinate race. Because individuals tend to identify with like others (Tajfel, 1969; Hogg and Terry, 2000; Cox, 1994), and similarity between the subordinate and the supervisor has been found to be significant in terms of positive attitudes and behaviors (Avery *et al.*, 2008; Tsui and O'Reilly, 1989; Kirby and Jackson, 1999; Winfield and Rushing, 2005), minorities are proposed to identify more strongly with their organization when the diversity climate is high, and the supervisor is also a member of a minority group. Following this argument, non-minorities will also show stronger identification when the supervisor is similar to themselves, thus a non-minority. Therefore, the race of the employee strengthens the PDC-OID relationship and, furthermore, is strongest when both the employee and the supervisor are of the same race:

*H4.* The interactive effect of PDC and demographic similarity on OID will be stronger for minority employees than non-minorities.

## Methodology

### *Sample and procedures*

The sample consisted of employees from three small- to medium-sized firms (i.e. under 500 employees) in the USA and Canada. The organizations were from the three different industries of healthcare, financial services, and information technology. An online survey was administered with the assistance of senior level managers in each organization and was distributed via each firm's intranet.

Of the 1,058 surveys distributed, 251 were returned and an additional 24 were removed, as they were incomplete, leaving 227 useable surveys included in the final sample for analysis. Our online response rate was acceptable at 21.5 percent (Dillman, 2007). The sample was comprised of 68 percent female and 31 percent male employees. The racial composition was somewhat biased with 80 percent being non-minority. The 20 percent minority race and/or ethnicity sample contained 5 percent Black or African American, < 1 percent American Indian or Alaskan Native, 3 percent Asian, 5 percent other, and 10 percent of Hispanic ethnicity. While one of the firms was Canadian based, only 6 percent of the total sample worked outside of the USA. Finally, 88 percent have been with their current employer over one year, and 66 percent have been with their same employer for over four years.

### *Measures*

*PDC.* PDC is the independent variable hypothesized to influence OID. In general the inclusive scale of PDC is a refined measure that incorporates aspects of previously used scales and has been repeatedly found to be reliable (Cronbach's  $\alpha = 0.91$ ) (McKay *et al.*, 2009, 2011). The scale consisted of four-Likert scale questions assessing the employee's perception of diversity climate within their organization of employment ( $\alpha = 0.932$ ). A sample item of the scale is, "My organization has open communication on diversity."

*OID.* A six-item Likert question scale, developed by Mael and Ashforth (1992), was used to operationalize OID in this study. The Mael (1988, 1989) and Ashforth (1985) scale is frequently used and found valid and reliable across contexts (Jones and Volpe, 2011 Cronbach's  $\alpha = 0.79$ ; Mael and Ashforth, 1992 Cronchach's  $\alpha = 0.87$ ). To date, it is arguably the most widely used scale for OID assessment (Bartels *et al.*, 2007;

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DeConinck, 2011; Jones and Volpe, 2011). A sample item of the scale is “When someone criticizes (organization), it feels like a personal insult.”

*Supervisor race/ethnicity.* A categorically coded variable assessing the race of the employee’s supervisor was used (1 = Non-Minority/White member, 0 = Minority member).

*Individual race/ethnicity.* Race/ethnicity were categorically coded (Non-Minority/White = 1, Minority = 0).

*Demographic dissimilarity.* Demographic Dissimilarity was a categorically coded variable measuring if the employee and supervisor where the same race/ethnicity (Dissimilar = 0, Similar = 1). This resulted in 56 cases of demographic dissimilarity between supervisor and subordinate.

*Controls.* Respondents’ gender, employment status, and job satisfaction were all controlled. Gender was a categorical coded variable with Male = 1, Female = 0. Employment status consisted of three categories (Part-time, Full-time hourly, and Full-time salary). Job satisfaction was measured using a condensed version of the Minnesota Satisfaction Questionnaire scale (Weiss *et al.*, 1967). Job satisfaction was controlled for as a potential confounding variable given that it has been repeatedly found to correlate with both the dependent variable OID (Oktug, 2013; Loi *et al.*, 2014) as well as the independent variable PDC (Knouse, 2009; Hicks-Clarke and Iles, 2000).

## Analysis and results

### *Hypotheses tests*

An exploratory factor analysis was run to determine appropriate loading of the predictor and criterion variables. As seen in Table I, the factor loadings were as expected and enabled us to move forward with additional analyses.

Table II provides descriptive statistics and bivariate correlations. Initial assessment of the correlations provides promise moving forward, as our independent variable PDC is correlated with OID. Ordinary least squares hierarchical regression analysis was run for hypotheses testing. Prior to analysis, the variables OID, PDC, and the control variable employment satisfaction were standardized by mean, centering the variables in an effort to help reduce any multicollinearity issues and potentially improve the interpretation of the analysis (Cronbach, 1987; Yi, 1989).

Table III reports the results of *H1-H4*. Whereas, Model 1 includes only controls, Model 2 tests *H1*, which predicts that PDC is positively related to OID. In line with

Item Code	Item	Factor	
		1	2
PDC_6	I trust (the Company) to treat me fairly	0.765	
PDC_7	(The Company) maintains a diversity-friendly work environment	0.835	
PDC_8	(The Company) respects the views of people like me	0.874	
PDC_9	Top leaders demonstrate a visible commitment to diversity	0.818	
OID_1	When someone criticizes (the Company), it feels like a personal insult		0.857
OID_2	I am very interested in what others think about (the Company)		0.796
OID_3	When I talk about this school, I usually say “we” rather than “they”		0.860
OID_4	(This Company’s) successes are my successes		0.802
OID_5	When someone praises (the Company), it feels like a personal compliment		0.853
OID_6	If a story in the media criticized (the Company), I would feel embarrassed		0.815

**Table I.**  
Exploratory factor  
analysis with rotated  
component matrix<sup>a</sup>

**Note:** <sup>a</sup>All values less than 0.4 were suppressed

	Mean	SD	1	2	3	4	5	6	7	8	9
1. Organizational identification	5.785	0.984	(0.919)								
2. Country of employment	1.06	0.258	-0.22**								
3. Job satisfaction	5.08	0.937	0.473**	-0.054							
4. Individual race/ethnicity	0.801	0.39	0.189**	0.118*	-0.082						
5. Demographic dissimilarity (DD)	0.753	0.432	0.01	0.097	-0.168	0.561**					
6. Psychological diversity climate (PDC)	0.00	1.161	0.525**	-0.084	0.465**	0.034	-0.04	(0.932)			
7. DD × Individual race/ethnicity	0.7	0.459	0.121*	0.118*	-0.106	0.76**	0.875**	0.02			
8. PDC × Individual race/ethnicity	0.015	0.988	0.342**	-0.102	0.469**	0.007	-0.002	0.851**	-0.00		
9. PDC × DD	-0.02	0.95	0.411**	-0.089	0.396**	0.071	-0.012	0.818**	0.057	0.848**	
10. PDC × RD × Individual race/ethnicity	0.012	0.891	0.357**	-0.103	0.397	0.01	0.01	0.768	0.01	0.90**	0.93**

Notes: <sup>a</sup> $n = 227$ . Scale reliabilities are on the diagonal in parentheses. \* $p < 0.05$ ; \*\* $p < 0.01$

**Table II.**  
Means, standard  
deviations,  
correlations, and  
scale reliabilities<sup>a</sup>

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**Table III.**  
Results of the  
standardized  
regression  
analysis for the  
moderated effects<sup>a</sup>

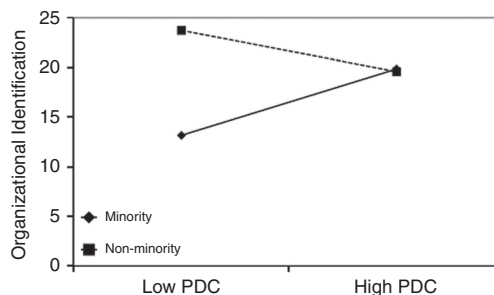
Dependent variable Independent variables	Organizational identification			
	Model 1	Model 2	Model 3	Model 4
(Constant)	6.595**	6.192**	0.6258**	6.239**
Country of employment	-0.762**	-0.778**	-0.830**	-0.822**
Job satisfaction	0.486**	0.327**	0.383**	0.385**
Individual race/ethnicity		0.628**	0.529*	0.547*
Demographic distance (DD)		-0.111	-0.028	-0.194
Psychological diversity climate (PDC)		0.298**	0.582**	0.682**
DD × Individual race/ethnicity			0.024	0.182
PDC × Individual race/ethnicity			-0.555**	-0.804**
PDC × DD			0.148	-0.255
PDC × DD × Individual race/ethnicity				0.584*
<i>R</i> <sup>2</sup>	0.264	0.427	0.491	0.508
<i>F</i>	40.25**	32.88**	26.34**	24.85**
df	226	226	226	226

**Notes:** *n* = 227. <sup>a</sup>Unstandardized *B* Coefficients are presented. \**p* < 0.05; \*\**p* < 0.01

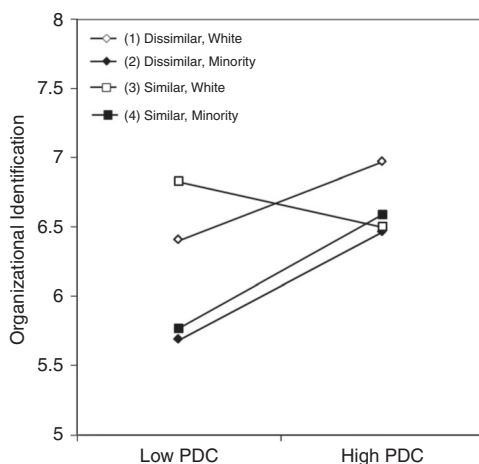
extant work (Hogg and Terry, 2000), our results indicate that PDC is positively related to OID ( $\beta = 0.298$ ;  $p < 0.001$ ), providing support for *H1*.

Model 3 tests *H2* and *H3*, the moderating effects of employee race/ethnicity and demographic dissimilarity, respectively. We find that *H2* is supported as the interaction effect between employee race/ethnicity, and PDC is significant ( $\beta = -0.555$ ;  $p < 0.001$ ). As stated in the hypothesis, a stronger positive relationship between PDC and OID was found for minority employees. Furthermore, analysis suggests a negative impact on the PDC and OID relationship for non-minorities. The interaction is depicted in Figure 1, where a visible positive increase in OID occurs for minorities when PDC moves from low to high and a visible decrease in OID occurs for non-minorities when PDC moves from low to high. *H3*, which predicted the interaction effect of demographic similarity with PDC on OID, was not supported and, therefore, alone does not influence the PDC-OID relationship.

Finally, Model 4 examines the three-way interaction of PDC, demographic distance, and employee race on organizational identity. Results indicate that the three-way interaction is significant ( $\beta = 0.584$ ;  $p < 0.05$ ) providing support for *H4*; however, to provide a better understanding of the moderating effects associated with this hypothesis, the interactions are plotted in Figure 2. It should be noted that Figure 2 provides depictions of the four combinations assessed: (1) minority subordinates with a similar (minority) supervisor; (2) minority subordinates with a dissimilar (non-minority) supervisor; (3) non-minority subordinates with a similar (non-minority) supervisor; and

**Figure 1.**  
Graphical  
representation  
of two-way  
interaction effects





**Figure 2.**  
Graphical  
representation of  
three-way interaction  
effects

(4) non-minority subordinates with a dissimilar (minority) supervisor. Furthermore, although the relationship is visually stronger for minorities in general than non-minorities, a slope difference test was calculated to assess statistical significance in differences (Dawson and Richter, 2006; Dawson, 2014). The results of the slope difference tests indicated a significant difference in the slopes for the lines representing non-minority employees with similar (non-minority) supervisors and minority employees with similar (minority) supervisors ( $t = 5.551, p < 0.01$ ), further supporting *H4*. A significant slope difference for non-minority employees with dissimilar (minority) supervisors and minority employees with dissimilar (non-minority) supervisors was not found.

## Discussion

The results of this study reveal a significant relationship between PDC and OID, strengthening support for this new vein of research (Cole and Cooper, 2014) and the motive of self-enhancement (Cooper and Thatcher, 2010). Our study differs from previous studies that evaluate the organizational environment or community for demographic heterogeneity (Singh and Selvarajan, 2013) and instead, we use diversity climate as the main indicator of diversity perceptions within the organization. Using this approach, it is evident that programs directed at increasing diversity and equality are perceived as positive and thus attractive to many employees. Given this, and increased organizational engagement in such activities (Zanoni *et al.*, 2010; Thomas and Wise, 1999), we explore how employees may differ in their perceptions of the organization's diversity climate, thus, discussion of boundary conditions examined follows.

Consistent with prior intergroup theory research on minority identification (Friedman and Davidson, 2001; Stewart and Garcia-Prieto, 2008), we found support for significant moderating effect of race/ethnic employees on OID. As proposed, the positive relationship between PDC and OID was strengthened more for minority employees than non-minorities. As members of a historically discriminated group, the perception of support via a fair system and distribution of resources is particularly important for the minority group (Buttner and Lowe, 2010; Valpone *et al.*, 2012). A study by Avery *et al.* (2007) suggests minority employees tend to be more cognizant of organizational signals, such as policies and practices, pertaining to diversity. Our findings further support this notion, suggesting minorities are more attune and

perceive greater congruence with the organization based on diversity climate perceptions than non-minorities.

Our hypothesis addressing the interaction of racial dissimilarity on the PDC-OID relationship was not supported. This outcome was somewhat surprising due to our theoretical understanding of the influence of relational demography. It may be the case that dissimilarity in dyadic relationships matters more so to certain groups of employees (Schaffer and Riordan, 2013). Prior inconsistencies of findings propose the emergence of race as a primary factor, thus providing the need for deeper examination of dissimilarity and employees (Schaffer and Riordan, 2013; Choi, 2013). In other words, the effect of racial dissimilarity is salient according to the condition of employees' race and employers' race.

Looking at demographic dissimilarity in conjunction with subordinate race, especially given our non-significant findings relating to the demographic dissimilarity hypothesis proved fruitful. Racial groups are believed to differ in their perceptions of dissimilar superiors (Tsui and O'Reilly III, 1989; Choi, 2013; Schaffer and Riordan, 2013). Consistent with previous findings, our study supports that racial differences influence OID for minority and non-minorities subordinates with similar and dissimilar supervisors. Specifically, there is a positive influence on OID for minorities regardless of the supervisor race when PDC is high. The same result was not found for non-minority subordinates, where a positive relationship with OID was found for dissimilar superiors, and a negative relationship OID was found for similar supervisors.

While the findings for non-minority subordinates are at first surprising, as we have drawn from theories supporting individuals' desires to be with like others (Tajfel, 1982; Ashforth *et al.*, 2008), the findings of dissimilarity in the dyadic relationship of a non-minority subordinate and minority supervisor actually make sense in the context of diversity climate. Supervisors are seen as agents of the organization (Avery *et al.*, 2007; Loi *et al.*, 2014). Therefore, non-minorities may perceive minority supervisors as reinforcement of the organization's fulfillment of creating a positive diversity climate. At surface level, the representation of minorities at supervisory levels within the organization is seen as congruent with espoused values.

### *Implications*

With the increase in mergers (Cox, 1991), job hopping (Meister, 2012), and minority turnover (Hom *et al.*, 2008), OID is on the decline. Identification with an organization aligns individuals' interests with the organization's as well as providing a sense of belonging or oneness (Ashforth and Mael, 1989; Jones and Volpe, 2011; Ashforth *et al.*, 2008). When employees identify, they tend to display behavior that is beneficial to the organization (Dutton *et al.*, 1994). For example, individuals' identification with their organizations has been linked to job involvement, loyalty, and organizational effectiveness (Riketta, 2005; Ashforth and Mael, 1989).

The need to increase OID is then coupled with increasing forces requiring adoption of a more diverse and inclusive organizational environment (Gonzalez, 2010). Researchers have posited the rhetoric of "diversity" by organizations is trying to put a positive spin on, or mask, underlying power issues in organizations (Zanoni *et al.*, 2010). Therefore, diversity initiatives in and of themselves tend to elicit varied sentiments among employees (Schaffer and Riordan, 2013). It is important, therefore, that managers recognize the variation of diversity climate perceptions among both minorities and non-minorities and introduce training/education programs to minimize even subtle discrimination, exclusion, and perceived unjust power inequity between supervisors and subordinates within their organizations (Al Ariss *et al.*, 2014). Studies find a supportive diversity climate can

compensate for a lack of diversity in community, particularly for minority employees (Choi and Rainey, 2014; Pugh *et al.*, 2008), and it is equally important for organizations to avoid propagating the invisible normativity of whiteness by sending messages that non-minority employees also matter (Al Ariss *et al.*, 2014).

Improvement of diversity climate through diversity/inclusion programs can help strengthen OID among all employees leading to positive organizational outcomes (Randel *et al.*, 2016). Understanding the implications of these perceptions for minority workers is particularly relevant as studies find a 30 percent higher turnover rate for minorities than Whites (Bureau of Labor Statistics, 2008; Hom *et al.*, 2008). African Americans in particular have been found to be more likely than other racial groups to identify with their organization when diversity climate is positive (Gonzales and DeNisi's, 2009). Minorities in general view diversity in organizations as contributing to satisfaction (Choi, 2013) and perceptions of leader inclusiveness (Randel *et al.*, 2016), thus a more targeted approach with mentoring and/or explicit recognition may be appropriate.

### Limitations and conclusion

While we believe that our study is well developed, like all studies, it is not without limitations providing potential for future research. The first limitation is the potential for common method bias. While we attempted to minimize this threat by utilizing psychological separation techniques between the predictor and criterion variables (Podsakoff *et al.*, 2003) in the form of cognitive questions unrelated to the study at hand, this does not eliminate the threat, as each survey was self-reported.

The second limitation is the selection and variation in organizations. Again, while we find the control for organization to be insignificant and believe the variety helps this study to be more generalizable, it is worth noting that each organization varied in industry and size. Future studies could focus on specific industries and compare findings to increase generalizability or specific diversity management programs.

Our final limitation is the potential for selection bias with only a 21 percent response rate and socio-demographic information of non-respondents unknown. Partially completed surveys were evaluated to ensure no significant difference was found. Overall the ratio of those employees not completing the survey was in-line with overall numbers used for analysis with: 19 White (79 percent), 1 Asian, and 4 Hispanic employees (21 percent minority race/ethnicity). Future studies should gather the demographics of each organization to use in ascertaining respondent and non-respondent similarity.

The results of this study illustrate that perceptions of a positive PDC can increase OID for employees. Additionally, we identify how the role of racial differences in the supervisor-subordinate dyad can increase OID. Consistent with previous research (Jauhari and Singh, 2013), our findings support the importance of active diversity management and perceived organizational support (Byrne *et al.*, 2011). We hope we are directing managers' attention to the importance of diversity policy and implementation efforts and its impact on employees.

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