Diversity climate impact on employee of color outcomes: does justice matter?

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Abstract

Purpose – The purposes of this paper are three-fold: first, to examine the effect of diversity climate on professional employee of color outcomes, organizational commitment and turnover intentions; second, to investigate the moderating and mediating roles of interactional and procedural justice on the relationships between diversity climate and the outcomes; and third, to explore the interactive effect of racial awareness and diversity climate on reported psychological contract violation.

Design/methodology/approach – The authors conducted a survey of 182 professionals of color. Correlation, factor analysis, and regression were employed to test the hypotheses.

Findings – Results indicate that diversity climate affects organizational commitment and turnover intentions. Interactional and procedural justice played mediating roles between diversity climate and employee outcomes. Moderated mediation analysis indicated that for turnover intentions, there was moderated mediation under both low and high procedural justice conditions. When a diversity climate was perceived to be fair, racially aware respondents reported lower levels of psychological contract violation.

Research limitations/implications – Professionals of color from one US industry completed the survey, so conclusions about generalizability should be drawn with caution. Data were cross-sectional and single-source. However, the findings were consistent with past research, lending credibility to the results.

Originality/value – Recent research on workforce diversity has highlighted the importance of effectively managing all organizational members. The paper shows that the diversity climate and organizational justice impact employee of color outcomes. Thus, for managers, creating and maintaining a positive, fair diversity climate will be important for attracting and retaining high-quality professionals of color in US organizations.

Keyword(s):
Equal opportunities; Social justice; Employees; Ethnic groups; Employee turnover; United States of America.

Article

The US populace, where 38 percent will be minority Americans by 2025 (United States Census Bureau, 2002), is becoming increasingly ethnically diverse. Enhanced organizational emphasis on effective management of all employees, including women and employees of color is being driven by evidence of diverse work force benefits as well as the costs of not managing the complexities of diversity (Wooten, 2008). Knowledge-based organizations of all types, including institutions of higher learning continue to accelerate spending for minority recruitment. Many of these organizations espouse a positive diversity climate as evidenced by the plethora of diversity-related information on their websites and the increasing number of Chief Diversity Officer positions reporting directly to the president or CEO. Organizations also are allocating time and resources to develop
diversity mission statements, strategies, managerial competencies, and behavioral and tangible measures. Yet little is known about how diversity strategic management, espoused or enacted, contributes to building a climate that is effective at attracting and retaining minority employees (Chavez and Weisinger, 2008). This research explores one missing link between diversity management, specifically the diversity climate, and important employee outcomes.

Diversity climate is defined as “employee behaviors and attitudes that are grounded in perceptions of the organizational context related to women and minorities” (Mor Barak et al., 1998, p. 83). Cox (1994) describes the context of diversity climate in terms of three levels:

1. individual;
2. inter-group; and
3. organizational factors.

Of particular interest in this study are the individual and organizational factors. Individual level factors include identity structures, comprised of both physical identity such as race and sex and social and cultural identity, which consist of world views, espoused norms, values and goal priorities. At the organizational level, structural and informal integration dimensions of the diversity climate include the overall employment profile of various groups and participation in the power structure of the organization (Cox, 1994). In a recent study, organizational leader recognition of diversity cultural change, as well as more specific diversity policies including recruitment of employees of color and provision of performance-related feedback, predicted minority employment levels (Buttner et al., 2009). Cox's model of the diversity climate recognizes the interplay between the individual and the organizational situation in which that individual is embedded.

While diversity climate may matter for all employees, diversity climate may be particularly salient for the expectations and career experiences of employees of color. Yet little is known about the mechanisms by which employee diversity climate expectations impact employee of color attitudes toward the organization. In this study we seek to explore whether the diversity climate influences two organizational effectiveness dimensions of concern to organizational leaders: organizational commitment and turnover intentions. For purposes of this study and consistent with prior research (Buttner et al., 2010), we are defining employees of color to be US-born professionals of color, including African Americans, Hispanics, Asians and Native Americans.

One aspect of human resource management involves administering the relationship between the organization and its employees. This relationship has been characterized as one of social exchange in which the organization's commitment to its employees is demonstrated by its care and concern, and in return, the employees are expected to reciprocate by engaging in behaviors that benefit the organization (Blau, 1964; Lo and Aryee, 2003). Social exchange theory predicts that social exchange relationships influence employee outcomes including organizational commitment, and turnover intentions (Tekleab et al., 2005). The psychological contract operationalizes the expected (anticipated) social exchange relationships between employees and their organizations. Rousseau (1989) and Morrison and Robinson (1997) define a psychological contract as the employee's belief about obligations or perceived promises between the employee and his/her employing organization (rather than between the employee and organizational agents).

Fulfillment of the psychological contract on the part of the employer may include employer obligations and commitments to provide a fair diversity climate for employees of color (McKay and Avery, 2005). McKay et al. (2008) report that diversity climate affected the (sales) performance of employees from underrepresented groups in a large retail organization. Importantly, with respect to the present study, they differentiate between diversity climate and organizational justice. Diversity climate, they posit, is the extent to which a firm espouses fair human resource policies, such as hiring, evaluation and promotion using objective, nonbiased criteria, and socially integrates employees from under-represented groups. Organizational justice, on the other hand, pertains to the general fairness of organizational policies, practices, and reward and evaluation systems (procedural justice) and to the interpersonal treatment of others (interactional justice). So justice, they argue, pertains to
only the fairness aspects of diversity climate without attention to structural and integrative dimensions. Whether perceptions of the diversity climate will work synergistically with other organizational processes, such as those that ensure more global aspects of justice, to enhance or attenuate minority employee outcomes is unknown. In sum, while McKay et al. (2008) posit that diversity climate and justice issues are related, research to determine whether justice moderates or mediates the relationship between diversity climate and employee outcomes is limited. The purpose of this study is to explore the relationship of diversity climate and organizational justice with attitudinal and behavioral outcomes. We also seek to identify the nature of the psychological contract held by professionals in underrepresented groups with respect to their expectations of and experiences with the diversity climate in their organizations. We incorporate the possible interplay of diversity climate and more globally focused justice behaviors in the development of our hypotheses. A representative review of the relevant literature and derivative hypotheses, as depicted in Figure 1, follow next.

Hypotheses

Perceived (un)fairness in organizational diversity climate and employee of color outcomes

Several studies have demonstrated that members from under-represented groups are sensitive to diversity-related dimensions of their organization's climate. Thomas and Wise (1999) and Mor Barak et al. (1998) found that racial/ethnic minority group members were more sensitive to the organizational diversity climate than were Caucasian men. Chrobot-Mason (2003) found that minority participants perceived a dimension of the diversity climate, that of diversity promises (including the consideration of minority perspectives) to be distinct from general organizational promises. While employees of color valued diversity promises as highly as general organizational promises such as career development, they reported that, in their experience, diversity promises were less likely to be met, leading to negative employment outcomes including lower organizational commitment, job satisfaction and higher levels of cynicism.

Other scholars have adopted a broader perspective by exploring the more general relationship between psychological contract breaches and employees' turnover intentions (Lo and Aryee, 2003; Robinson and Morrison, 2000; Tekleab et al., 2005). For example, Lemire and Rouillard (2005), Suazo (2009), and Turnley and Feldman (2000) reported that psychological contract violations were associated with employee outcomes, including organizational commitment and turnover. We extend these studies by examining the effect of diversity climate perceptions of employees of color on organizational commitment and turnover intentions. Based on the research cited above we hypothesize that perceived fairness in the diversity climate will be associated with positive outcomes for employees of color:

H1. Perceptions of a fair diversity climate will be related to employee of color outcomes. Specifically, when the diversity climate is perceived as fair, employees of color will have higher organizational commitment and lower turnover intentions.

Organizational justice and perceptions of organizational fairness

Turnley and Feldman (1999) propose that employees form psychological contracts based on two factors:

1. their interactions with organizational agent(s); and
2. their perceptions of the organization's climate.

For example, organizational agents who convey impressions about the importance of diversity in the company's mission statements may lead applicants of color to have certain expectations about the sophistication of diversity strategies and organizational climate. If these expectations are unmet, the incongruence may lead to perceptions of a psychological contract violation. These violations may traverse several dimensions of injustice, including disrespectful behavior by organizational agents (Bies and Moag, 1986) and unfair procedures (Rousseau, 1989). Perceived violations can lead to negative employee emotional reactions, attitudes and behaviors including decreased loyalty to the employing organization and higher levels of turnover (Robinson and Rousseau, 1994; Turnley and Feldman, 1999). We turn now to each of these dimensions of organizational justice.
Bies and Moag (1986) described interactional justice as perceptions of fairness, such as demonstration of respect and dignity toward the subordinate by the employee's supervisor. Several studies suggest that interactional justice moderates diversity climate perceptions and employee outcomes. Roberson and Stevens (2006) analyzed accounts of diversity incidents described by employees in a large organization. They examined incidents involving treatment by management, work relationships, respect between groups and diversity climates. They found that treatment by management, in effect interactional justice, was a dominant theme in the incident descriptions. In their review of the justice literature, Turnley and Feldman (1999) proposed that individuals’ response to unfavorable organizational actions will be less severe when the aggrieved individuals perceive interactional justice. Kickul (2001) found that negative affect was high following a contract breach when interactional injustice was high. Similarly, Kickul et al. (2001) found that anti-citizenship behavior was higher after a breach when both interactional and procedural justice were low. Kickul et al. (2002) found that interactional injustice interacted with intrinsic contract breach to predict lower citizenship and job satisfaction and higher turnover intentions. In a study of knowledge workers, Thompson and Heron (2005) found that following a perceived contract breach, high levels of interactional and procedural justice combined to increase worker commitment to their organizations. In a study that examined the influence of behavioral integrity (the alignment between what a manager says and what s/he does in treatment of subordinates), Simons et al. (2007) reported that Black employees were more sensitive to managerial behavioral integrity than were members of any other racial group. Based on these findings, we hypothesize that interactional justice and perceptions of a fair diversity climate would interact to affect work outcomes (herein organizational commitment and turnover intentions), for employees of color.

**H2a.** Interactional justice will moderate the positive relationship between perceptions of a fair diversity climate and organizational commitment such that the positive relationship between perceptions of a fair diversity climate and organizational commitment will be stronger (more positive) when interactional justice is high than when interactional justice is low.

**H2b.** Interactional justice will moderate the negative relationship between perceptions of a fair diversity climate and turnover intentions such that the negative relationship between perceptions of a fair diversity climate and turnover intentions will be stronger (more negative) when interactional justice is low than when interactional justice is high.

Other literature examining interactional justice and outcomes suggests that this relationship is dependent on treatment of the employee by his/her supervisor, in effect mediating the relationship between diversity climate perceptions and employee outcomes. Several studies have examined a specific context involving interactional (in)justice, that of abusive supervision. Aryee et al. (2007) and Tepper (2000) found that interactional justice mediated the relationship between abusive supervision and employee outcomes. If interactional justice operates in the relationship between the employee and supervisor, this justice dimension may have a mediating rather than a moderating influence on the relationship between diversity climate perceptions and employee outcomes. That is, since treatment by the supervisor is more proximal to the employee, we might expect it to ameliorate the effects of an unfair diversity climate at the organizational level. Interactional justice, or trust and respect conveyed by the supervisor toward the subordinate may serve as a buffer between organizational level treatment, in the form of diversity climate and employee outcomes. Thus, we also posit that interactional justice will have a mediating influence on the relationship between an (un)fair diversity climate and employee outcomes. From this line of reasoning two hypotheses follow:

**H2c.** Interactional justice will mediate the relationship between perceptions of a fair diversity climate and organizational commitment.

**H2d.** Interactional justice will mediate the relationship between perceptions of a fair diversity climate and turnover intentions.

Procedural justice, defined as fairness in procedures used to determine organizational decisions, which affect an employee (Thibaut and Walker, 1975), influences a variety of employee outcomes. Roberson and Stevens
(2006) in their evaluation of reported diversity incidents found that issues related to organizational practices and policies, in effect procedural justice, was another major theme. Several studies have reported a robust relationship for procedural justice with organizational commitment (Grubb, 2006; Pate et al., 2003; Viswesvaran and Ones, 2002) and turnover intentions (Flood et al., 2001; Hemdi and Aizzat Mohd, 2008). Some findings suggest that procedural justice serves to moderate the relationship between psychological contract violation and employee outcomes. For example, Turnley (1999) proposed that the relationship between psychological contract violation and (negative) employee outcomes would be attenuated by high procedural justice. In a follow-up study, Turnley and Feldman (1999) found that procedural justice moderated the relationship between psychological contract violation and employee turnover intentions. The managers in their study were most likely to be engaging in job search behaviors when the reported violation was severe and the manager's perception of procedural justice was low. Related research suggests that employees from underrepresented groups are highly attuned to the presence or absence of procedural justice (Jeanquart-Barone, 1996). Based on this literature, we hypothesize that diversity climate perceptions and procedural justice would interact to affect employee of color outcomes.

**H3a.** Procedural justice will moderate the positive relationship between perceptions of a fair diversity climate and organizational commitment such that the positive relationship between perceptions of a fair diversity climate and organizational commitment will be stronger (more positive) when procedural justice is high than when procedural justice is low.

**H3b.** Procedural justice will moderate the negative relationship between perceptions of a fair diversity climate and turnover intentions such that the negative relationship between perceptions of a fair diversity climate and turnover intentions will be stronger (more negative) when procedural justice is low than when procedural justice is high.

In contrast to models testing the moderating effects of procedural justice, other research has modeled procedural justice as a mediator of the relationship between diversity climate and employee outcomes. In a recent study of diversity practices in Japan and Korea, Magoshi and Chang (2009) found that procedural justice mediated the relationship between diversity management practices and organizational commitment. Using a sample of predominantly Hispanic American employees, Triana and Garcia (2009) found that when employees from underrepresented groups perceived that they had been victims of discrimination by coworkers, procedural justice partially mediated the relationship with organizational commitment. Building on the work of Magoshi and Chang (2009) and of Triana and Garcia (2009), we propose that procedural justice also may mediate the relationships between diversity climate and employee outcomes. We posit that when the more proximal supervisor makes decisions and implements procedures that are perceived as fair, then procedural justice may mediate the relationship between (more distal) diversity climate and employee of color outcomes. **H3c.** Procedural justice will mediate the relationship between perceptions of a fair diversity climate and organizational commitment.

**H3d.** Procedural justice will mediate the relationship between perceptions of a fair diversity climate and turnover intentions.

**Racial awareness and diversity climate fairness**

Cultural identity refers to the extent to which an individual places value on the cultural traditions of the groups to which s/he belongs (Cox, 1994). An individual's identity is derived from membership in groups comprised from various social categories. One such social category is ethnic or racial identity (Tajfel and Turner, 1986). Bernal et al. (1990) defined ethnic identity as the set of ideals, values, attitudes and behaviors that distinguishes an individual as a member of a social group. Phinney (1992) showed that ethnic identity was more salient for members of minority groups in the USA than it was for White participants. Utsey et al. (2002) found that participants from minority groups experienced more race-related stress. These results suggest that professionals of color may be especially sensitive to racial concerns. Further, as we discuss next, there may be varying awareness of racial concerns with some professionals of color more sensitive than others.
In their discussion of status hierarchies, Tajfel and Turner (1986) argue that to the extent that members of lower-status groups espouse the ideal of individual mobility, those individuals may have weaker ethnic identity. For example, Utsey et al. (2002) found that members of under-represented groups had different levels of ethnic identity awareness; African American participants had significantly higher ethnic identity scores on the Multigroup Ethnic Identity Measure (MEIM; Phinney, 1992), a measure of ethnic identity awareness than did Asian American or Latino American participants. Thus, there may be variance in the level of ethnic identity among members of minority groups and this difference may influence their sensitivity to dimensions of the psychological contract that pertain to diversity issues in the workplace.

Morrison and Robinson (1997) argue that inconsistency between expectations or understandings held by the employee and organizational agent(s) about the obligations of the employer can cause unmet expectations or incongruence in perceptions about the psychological contract, leading to a psychological contract violation. Incongruence or violation can occur because the employee and the agent(s) have different cognitive schema or understandings about the organization's promises. These different schemas may develop from the different values, assumptions and beliefs. The different schemas also may lead to different expectations regarding the employment relationship and the employer's obligations.

Individuals of different races may have different racial attitudes based on their experiences in US society (Neville et al., 2000) and their differential knowledge of ethnic histories (Roberson and Stevens, 2006). Neville et al. (2000) argued that racism in the USA historically has led to systemic advantages for Whites and disadvantages for Black Americans. Individuals with greater racial awareness may recognize this historic influence on race relations and on the economic and psychological well-being of minority group members. Building on the literature demonstrating differential racial attitudes, knowledge of ethnic heritage and racial awareness, we argue that employees of color with greater racial awareness may have greater schematic distance from the norms of historically White-managed organizations.

Professional employees of color who have greater racial awareness may be more concerned about and sensitive to (lack of) fairness in the diversity climate and more likely to perceive a violation than those employees of color with lesser racial awareness. The present study examines the interactive effect of employees' racial awareness with their perceptions of fairness in the diversity climate on the extent to which they perceive psychological contract violations. We test for this interactive effect with the following hypothesis: 

H4. Racial awareness and perceptions of diversity climate fairness will interact to influence psychological contract violation, such that racially aware employees of color who perceive a fair diversity climate will report lower psychological contract violation.

An area where professionals of color continue to be underrepresented is higher education, a knowledge-based industry that provides the context for our research. Over the last 50 years the US higher education industry, including the business school faculty labor market has experienced a five-fold increase in demand, one of the most rapid demand increases faced by any industry (Kowka and Snyder, 2003). The sine qua non of higher education is the creation and dissemination of sophisticated knowledge. The business school segment served as the setting for this study of knowledge workers, because business schools emphasize knowledge work that is closely aligned with US corporations in terms of norms, values and worldviews.

Methods
Sample
The business school faculty professional labor market was sampled for this study. Faculty of color who were members of the PhD. Members of Project, a US-based network of professionals of color, were solicited by e-mail to participate in the study. Of the 662 faculty of color in the database with valid e-mail addresses, 182 (27.5 percent) completed the survey. A total 64 percent of the participants were African American, 21 percent Hispanic, 4 percent Asian American, 5 percent Native American, 5 percent were white non-Hispanic, and 1 percent were in the “other” category. For position, 21 percent indicated they were professors, 22 percent were
associate professors, 52 percent were assistant professors, 2 percent were administrators, 2 percent were lecturers/instructors and 1 percent classified themselves as fitting into an “other” category. Forty-one percent indicated they were employed at doctoral-granting institutions, 13 percent were at non-doctoral granting universities and 46 percent were at four-year colleges. Twelve percent were at historically black colleges or universities (HBCUs) and 88 percent were at historically white institutions. Among the respondents, 24 percent were in accounting, 10 percent in finance, 11 percent in information services, 35 percent in management and 20 percent were in marketing. In the PhD Project population of faculty of color, 28 percent were accountants, 9 percent were in finance, 13 percent were in information services, 31 percent were in management and 19 percent were in marketing. Comparison of the sample to population characteristics indicated the sample was slightly over-represented in management and slightly under-represented in accounting.

**Procedure**

Approximately one week before sending out the online survey, we e-mailed potential participants announcing the survey and indicating that the research was sanctioned by the PhD Project. We then sent the survey from a university server to the email address provided to us by the PhD Project. Of the 685 e-mail addresses of faculty at US institutions of higher education on the list, 677 were valid addresses. Additionally, 15 individuals e-mailed to indicate they were not employed in the higher education industry and so we deleted them from the sample. Approximately two weeks after the initial mailing, we sent a follow-up e-mail and survey link to non-respondents again inviting them to complete the survey. The survey was completed online and data entered by participants was stored on a secure server.

**Measures**

The diversity climate (DC) measure (α=0.92 in the present study) was taken from the six-item Organizational Fairness subscale of the Diversity Perceptions Scale developed by Mor Barak et al. (1998). Based on the work by Tekleab et al. (2005), we measured interactional justice (IJ) with three items (α=0.94) developed by Folger and Konovsky (1989). We used a two-item scale (α=0.94) to measure procedural justice (PJ) developed by Tyler and Lind (1992). The Colorblind Racial Attitude Scale (denoted CoBRAS; Neville et al., 2000) is a three subscale measure assessing the cognitive aspects of an individual's racial attitude. For this study the Awareness of Racial Privilege subscale (denoted Racial Awareness and abbreviated as RA), the most appropriate to measure participant's awareness of racial prejudice (Neville et al., 2000) was used (coefficient α=0.83). Items for these scales are shown in Table I.

We measured organizational commitment (OC) with a seven-item scale from Mowday et al.'s (1979) organizational commitment questionnaire (α=0.92). One item was: “I really care about the future of this university”. The items were slightly altered to better fit the university setting. Turnover Intentions (TI) were measured with a two-item scale (α=0.85) (Cammann et al., 1979, as cited in Cook et al., 1981). Psychological contract violation (PCV) was measured with Tekleab et al.'s (2005) three-item measure (α=0.86). A sample item was: “The university has repeatedly failed to meet its obligation to me”.

**Control variables**

Participant demographic variables of sex, age, ethnicity, and time in position were included in this study as control variables. Participant sex was coded as a dummy variable where 0=male and 1=female. Respondent ethnicity was recorded by respondents on the survey in six categories. We also controlled for time in position.

**Analysis**

We undertook correlation analysis, factor analysis, and hierarchical regression analyses to test the hypotheses. We conducted a confirmatory factor analysis using principal components with Varimax rotation to determine whether the independent variables, diversity climate, interactional justice and procedural justice would load on three separate factors. The factor analysis indicated that the items in each scale loaded on the appropriate scale and not on either of the other two scales, as shown in Table I.
A concern in regression analysis, when interaction effects are tested is the possibility of multicollinearity. Multicollinearity may occur because the interaction term may correlate with the variables from which it was derived. Accordingly, for the test of H2a, H2b, H3a, H3b, and H4 we followed Aiken and West's (1991) recommendations to center the independent variables around zero by subtracting the mean from each value of the variables and then determining the interaction effects by calculating the simple slopes for one standard deviation above and below the mean for the predictor variables. We followed Baron and Kenny's (1986) three-condition analytical process to assess the mediating effects of interactional justice and procedural justice on the relationship between diversity climate fairness perceptions and the outcome variables for H2c, H2d, H3c, and H3d. The first condition is that the independent variable (DC) must relate to the dependent variable(s) (OC and TI). The second requirement is that the independent variable (DC) must be significantly related to the mediator (IJ for H2c and H2d and PJ for H3c and H3d). The third condition for mediation is shown when both the independent variable (DC) and the mediator (IJ/PJ) are included, the direct relationship between DC and the dependent variables should be smaller (indicating partial mediation) or insignificant (indicating full mediation). Finally, we conducted Sobel's (1982) test for significance of the indirect effect of the independent variable (DC) on the dependent variables (OC and TI) by way of the mediators (IJ/PJ).

Results
The correlations among the study variables are provided in Table II. Correlations between diversity climate and other study variables were in the expected directions.

H1 predicted that perceptions of a fair organizational diversity climate will lead to positive employee of color outcomes: higher organizational commitment and lower turnover intentions. The demographic variables did not affect OC or TI in the analysis for H1 or in any of the subsequent analyses. Diversity climate significantly influenced OC ($F=13.34$, $p<0.001$, standardized $\beta=0.52$) and TI ($F=27.12$, $p<.001$, standardized $\beta=−0.52$). Thus, the first hypothesis was supported.

H2a and H2b predicted that when employees of color perceive greater interactional justice and a fair diversity climate, organizational commitment will be higher and turnover intentions will be lower. DC had a main effect on OC ($r=5.03$, $p<0.001$, standardized $\beta=0.38$). Interactional justice (IJ) also influenced OC ($r=2.69$, $p<0.01$, standardized $\beta=0.20$). In the test of H2a, the interaction of DC and IJ did not influence OC. For the test of H2b, turnover intentions (TI), IJ was significant ($r=−2.26$, $p<0.05$, standardized $\beta=−0.27$). DC also influenced TI ($r=−2.04$, $p<.05$, standardized $\beta=−0.25$). However, the interactive effect of DC and IJ was not significant. Thus, the results did not provide support for the moderation H2a and H2b.

H2c and H2d predicted that interactional justice will mediate the relationship between perceptions of a fair diversity climate and employee of color outcomes: organizational commitment for H2c and turnover intentions for H2d. To test these hypotheses we ran regression analyses to test for mediation. The first two conditions, that the predictor variable is significantly associated with the outcome and potential mediating variable, were met for both hypotheses. For organizational commitment, the overall $F$ for organizational commitment was significant ($F=54.27$, $p<0.001$), but smaller due to the mediating effect of IJ. The Sobel (1982) test statistic ($z=2.98$, $p<0.01$) for the indirect effect of the independent variable (DC) on the dependent variable, OC, by way of the mediator, IJ, was significant, suggesting that IJ partially mediated the relationship between DC and OC and supporting H2c.

For turnover intention (TI), the overall $F$ was significant ($F=19.12$, $p<.001$) and DC significantly influenced TI ($F=7.74$, $p<.01$), after controlling for the effect of IJ. The Sobel (1982) test was significant as well ($z=2.69$, $p<0.01$), thus supporting H2d. Thus, H2c and H2d, that IJ partially mediates the relationship, DC with OC and TI was supported for both dependent variables.

We conducted post hoc analyses to test for moderated mediation[1] (Muller et al., 1998) with IJ as a mediator, of the relationship between DC and the outcomes variables when procedural justice is the moderator. To test for moderated mediation, we split the sample at the median for procedural justice (PJ) and performed the mediation
analysis for organizational commitment for low and high procedural justice groupings. Our results did not support moderated mediation for organizational commitment.

We then performed a similar moderated mediation analysis for turnover intentions. When PJ was low, IJ completely mediated the relationship between diversity climate and turnover intentions. When IJ was forced into the equation first, DC no longer influenced TI ($F=2.02, p<0.16$, NS), indicating complete mediation (Sobel test statistic $z=2.00, p<0.05$). Under the high PJ condition, IJ partially mediated between DC and TI ($F=4.51, p<.05$, Sobel test statistic $z=1.92, p<0.05$), providing additional support for $H2b$. Thus, the post hoc results indicated that for turnover intentions, but not for organizational commitment, there was moderated mediation under both low and high PJ conditions.

$H3a$ and $H3b$ predicted that procedural justice will moderate the relationship between perceptions of a fair diversity climate and organizational commitment and turnover intentions, such that when employees of color perceive greater procedural justice and a fairer diversity climate, organizational commitment will be higher and turnover intentions will be lower. The results of the test of $H3a$ indicated that DC had a main effect on OC ($t=4.48, p<0.001$, standardized $\beta=0.33$). Procedural justice (PJ) also influenced OC ($t=4.37, p<0.001$, standardized $\beta=0.31$). However, the interaction of DC and PJ did not influence OC. In the test of $H3b$ for turnover intentions (TI), DC had a main effect on TI ($t=-3.26, p<0.01$, standardized $\beta=-0.40$), but PJ had no significant effect on TI. DC and PJ did not interactively affect TI. Thus, $H3a$ and $H3b$ were not supported. $H3c$ and $H3d$ predicted that procedural justice will mediate the relationships between perceptions of fairness in the diversity climate and employee of color outcomes: organizational commitment and turnover intentions. For organizational commitment, the first two conditions for mediation were met. For the third condition, the overall $F$ was significant ($F=61.93, p<0.001$), but smaller due to the mediating effect of PJ. The mediating effect of PJ on the relationship between DC and OC was significant ($F=18.36, p<0.001$, Sobel test statistic $z=3.97, p<0.001$). For turnover intentions (TI), the results of the third regression failed to show a significant effect of PJ as a mediator of the relationship between DC and TI. Thus, $H3c$ was supported, but $H3d$ was not.

Again, we conducted median split post hoc analyses to test for moderated mediation for organizational commitment. The results indicated that, there was moderated mediation. When IJ was high, PJ partially mediated the relationship between DC and OC ($F=20.72, p<0.0001$). The Sobel test statistic was significant ($z=3.36, p<0.01$), indicating support for $H3c$ when IJ was high. When IJ was low, initial analysis suggested that PJ partially mediated between DC and OC. The Sobel test statistic was marginally significant ($z=1.60, p<0.054$), providing qualified support for $H3c$ when IJ was low.

The fourth hypothesis predicted that racial awareness and perceptions of diversity climate fairness will interactively influence psychological contract violation, such that racially aware employees of color who perceive a fair diversity climate will report lower psychological contract violation. Results for the test of main effects indicated that diversity climate (DC) influenced psychological contract violation (PCV) ($F=-3.10, p<0.01$) but racial awareness (RA) did not. The interaction of these two variables, DC and RA, on PCV was significant PCV ($F=3.87, p<0.05$). The simple slope for high racial awareness ($t=-2.57, p<0.05$) was significant and in the expected direction. Participants with high racial awareness who perceived a less fair diversity climate reported higher levels of psychological contract violation, as shown in Figure 2, providing support for the fourth hypothesis.

Discussion
This study provides new insight into the “black box” of process variables that intervene between a precious input (professionals of color) and desirable outcomes such as increased commitment and lower turnover intentions. The results of our examination of professionals of color in one industry across a large number of organizations adds further credence to the growing body of research suggesting that employees of color are sensitive to the diversity climate. Though relative awareness (compared to White employees) was not examined here, other research suggests White employees are less aware of the significance of diversity promises (Kossek...
and Zonia, 1993; Mor Barak et al., 1998; Thomas and Wise, 1999). Future research could test this premise directly by collecting paired samples of majority and non-majority members across multiple organizations.

Researchers have found that poorly managing dimensions of the diversity climate has negative effects on employees of color, including lower job satisfaction, lower organizational commitment and higher levels of cynicism (Buttner et al., 2010; Chrobot-Mason, 2003; Mor Barak et al., 1998; Simons et al., 2007). We replicated those findings with respect to organizational commitment and extended the results by adding an additional employee outcome, turnover intentions, to the range of negative consequences associated with an unfair diversity climate. Our results for $H1$ indicate that perceptions of unfairness in the diversity climate is associated with (potentially) organizationally costly behavioral intentions for professional employee of color participants, specifically greater intent to leave the organization. Though we did not measure actual turnover, there is a robust literature supporting a positive linkage between turnover intentions and actual turnover (Griffeth et al., 2000). Future research could determine whether turnover intentions are actualized at comparable rates for professionals of color.

Our findings extend the literature regarding the determinants and impact of justice in several ways. First, these results suggest that to generate high levels of organizational commitment, organizational agents such as managers should pay attention to the fairness of both organizational diversity climate and organizational procedures. Second, these findings suggest more generally that future research on climate issues might include more focused attention on the dimensionality of organizational climate, including employee of color perceptions of diversity policies and procedures. Developing a finer grained understanding of diversity climate breach is likely to be important in understanding employee cognitive and behavioral reactions. Results of the moderated mediation analysis suggest that interactional and procedural justice play complex roles in mediating the relationship between diversity climate and employee outcomes. We encourage future research that would explore establishing a theoretical basis for the types of complex interactions found. It may be important to examine facets of the organizational diversity climate and of dimensions of interactional and procedural justice to determine which aspects have the greatest impact on employee of color outcomes.

When considering the impact of the interactional dimension of justice alone, the results indicate that both interactional justice and diversity climate, independently, are associated with organizational commitment and turnover intentions. However, when testing interactional justice with diversity climate for interaction effects, this justice dimension is not significant. This is an important finding because it suggests that treating professionals of color with respect is ineffective when a lack of fairness in basic climate dimensions is unaddressed. In interpreting this finding, we note that the items measuring the effect of diversity climate are more generally focused on how professionals of color are treated by the organization whereas the interactional justice items pertain to more proximal treatment at the supervisor-subordinate level. It may be that the different organizational levels assessed by these independent variables do not have an interactive effect on the employee outcome variables we assessed in this study. In organizations where leaders do not understand their personal impact via day to day interactions with people of color, especially African Americans, the perceived interactional injustices may continue to outweigh any promises the organization makes regarding its diversity climate. Regardless of written policies, it is the relationship between employees, especially supervisor/subordinate that may substantially impact the productivity and retention rate of highly talented people of color. The findings suggest that organizations should invest more time in developing the cultural competencies of its leaders at a much deeper level than is often the case.

We also found that racial awareness appears to operate interactively with diversity climate in affecting perceptions of psychological contract violation. These results are consistent with those of Simons et al. (2007) who showed that employees of color are sensitive to the behavioral integrity of their supervisors. This violation may be due in part to the failure of organizations to provide a realistic job preview regarding diversity management and the diversity climate of the organization. Since realistic job previews have been shown to reduce turnover rates (Hom et al., 1998), the need for realistic job previews on aspects related to diversity
management may be especially important for organizations seeking to recruit and perhaps more crucially, to retain racially aware employees.

There are several opportunities for future research to build on the present study. Participants in this study were professionals who came from one industry, so the generalizability of the findings to other industries or to non-professional employees of color is unclear. While the response rate in the study was acceptable, it is possible that self-selection among respondents occurred. A second limitation pertains to possible same-source bias. However, concerns that these findings are a result of same source bias are reduced by the strong significance of the relationships found herein, by the evidence that the relationships are consistent with prior theorizing and empirical results, and by recent methodological research which suggests that concerns about same source bias have been overstated in the organizational literature (Spector, 2006).

While we had representation of African American, Hispanic, Native American and Asian American professionals in our sample, the number of participants in the latter two categories was relatively low. Research assessing possible differences in attitudes among ethnic groups has been limited. As the US work force becomes increasingly diverse, knowledge about the unique concerns of different ethnic groups, if any, will facilitate effective recruitment and retention strategies.

Taken together, the results suggest that members of underrepresented groups in the USA, particularly African Americans, are sensitive to the diversity climate of their employing organizations. It also appears that there are attitudinal and perhaps behavioral consequences to organizations' (lack of) attention to the nature of the diversity climate. Organizations that seek the competitive advantage of the most highly competent and qualified workforce should pay attention to both the expectations created in the recruitment and selection processes and to the organizational climate experienced by the diverse members of their work forces. Our findings suggest that the explicit consideration of creating and maintaining a positive diversity climate as a component of organizational climate will be especially important for retaining committed professionals from underrepresented groups.

**Figure 1** Hypothesized model relationships

| Key: |  
|-----------------|---|
| $p < 0.05$     |     |
| $p > 0.05$     |     |
Figure 2 Interactive effect of diversity climate and racial awareness on psychological contract violation.

Table I

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity climate scale</td>
<td>1</td>
<td>0.61</td>
<td>0.42</td>
</tr>
<tr>
<td>1. I feel that I have been treated differently here because of my race, sex, religion, or age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Department chairs have a track record of hiring and promoting faculty members objectively regardless of their race, sex, religion or age</td>
<td></td>
<td>0.81</td>
<td>0.21</td>
</tr>
<tr>
<td>3. Department chairs here give feedback and evaluate faculty members fairly, regardless of such factors as the faculty member’s race, sex, age, or social background</td>
<td></td>
<td>0.82</td>
<td>0.28</td>
</tr>
<tr>
<td>4. Department chairs here make promotion and tenure decisions fairly, regardless of such factors as the faculty member’s race, sex, age, or social background</td>
<td></td>
<td>0.83</td>
<td>0.24</td>
</tr>
<tr>
<td>5. Department chairs interpret human resource policies (such as sabbaticals) fairly for all faculty</td>
<td></td>
<td>0.75</td>
<td>0.34</td>
</tr>
<tr>
<td>6. Department chairs give assignments based on the skills and abilities of faculty</td>
<td></td>
<td>0.71</td>
<td>0.24</td>
</tr>
<tr>
<td>Interactional justice scale</td>
<td>1</td>
<td>0.30</td>
<td>0.28</td>
</tr>
<tr>
<td>7. During my last performance evaluation, my department chair showed a real interest in trying to be fair</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. During my last performance evaluation, my department chair was honest in dealing with me</td>
<td></td>
<td>0.30</td>
<td>0.30</td>
</tr>
<tr>
<td>9. During my last performance evaluation, my department chair considered my views about performance</td>
<td></td>
<td></td>
<td>0.28</td>
</tr>
<tr>
<td>Procedural justice scale</td>
<td>1</td>
<td>0.36</td>
<td>0.84</td>
</tr>
<tr>
<td>10. The performance evaluation system at this university is a fair one</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. I am satisfied with the way performance evaluations are done at the university</td>
<td></td>
<td>0.28</td>
<td>0.85</td>
</tr>
</tbody>
</table>

Notes: Items 1-6 constituted the diversity climate scale. Items 7-9 constituted the interactional justice scale and items 10-11 made up the procedural justice scale. Eigenvalues are 6.94, 1.12 and 0.87 for factors 1, 2, and 3, respectively. Variances are 63 percent, 10 percent and 8 percent for factors 1, 2, and 3 respectively.

Table I Factor analysis of the independent variables: diversity climate, procedural justice and interactional justice.
Table II
Means, standard deviations and inter-correlations among the study variables

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sex</td>
<td>0.38</td>
<td>0.49</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Age</td>
<td>45.59</td>
<td>9.39</td>
<td>-0.23</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Ethnicity</td>
<td>1.97</td>
<td>1.10</td>
<td>-0.00</td>
<td>0.66</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Years in position</td>
<td>6.91</td>
<td>1.12</td>
<td>-0.10</td>
<td>-0.11</td>
<td>-0.06</td>
<td>0.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Diversity climate</td>
<td>3.35</td>
<td>1.12</td>
<td>-0.10</td>
<td>-0.11</td>
<td>-0.06</td>
<td>0.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Racial awareness</td>
<td>3.99</td>
<td>0.75</td>
<td>-0.05</td>
<td>0.13</td>
<td>0.05</td>
<td>0.11</td>
<td>-0.23*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Interactional justice</td>
<td>3.67</td>
<td>1.22</td>
<td>-0.02</td>
<td>-0.08</td>
<td>-0.06</td>
<td>0.02</td>
<td>0.07**</td>
<td>-0.02**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Procedural justice</td>
<td>2.81</td>
<td>1.15</td>
<td>-0.01</td>
<td>-0.10</td>
<td>-0.09</td>
<td>-0.01</td>
<td>0.04**</td>
<td>-0.14</td>
<td>0.61**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Organizational commitment</td>
<td>3.45</td>
<td>1.00</td>
<td>-0.01</td>
<td>-0.03</td>
<td>-0.15</td>
<td>0.09</td>
<td>0.09**</td>
<td>0.19*</td>
<td>0.58**</td>
<td>0.59**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Turnover intentions</td>
<td>2.59</td>
<td>1.38</td>
<td>-0.02</td>
<td>0.04</td>
<td>0.10</td>
<td>-0.01</td>
<td>-0.41**</td>
<td>0.04</td>
<td>-0.41**</td>
<td>-0.30**</td>
<td>0.09**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Psychological contract violation</td>
<td>2.63</td>
<td>1.17</td>
<td>-0.04</td>
<td>0.13</td>
<td>0.07</td>
<td>-0.00</td>
<td>-0.22*</td>
<td>0.14</td>
<td>-0.23*</td>
<td>-0.24**</td>
<td>-0.22*</td>
<td>0.18*</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes: Sample size for correlations ranged from 153 to 181; * p < 0.05; ** p < 0.01

Notes

1. The authors thank Jim Jawahar, Editor of Career Development International, for suggesting this post hoc analysis.

References


