Organizational Diversity Climate: Review of Models and Measurement

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ABSTRACT

As organizational climate represents the culture of an organization, similarly diversity climate represents the 'culture' of diversity and inclusion of an organization. Every best practice in diversity management and diversity initiatives and programs are essentially implemented in order to improve the overall organizational diversity climate. Various models exist in literature which illustrates how diversity climate of a company impacts various employee and organizational measures. Over the years, several measurement scales have been developed in order to capture the true picture of an organization's diversity climate. An attempt has been made in this paper to capture some of these models as well as measurement scales.

Keywords

discrimination, diversity climate, diversity management, inclusion, organizational culture.

1. INTRODUCTION: WHAT IS DIVERSITY CLIMATE?

As organizational climate represents the culture of an organization, similarly diversity climate represents the 'culture' of diversity and inclusion of an organization.

Hyde and Hopkins (2004) define diversity climate as degree of member heterogeneity. According to Chin (2009), "an organization's diversity climate reflects shared employee perceptions regarding the predicted consequences of various forms of workplace harassment and discrimination. In other words, a positive organizational diversity climate will be intolerant of workplace harassment and discrimination, whereas a negative diversity climate will convey to employees that harassment and discrimination are tolerated by the organization." Hurtado et al. (1999) explain the diversity climate comprises of psychological climate (perceptions, attitudes, and beliefs about diversity) and behavioural climate (how different racial and ethnic groups interact in a particular setting).

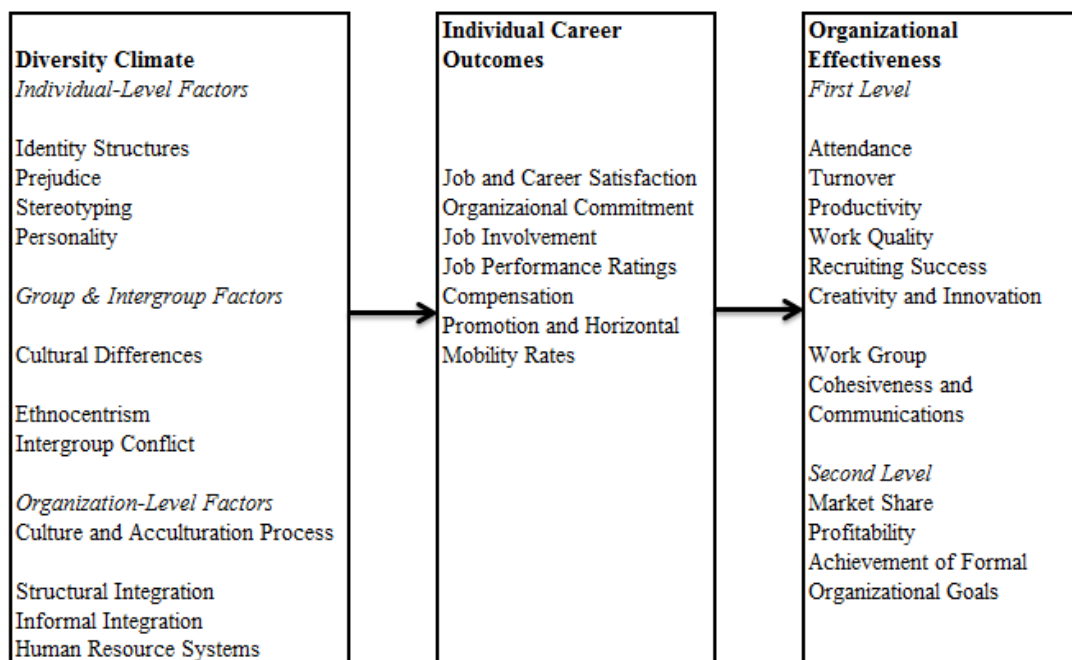## 2. CHARACTERISTICS OF DIVERSITY CLIMATE

Garcia and Hoelscher (2010) reviewed the literature and found that four divergent themes are widely acknowledged when defining diversity climate. These include:

- Perception of degree of between-group conflict and acceptance of others,
- Level of institutional commitment to diversity (e.g., promotion of personal and emotional safety, promotion of increased demographic representation of individuals from minority populations),
- Fairness (e.g., acculturation processes, lack of institutional bias), and
- A generalized atmosphere of respect (e.g., personal attitudes and reduction of prejudices).

3. MODELS FOR ORGANIZATIONAL DIVERSITY CLIMATE

The Interactional Model of Cultural Diversity (IMCD), developed by Cox (1993) is depicted in Fig1. The framework suggests that a variety of phenomena related to differences in the group identities of workers combine to create potent effects on their career experiences, and that diversity also has direct effects on certain performance measures or work outcomes (Cox and Beale, 1997).

Diversity Climate	Individual Career Outcomes	Organizational Effectiveness
Individual-Level Factors		*First Level*
Identity Structures	Job and Career Satisfaction	Attendance
Prejudice	Organizaional Commitment	Turnover
Stereotyping	Job Involvement	Productivity
Personality	Job Performance Ratings	Work Quality
	Compensation	Recruiting Success
Group & Intergroup Factors	Promotion and Horizontal	Creativity and Innovation
	Mobility Rates	
Cultural Differences		Work Group
		Cohesiveness and
Ethnocentrism		Communications
Intergroup Conflict		
		Second Level
Organization-Level Factors		Market Share
Culture and Acculturation Process		Profitability
		Achievement of Formal
Structural Integration		Organizational Goals
Informal Integration		
Human Resource Systems		

Source: Cox, T. (1993). Cultural Diversity in Organizations: Theory, Research & Practice. San Francisco, California: Berrett-Koehler

Fig1: Interactional Model of Diversity Climate

Specifically, the model in Fig1 suggests that four individual-level factors, three intergroup factors, and four organizational-context factors collectively define the diversity climate of an organization.

The diversity climate may in turn influence individual career experiences and outcomes in organizations in two ways. First, the climate can affect how people feel about their work and their employer. Thus, in many organizations, employee morale and satisfaction are related to identity groups such as gender, racio-ethnicity, and so on. Second, the actual achievement of individuals as measured by such things as job performance ratings may be related to group identities in some organizations. These individual outcomes, in turn, have an impact on a series of first-order organizational-effectiveness measures such as work quality, productivity, absenteeism, and turnover. For profit-making organizations, these first-order measures ultimately translate into second-order results such as profitability and market share. In non-profit organizations, individual contribution is still crucial in determining the extent to which organizational goals will be achieved (Cox and Beale, 1997).

In addition to these indirect effects of the diversity climate, certain aspects of the diversity climate are thought to directly affect organizational performance. Specifically, the amount of diversity in both the formal and informal structures of organizations will affect factors such as creativity, problem solving, and intra-organizational communication.

Source: Bell, M.P. (2011). Diversity in Organizations. Florence, KY: Cengage Learning

Fig2: Adapted Interactional Model of the Impact of Diversity on Individual and Organizational Outcomes

Adapted Interactional Model: Bell (2011) proposed an adapted and broader version of Cox's Interactional Model of Diversity Climate (Fig2) in which additional areas have been included in the diversity climate, individual outcomes, and organizational effectiveness.

Key Components of Diversity Climate: Hubbard (2012) has also adapted some elements from Cox's Diversity Climate Model and lists components of work climate that determine an organization's capacity to welcome and use workforce diversity as a resource for better performance (Table1).

Table1. Key Components of Diversity Climate

Individual-Level Measures	Definition
1. Amount of identity-group prejudice	Predisposition to dislike or have a negative attitude toward someone
2. Amount of stereotyping	Assuming that individuals have limited abilities or negative traits based on membership in a group
3. Amount of ethnocentrism	Preference for members of one's own "in-group"
4. Diversity-relevant personality traits	Examples: tolerance for ambiguity; authoritarian personality
Work Group-Level Measures	**Definition**
1. Level of intergroup conflict	Conflict that is explicitly related to sociocultural group differences
2. Group identity strength	The extent to which a person feels a strong bond with his or her group

3.	Quality of intergroup communication	Frequency and effectiveness of communication across groups
4.	Diverse work team productivity	Amount or rate of increased output produced versus traditional team output
5.	Diverse work team innovation	Amount or rate of increased new product or process output produced versus traditional team product or process output
6.	Cultural Differences and similarities	Amount of cultural distance versus overlap between cultured of groups
Organization-Level Measures		**Definition**
1.	Identity profile of workforce	Demographics of key differences in a defined work group or organization
2.	Mode of acculturation	Method of handling cultural differences (assimilation vs. pluralism)
3.	Content of organization culture	Key norms, values, beliefs
4.	Power distribution among groups	Extent to which people of different identity groups have authority or power
5.	People management practices and policies	Recruiting, promotions, compensation, physical work environment, member development, work schedules
6.	Openness of informal networks	Extent to which people of all identity groups have access to social and communication networks
7.	Adaptability to change	Rate of absorption and integration of new environmental demands and content from internal and external sources

Even though all items are important, it is not necessary to include all of these items in order to have a usable diagnosis of the organization's climate or culture. In selecting items to include, one criterion is ease of measurement. Capturing some items, such as identity profile of workforce and power distribution among groups, is straightforward; however, others, such as content of organization culture and openness of informal networks, are much more complicated (Hubbard, 2012).

Hicks-Clarke and Iles (2000) studied diversity climates within the retail industry and the UK national health service (NHS) and the factors of diversity climate which have an impact on managerial career and organizational attitudes and perceptions, showing the impact of climate perceptions on individual career and organizational attitudes and perceptions, such as commitment, job satisfaction, satisfaction with supervisor, career commitment, career satisfaction, and career future satisfaction. All of these relate to individual and organizational performance. Fig3 shows the model created for PCFD (positive climate for diversity).
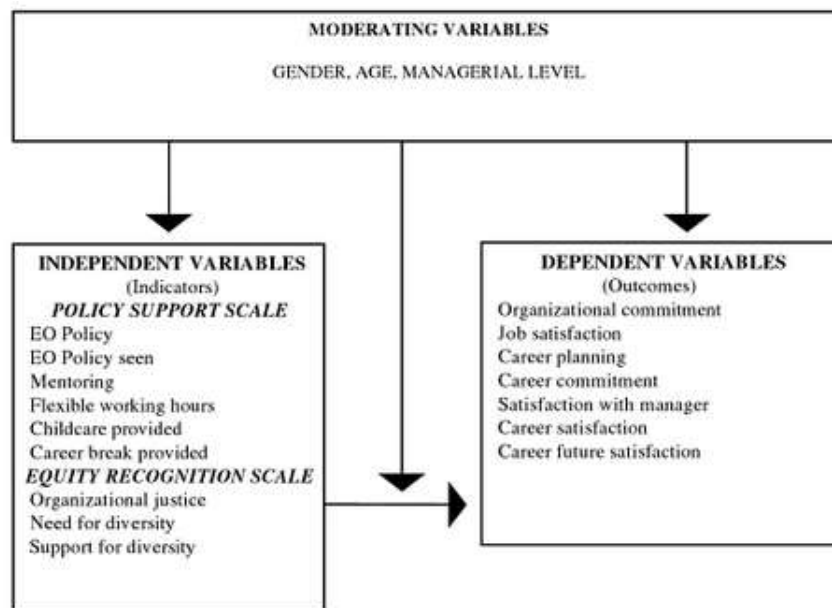
Source: Hicks-Clarke, D., and Iles P. (2000). Climate for diversity and its effects on career and organisational attitudes and perceptions. Personnel Review, 29(3), 324 – 345

Fig3: Positive Climate for Diversity (PCFD)

Yeo (2006) in her dissertation 'Measuring Organizational Climate for Diversity: A Construct Validation Approach' proposed a model of organizational climate for diversity (Fig4). As depicted in Fig4, the overall model presented is that the construct of organizational climate for diversity is posited to affect a variety of individual-level outcomes. Additionally, another construct – respondents' attitudes about diversity – is suggested to moderate the relationship between perceptions of organizational climate for diversity and the outcomes.
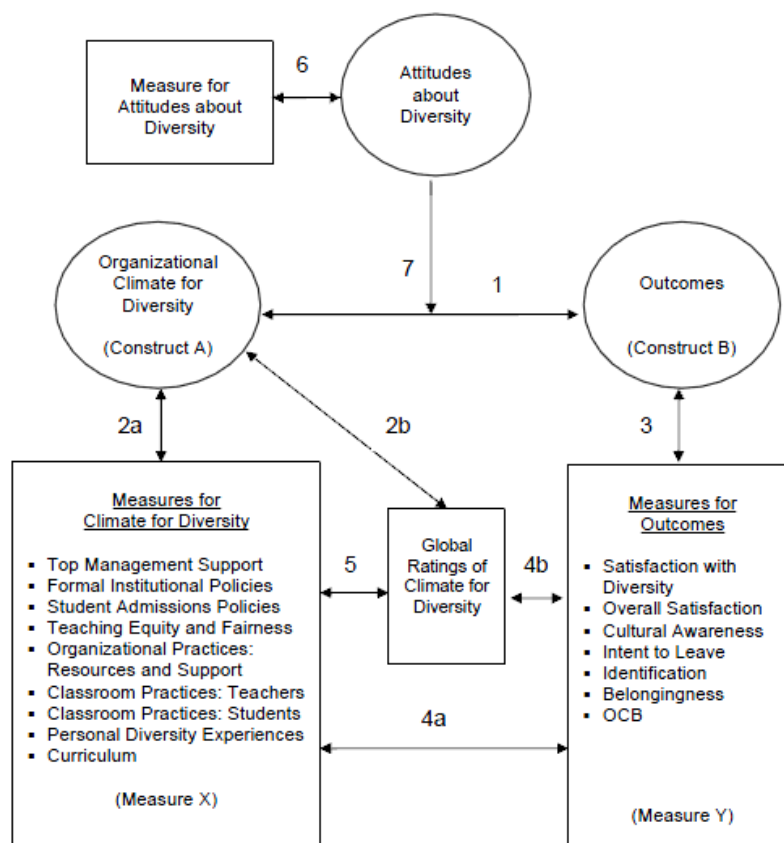
Source: Yeo, S. (2006). Measuring organizational climate for diversity: a construct validation approach. Dissertation. Graduate School of The Ohio State University

Fig4: Model of organizational climate for diversity, attitudes about diversity, and various outcomes placed within theoretical representation of nomological network (relations 1 to 4) with additional study relations (5 to 7)

4. MEASURING THE ORGANIZATIONAL DIVERSITY CLIMATE

Diversity Climate scale was developed by Kossek and Zonia (1993) which contains 20 items for 4 factors. It measures value efforts to promote diversity, attitudes towards qualifications of racio-ethnic minorities, attitudes toward women's qualifications, department support for women, and department support for racio-ethnic minorities.

Hegarty and Dalton (1995) developed **Organizational Diversity Inventory** (ODI) which contains 20 items for 5 factors. The five factors are (a) Existence of Discrimination, (b) Discrimination Against Specific Groups, (c) Managing Diversity, (d) Actions Regarding Minorities, and (e) Attitudes Toward Religion

Attitudes Toward Diversity Scale (ATDS) of Montei et al. (1996) comprises 30 items and focuses on co-workers, supervisors, hiring and promotion decisions.

Another instrument, the **Diversity Perception Scale** developed by Mor Barak et al. (1998), focuses on perceptions assuming that behaviour is driven by perceptions of reality. It focuses on personal and organizational dimensions in a diversity climate and it is convenient for determining the overall diversity environment. It contains 16 items measuring 4 factors.

Hicks-Clarke and Iles (2000) developed a **Positive Climate for Diversity Scale** which

includes questions on Policy Support (yes/no existence of diversity practices and policies) (6 items). Equity recognition comprised three scales: (a) Organizational Justice (8 items), (b) Support for Diversity (5 items), and (c) Recognition for Diversity (5 items) taken from Kossek and Zonia (1993).

Diversity Climate Survey was developed by Robert Bean and Caroline Dillon in 2000 (Bean et al., 2001). This instrument includes 15 profile questions and 15 statements, with a 5-point Likert scale. Using three dimensions (individual, group and organizational), each with five items, information on how differences are perceived, how differences affect the work of individuals and teams, and how effectively diversity is managed is gathered. The instrument can identify affective and achievement outcomes.

McKay et al. (2008) developed a 4 item **Diversity Climate Scale**. Scale items include "I trust [the Company] to treat me fairly," "[The Company] maintains a diversity friendly work environment," "[The Company] respects the views of people like me," and "Top leaders demonstrate a visible commitment to diversity." These items reflect the equal and fair treatment, top leader support for diversity, and recognition of diverse perspectives facets of diversity climate.

5. CONCLUSION

An organization's diversity climate is a barometer to assess where it stands in terms of creating a prejudice and discrimination free environment. All the diversity initiatives and trainings are essentially aimed at improving the organizational diversity climate. Companies need to recognize how their diversity climate impacts various individual and organizational measures. They should also assess diversity climate regular which will help them to get the employee pulse. This in turn can reveal the areas which need to be improved upon in order to create a healthy and happy working environment for all the categories of employees.

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