Chapter 3

Colorblind or colorful? The relationship between organizational diversity approaches, inclusion, and work outcomes among majority and minority employees

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*These authors contributed equally to this manuscript and should therefore both be considered as first author.
Abstract

In the present study we examined how perceived organizational diversity approaches relate to affective and productive work outcomes among cultural majority and minority employees. We compared a colorblind approach to diversity, in which cultural differences between employees are ignored, with a multicultural diversity approach, in which cultural differences are explicitly acknowledged and valued. Using structural equation modeling on data collected in a panel study among 152 native Dutch majority and 77 non-Western minority employees, we found that perceptions of a colorblind approach were most strongly related to work satisfaction and perceived innovation for majority members, while perceptions of a multicultural approach “worked best” for minority members. Moreover, these effects were fully mediated by the extent to which employees felt included in the organization. Thus, while inclusion is an important factor for both groups to enhance work outcomes, it is facilitated by different diversity approaches for majority and minority members.
Over the past decades, the European workforce has become increasingly culturally diverse (Bureau of Labor Statistics, 2012; Hooghe et al., 2008). This cultural diversity has been shown to have a profound impact on employee well-being and organizational performance, with both positive (e.g., enhanced creativity) and negative effects (e.g., increased levels of interpersonal conflict) being reported (e.g., Bowers, Pharmer, & Salas, 2000; Joshi & Roh, 2009; Shore et al., 2009; Webber & Donahue, 2001; K. Y. Williams & O'Reilly, 1998). As a result, organizations have developed a range of different approaches to effectively cope with the cultural differences of their employees (D. A. Thomas & Ely, 1996). Diversity approaches reflect the organizations’ normative beliefs and expectations about the reason to diversify, the value of cultural diversity, and its connection to work processes (Stevens et al., 2008). These approaches to diversity are aimed to serve as a catalyst for increasing productive work outcomes, but also to safeguard the psychological well-being of employees.

However, it has proven difficult for organizations to manage diversity in such a way that all employees are satisfied. Whereas diversity policies that emphasize the value of diversity may be received positively by employees from a cultural minority background, such policies may yield low acceptance by employees from the cultural majority (Plaut et al., 2011). Accordingly, developing an understanding of how and why diversity approaches affect majority and minority employees is essential. This is the aim of the current research. We will argue that how employees perceive their organization approaches diversity has different consequences for majority and minority members’ perceptions of inclusion within the organization. In addition, we posit that these perceptions of inclusion, in turn, result in different levels of productive and affective work outcomes.

**Diversity Approaches**

An organization’s strategic approach towards diversity can be episodic, freestanding or systemic (Dass & Parker, 1999) and can be classified on a continuum ranging from “not doing anything” to “having a full blown diversity strategy” that integrates various interventions into an organization-wide general framework (Bhawuk, Podsiadlowski, Graf, & Triandis, 2002). Two commonly described diversity approaches in the literature are colorblindness and multiculturalism (Stevens et al., 2008). Organizations adopting a colorblind approach stress that people should be treated equally as individuals and that group differences should be ignored when making decisions, such as hiring and promotion. Individual accomplishments and qualifications are stressed over any other factor (Stevens et al., 2008). In contrast,
organizations adopting a multicultural approach emphasize that differences between cultural groups should be acknowledged and are beneficial for work processes (Cox, 1991; Stevens et al., 2008).

Interestingly, the extent to which colorblindness or multiculturalism is supported differs between majority and minority group members. In general, majority group members show higher levels of endorsement of colorblindness, whereas minority members tend to support multiculturalism to a greater extent (Plaut et al., 2011; Ryan et al., 2007; Verkuyten, 2005; Wolsko et al., 2006). To date, the vast majority of research investigating this group-based difference in preference for colorblindness and multiculturalism has been concerned with national integration policies (i.e., the extent to which colorblind or multicultural integration policies are supported) rather than with how organizational diversity approaches affect employees (e.g., Karafantis, Pierre-Louis, & Lewandowski, 2010; Levin et al., 2012; Plaut et al., 2011; Ryan et al., 2007; Wolsko et al., 2000). As a result, little is known about the impact of diversity approaches on majority and minority group members in an organizational context. Moreover, while the evidence for the difference between majority and minority members in their support for colorblindness and multiculturalism is substantive, few studies have sought to explain why this difference exists (Rattan & Ambady, 2013; Rosenthal & Levy, 2010). Given that diversity approaches are ideological statements about the value of difference, and that cultural majority and minority members are likely to differ in the extent to which they perceive themselves to be different, we believe that the degree to which majority and minority members feel included in the organization is a key factor to consider in this context (cf. Plaut et al., 2011; Stevens et al., 2008).

Accordingly, in the current study we aim to contribute to the existing research on organizational diversity approaches by creating a deeper understanding of how and why diversity approaches impact majority and minority employees. Importantly, we choose to focus on subjectively perceived rather than objectively assessed diversity approaches, because previous research demonstrated that individuals’ perceptions of their social environment have a far greater and more direct impact on behavior than the social environment itself (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Krackhardt, 1990). In our theoretical analysis, we first consider how perceptions of diversity approaches among majority and minority employees affect the extent to which they perceive to be included in the organization. Second, we argue that perceived inclusion is a strong predictor of productive and affective work outcomes for both majority and minority group members. Figure 3.1 displays the conceptual model of this study.
As stated before, previous research demonstrated that majority and minority members differ in the extent to which they support colorblindness and multiculturalism. In the present study we aim to extend this finding by looking at how perceptions of these diversity approaches influence the extent to which employees feel included in an actual interactive group setting (i.e., an organization). Inclusion is the degree to which an individual perceives that the group provides him or her with a sense of belongingness and authenticity. In other words, people perceive to be included in a group when they experience to belong to the group, while at the same time perceive they are allowed and encouraged to be themselves (cf. Jansen et al., 2014; Lirio et al., 2008; Pelled et al., 1999; Pless & Maak, 2004; Shore et al., 2011).

To understand why and how perceived organizational diversity approaches are related to feelings of inclusion for employees, it is important to recognize that diversity approaches communicate an organizational prototype which employees use as a frame of reference to determine whether they are included. That is, diversity approaches are thought to convey contextual cues that are used by employees to check whether they “fit in” (Purdie-Vaughns, Steele, Davies, Ditlmann, & Crosby, 2008). From this perspective, it is likely that perceptions of colorblindness and multiculturalism affect the extent to which majority and minority members feel included differently.

According to the colorblind approach, people should be treated equally as individuals and group differences should be ignored when making decisions such as hiring new employees or promoting sitting organizational members. Although group differences should not matter in this approach, in reality, majority members are more prototypical of the organization than minority members (Chattopadhyay et al., 2004;
Rosette et al., 2008). As a result, in a colorblind approach the norms and values of the majority group may become dominant throughout the entire organization and may be used as criteria for inclusion and exclusion of employees (a process called “in-group projection”; Mummendey & Wenzel, 1999). While this is certainly comfortable for majority members, colorblindness may be perceived as exclusionary by those who are in the cultural minority (Chrobot-Mason & Thomas, 2002; Markus & Steele, 2000; Stevens et al., 2008). Particularly, minority members may perceive organizational policies based on the colorblind approach as being insincere - that is as an attempt by the organization to claim a concern for fairness and equality, while in reality little or nothing is done to support these goals (Purdie-Vaughns et al., 2008).

Thus, while ignoring group differences and stressing individualism, the colorblind approach is likely to fail to acknowledge the unequal effects this may have for majority and minority group members. This reasoning is supported by research showing that the colorblind approach is associated with stronger racial bias and interpersonal discrimination among majority members (Richeson & Nussbaum, 2004) and with lower psychological engagement among minorities (Plaut, Thomas, & Goren, 2009). Accordingly, our first hypothesis is:

Hypothesis 1: The extent to which an organization is perceived to adopt a colorblind approach is positively related to perceived inclusion for cultural majority employees, but not for cultural minority employees.

In contrast to the colorblind approach, the multicultural approach portrays an organizational prototype in which the benefits of diversity are emphasized and where differences between cultural groups are seen as a source of strength to the organization (Cox, 1991; Stevens et al., 2008). Although multiculturalism stresses an all-encompassing diversity approach in which differences are valued and a source for learning (see also Ely & Thomas, 1996), positive effects of this approach do not seem similarly evident for all employees in the organization. Particularly, majority members may perceive multiculturalism to be “only for minorities” (Plaut et al., 2011, p. 338). Valuing diversity implies that being different, rather than prototypical, is the requirement for group inclusion. As majority members generally do not consider themselves to be “diverse,” they may refrain from endorsing such multicultural views or even feel excluded within the organization.

For minority members, however, working in an organization that is perceived to adopt a multicultural approach might result in stronger feelings of inclusion. In this approach, different backgrounds and cultural group identities are recognized and
valued (Purdie-Vaughns et al., 2008; Verkuyten, 2005). In comparison to colorblindness, the organizational prototype encompassing multiculturalism is therefore much more diffuse (cf. Chattopadhyay et al., 2004). As a result, the aforementioned process of in-group projection, which is particularly detrimental for minority group members, is tackled in the multicultural approach. Our second hypothesis is therefore:

**Hypothesis 2**: The extent to which an organization is perceived to adopt a multicultural approach is positively related to perceived inclusion for cultural minority employees, but not for cultural majority employees.

**Inclusion and Work Outcomes**

We have previously argued that how diversity approaches are perceived relates to feelings of inclusion in the organization differently for minority and majority members. This relationship is important as inclusion is regarded a key factor in predicting relevant work outcomes (cf. Acquavita, Pittman, Gibbons, & Castellanos-Brown, 2009; Jansen et al., 2014). In particular, because perceiving to be socially included satisfies individuals’ needs for belonging and authenticity, it may improve individual well-being. Indeed, research has indicated that inclusion enhances people’s self-esteem and work satisfaction (Jansen et al., 2014; Nembhard & Edmondson, 2006) and reduces employee absenteeism (Jansen, Otten, & Van der Zee, under review). However, perceptions of inclusion may not only enhance affective individual work outcomes, but can also improve the functioning of groups and organizations. In this regard, it has been posited that as people perceive to be more included, they are more motivated to contribute to the group (Ellemers & Jetten, 2013). Corroborating this prediction, inclusion has found to be positively related to productive work outcomes such as performance (Pearce & Randel, 2004) and organizational creativity and innovation (Jansen et al., 2014).

Correspondingly, we posit that inclusion is a key factor in understanding how perceived diversity approaches relate to both affective (i.e., work satisfaction) and productive work outcomes (i.e., perceived innovation). Specifically, we hypothesize that an organization’s perceived diversity approach affects the extent to which organizational members feel included in the organization, which in turn predicts how satisfied they are with their job and to what extent they perceive their organization to be innovative. Linking this line of reasoning with hypotheses 1 and 2, we expect this process to differ for majority and minority members. For majority members, the
extent to which the organization is perceived to adopt a colorblind approach is expected to enhance feelings of inclusion and subsequently result in more positive work outcomes. In contrast, for minority members we expected that the extent to which the organization is perceived to adopt a multicultural approach will determine perceived inclusion and subsequently predict positive work outcomes. Capturing our full conceptual model (see Figure 3.1), our third hypothesis is therefore:

**Hypothesis 3**: The relationship between perceived organizational diversity approaches and work outcomes (work satisfaction and perceived innovation) is mediated by perceived inclusion.

a. For majority members, the relationship between perceptions of a **colorblind** approach and work outcomes is mediated by inclusion.

b. For minority members, the relationship between perceptions of a **multicultural** approach and work outcomes is mediated by inclusion.

**Method**

**Sample**

Data were collected in a panel study among 229 participants ($M_{\text{age}} = 39.40$ years; $SD = 11.77$ years). All participants were individually approached by a professional online panel research company and were told they would participate in a study about cultural diversity management in organizations. Participants were included in the sample when they met two criteria: they were at least 18 years old and they were employed in an organization. The sample consisted of 77 employees from a Non-Western descent, based on the criterion they were born in a Non-Western European country. The remaining 152 employees were born in the Netherlands. In the remainder of the text, we will refer to these groups of participants as minority and majority members. Of these 229 respondents, 128 were female (55.2%). Two participants did not report their gender (0.9%). The gender distribution was equal between minority and majority members. All respondents were employed in different organizations that operated in 15 different sectors according to the International Standard Industrial Classification (ISIC). Most participants were employed in the health sector (15.4%) and community services (15.1%).

**Measures**

**Diversity approaches.** The extent to which organizations were perceived to employ a colorblind or multicultural diversity approach was measured with the Diversity Perspective Questionnaire (Podsiadlowski, Gröschke, Kogler, Springer, & Van der Zee, 2013). Participants were presented with a number of statements about
diversity approaches and were asked to indicate on a 7-point Likert-type scale to what extent these statements applied to their organization (1 = does not apply at all, 7 = applies very much). Colorblindness was measured with four items (e.g., “People fit into our organization when they match the required job qualifications”; α = .84). Multiculturalism was measured with four items (e.g., “Cultural diversity brings new ideas and different knowledge to the workplace for various business units”; α = .86).11

**Inclusion.** The extent to which respondents felt included within their organization was measured with the Perceived Group Inclusion Scale (Jansen et al., 2014). This scale distinguishes between two components: belonging and authenticity. While the subscale for belonging measures the extent to which employees have a sense of belonging to the organization (five items, e.g., “I feel I belong to this organization”; α = .86), the authenticity subscale assesses the degree to which individuals perceive they are allowed and encouraged to be themselves within the organization (two items, e.g., “Within this organization I dare to be myself”; r = .59). All items were assessed using a 5-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree). Exploratory factor analysis (with the extraction criterion eigenvalue > 1) resulted in a single factor solution (eigenvalue = 4.28; 61% of variance explained), indicating that the two components of inclusion could be collapsed into a single scale measuring perceived inclusion (α = .87).

**Work satisfaction.** Work satisfaction was measured with three items of the short Job Descriptive Index (P. C. Smith, Kendall, & Hulin, 1969). A sample question was: “How satisfied are you with your development?” A 5-point Likert-type scale was used, ranging from 1 (very dissatisfied) to 5 (very satisfied). Cronbach’s alpha of the work satisfaction scale was .83.

**Perceived innovation.** Perceived innovation was measured with three items that were similar to those used by De Dreu & West (2001). A sample question was “Employees of this organization often implement new ideas to improve the quality of our products and services.” Responses were given on a 5-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree). Cronbach’s alpha of this scale was .88.

**Control variables.** We included gender, age, and organizational tenure as control variables. In addition, we controlled for the extent of cultural diversity in the organization as this may be correlated to some of the variables in our model. In

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11 We measured multiculturalism with the “integration and learning” component of the Diversity Perspective Questionnaire. Whereas the term “multiculturalism” has predominantly been used to describe a value-in-diversity approach at the societal level (i.e., a nation’s integration policy), the term “integration and learning” is used as the equivalent approach at the organizational level (cf. Ely & Thomas, 2001).
particular, we expected this to be related to the diversity approaches, as it is likely that organizations that explicitly value diversity also employ a larger share of cultural minority members (Kristof-Brown et al., 2005). We measured this with one item: “To what extent do you regard your organization as diverse in terms of ethnicity and/or nationality?” Answers were given on a 7-point Likert-type scale, ranging from 1 = not diverse at all to 7 = very much diverse.

Preparatory Analyses

Before testing our hypotheses we conducted several preparatory analyses. This included assessing the validity of our measurement model, evaluating the presence of common method variance, and specifying our structural model.

Confirmatory factor analyses. We first assessed the measures’ factor structure with confirmatory factor analyses (CFAs). A model was tested with the proposed five core concepts of the study: Colorblindness, Multiculturalism, Inclusion, Satisfaction, and Innovation (Model 4 in Table 3.1). This model reached acceptable fit, \( \chi^2 = 422.83, p < .001, \text{ df} = 179, \text{ RMSEA} = .08, \text{ CFI} = .91 \). All items loaded significantly on their respective factors (with all standardized factor loadings exceeding .50). Moreover, this model fitted significantly better than a range of models with fewer factors (see Table 3.1), providing support for the factor structure.

Common method variance analysis. We investigated the possible presence of common method variance in two ways. First, we used Harman’s single factor test, which is a widely used technique to address the issue of common method bias (Podsakoff et al., 2003). According to this procedure, all of the items should be entered into an unrotated exploratory factor analysis with the number of extracted factors constrained to be one. Common method variance is thought to be present when the resulting factor explains more than 50% of the variance in the items (Podsakoff et al., 2003). We found that the resulting factor accounted for about 37% of variance of the items.

As a second approach to assess the extent of common method bias, we added an unmeasured latent factor (Podsakoff et al., 2003). The model including this latent factor (Model 5 in Table 3.1) significantly improved model fit (\( \Delta \chi^2 = 62.58, \Delta \text{ df} = 2, p < .01 \)). This implies that some common method variance influenced the validity of the factor structure. The incremental explained variance was on average 17.6% per item. Although there is no clear consensus about cutoff values concerning the incremental explained variance of a common method bias factor, the findings of the meta-analysis of Williams, Cote and Buckley (1989) may serve as a benchmark. They found that, in all of the studies they examined, approximately 25% of the variance per item was due to common method bias. For the present study, this suggests that common method
bias, even though present, is likely to be relatively low and probably did not impact our results substantially.

<table>
<thead>
<tr>
<th>Model</th>
<th>CFA</th>
<th>$\chi^2$</th>
<th>df</th>
<th>RMSEA</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>$\Delta df$</th>
<th>$\Delta \chi^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 factor</td>
<td>1433.82**</td>
<td>189</td>
<td>.17</td>
<td>.51</td>
<td>.55</td>
<td>.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>3 factors</td>
<td>916.94**</td>
<td>186</td>
<td>.13</td>
<td>.70</td>
<td>.74</td>
<td>.74</td>
<td>3</td>
<td>516.88**</td>
</tr>
<tr>
<td>3</td>
<td>4 factors</td>
<td>659.05**</td>
<td>183</td>
<td>.11</td>
<td>.80</td>
<td>.83</td>
<td>.83</td>
<td>3</td>
<td>257.89**</td>
</tr>
<tr>
<td>4</td>
<td>5 factors</td>
<td>422.83**</td>
<td>179</td>
<td>.08</td>
<td>.90</td>
<td>.91</td>
<td>.91</td>
<td>4</td>
<td>236.22**</td>
</tr>
<tr>
<td>5</td>
<td>6 factors</td>
<td>360.25**</td>
<td>177</td>
<td>.07</td>
<td>.92</td>
<td>.93</td>
<td>.94</td>
<td>2</td>
<td>62.58**</td>
</tr>
</tbody>
</table>

**Note.** 1 factor refers to all items together; 3 factors refer to an organization diversity strategy factor (CB and MC), an inclusion factor, and a work outcomes factor (satisfaction and innovation); 4 factors refer to an organization diversity strategy, an inclusion factor, a satisfaction factor and an innovation factor; 5 factors refer to a colorblindness factor, a multiculturalism factor, an inclusion factor, a satisfaction factor and an innovation factor; 6 factors refer to the five proposed factors, with a path from each of these factors to a single latent method factor. CFA = Confirmatory Factor Analysis; RMSEA = Root Mean Square Error of Approximation; NNFI = Non-Normed Fit Index; CFI = Comparative Fit Index; IFI = Incremental Fit Index.

**Model specification.** We used structural equation modeling (SEM) with AMOS, in which we built a structural model with the hypothesized relationships. In doing so, we used partial disaggregation models (Yuan, Bentler, & Kano, 1997). This means that item parcels were used as indicators instead of the separate items. Item parceling was conducted based on the criterion that the separate parcels had acceptable reliabilities (α’s > .70). Because the scales for our dependent variables “satisfaction” and “innovation” consisted of three items, it was not possible to construct item parcels for these variables. For these variables, we therefore used a total disaggregation model (i.e., the three items were all used as indicators of the latent variables satisfaction and innovation). To test which of the relations differed for majority and minority members, we applied multigroup analyses (B. M. Byrne, 1998; Gaskin, 2011; Vandenberg, 2002).

To test our hypotheses, a full mediation model, in which inclusion mediated the relationship between diversity perspectives and work outcomes, was compared to a partial mediation model in which also direct effects from the diversity approaches to work outcomes were included. Subsequently, the chi-squares and fit indices were compared for the different models. More specifically, to test hypotheses 1 and 2, we compared the paths between perceptions of diversity approaches and feelings of inclusion for majority and minority members, following the procedure recommended by Gaskin (2011). To test our mediation hypotheses (3a and 3b), the indirect effects of
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the independent variables on the dependent variables were estimated, and a bootstrap procedure (5000 samples) was conducted to test whether these indirect effects were significant. Importantly, these analyses allowed us to estimate the entire model as depicted in Figure 3.1 and thereby to test all of our hypotheses simultaneously.

Results

Descriptive statistics

Table 3.2 shows the means, standard deviations, and correlations among all study variables for the full sample. In addition, as we specifically focus on possible differences between minority and majority employees, Table 3.3 provides descriptive statistics for these two groups separately.

| Table 3.2 Means, Standard Deviations, and Correlations of the Study Variables |
|-----------------|---|---|---|---|---|---|---|---|---|---|
|                | M  | SD | 1  | 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| 1. Gender      | .56| .50|    |    |    |    |    |    |    |    |
| 2. Age         | 39.40| 11.77| -.01|    |    |    |    |    |    |    |
| 3. Tenure      | 8.19| 8.48| -.01| .55**|    |    |    |    |    |    |
| 4. Perc. cult. div.| 4.80| 1.80| .02| .05| .02|    |    |    |    |    |
| 5. Cult. backgr.| .34| .47| -.10| .02| -.10| .15*|    |    |    |    |
| 6. Colorblindness| 3.82| 0.67| -.01| .04| -.04| .22**| -.01|    |    |    |
| 7. Multiculturalism| 3.37| 0.63| -.10| .04| -.07| .25**| .18**| .38**|    |    |
| 8. Inclusion   | 3.75| 0.61| .06| .06| .02| .04| -.07| .57**| .34**|    |
| 9. Satisfaction| 3.35| 0.81| .09| .07| .05| .04| .03| .32**| .30**| .57**|
| 10. Innovation | 3.42| 0.82| .11| .04| -.01| .14*| .00| .30**| .26**| .41**|

Note. Gender: 0 = male; 1 = female; Cultural background: 0 = majority; 1 = minority. 
*p < .05, **p < .01.

Independent t-tests were performed to assess whether the means of the variables significantly differed between the majority and minority group. It appeared that the extent to which the respondents perceived their organization to adopt a multicultural approach differed between the two groups, with the minority group members reporting higher levels of multiculturalism in their organization (M = 3.53) than majority group members (M = 3.29; t = 9.38, p < .01). The other studied main variables were not significantly different for majority and minority members. Among the control variables it appeared that gender, age, and tenure did not correlate with any of our main variables. However, the extent to which respondents perceive their
organization as culturally diverse also differed between the two groups, with the minority group regarding their organization as more culturally diverse \((M = 5.17)\) compared with the majority group \((M = 4.61; t = 2.23, p < .05)\). Given these results, we excluded the control variables from subsequent analyses, with the exception of perceived diversity in the organization.

Table 3.3 Descriptive Statistics for Majority and Minority Members Separately

<table>
<thead>
<tr>
<th></th>
<th>M (maj/min)</th>
<th>SD (maj/min)</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>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gender</td>
<td>.60/.49</td>
<td>.49/.50</td>
<td>-</td>
<td>.03</td>
<td>-17</td>
<td>.03</td>
<td>-1</td>
<td>.06</td>
<td>.11</td>
<td>.18</td>
<td>.14</td>
</tr>
<tr>
<td>2. Age</td>
<td>39.20/39.79</td>
<td>11.99/11.39</td>
<td>.00</td>
<td>-</td>
<td>.44**</td>
<td>.11</td>
<td>.11</td>
<td>- .03</td>
<td>.03</td>
<td>.10</td>
<td>.12</td>
</tr>
<tr>
<td>3. Tenure</td>
<td>8.76/7.01</td>
<td>9.03/7.15</td>
<td>.03</td>
<td>.54**</td>
<td>-</td>
<td>.19</td>
<td>.07</td>
<td>.06</td>
<td>- .06</td>
<td>.15</td>
<td>.17</td>
</tr>
<tr>
<td>4. Perc. cult. div.</td>
<td>4.61/5.17</td>
<td>1.87/1.60</td>
<td>.00</td>
<td>.04</td>
<td>-01</td>
<td>-</td>
<td>.24*</td>
<td>.13</td>
<td>- .08</td>
<td>.03</td>
<td>.03</td>
</tr>
<tr>
<td>5. Colorblindness</td>
<td>3.83/3.82</td>
<td>0.67/0.67</td>
<td>.02</td>
<td>.01</td>
<td>-.08</td>
<td>.21**</td>
<td>-</td>
<td>.53**</td>
<td>.50**</td>
<td>.41**</td>
<td>.24*</td>
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<tr>
<td>6. Multiculturalism</td>
<td>3.29/3.53</td>
<td>0.64/0.58</td>
<td>-.15</td>
<td>.06</td>
<td>-.09</td>
<td>.26**</td>
<td>.33**</td>
<td>-</td>
<td>.58**</td>
<td>.47**</td>
<td>.28*</td>
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<tr>
<td>7. Inclusion</td>
<td>3.78/3.70</td>
<td>0.62/0.61</td>
<td>.03</td>
<td>.07</td>
<td>.04</td>
<td>.11</td>
<td>.61**</td>
<td>.26**</td>
<td>-</td>
<td>.61**</td>
<td>.51**</td>
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<tr>
<td>8. Satisfaction</td>
<td>3.34/3.38</td>
<td>0.80/0.83</td>
<td>.04</td>
<td>.06</td>
<td>.02</td>
<td>.05</td>
<td>.28**</td>
<td>.22**</td>
<td>.54***</td>
<td>-</td>
<td>.41**</td>
</tr>
<tr>
<td>9. Innovation</td>
<td>3.42/3.43</td>
<td>0.83/0.79</td>
<td>.11</td>
<td>.00</td>
<td>-.07</td>
<td>.19*</td>
<td>.33**</td>
<td>.25**</td>
<td>.36**</td>
<td>.49**</td>
<td>-</td>
</tr>
</tbody>
</table>

Note. Correlations for the majority group are reported below the diagonal; Correlations for the minority group are reported above the diagonal; Gender: 0 = male; 1 = female.
*p < .05, **p < .01.

Model fit

Our hypothesized multigroup full mediation model fitted the data well, \(\chi^2 = 203.66, df = 112, p < .01, \text{RMSEA} = .060, \text{CFI} = .95, \text{NNFI} = .93\). In addition, the more complex partial mediation model (\(\chi^2 = 195.78, df = 104, p < .01, \text{RMSEA} = .061, \text{CFI} = .95, \text{NNFI} = .92\)) did not significantly improve model fit, \(\Delta \chi^2 = 9.88, \Delta df = 8, \text{n.s.}\) In particular, it appeared that none of the direct paths from diversity perspectives to work outcomes were significant. Therefore, we concluded that the full mediation model obtained the best fit.

Hypothesis testing

We expected that the relationships between perceived diversity approaches and feelings of inclusion differed for majority and minority group members (hypotheses 1 and 2). To test these hypotheses, we compared the paths for majority

12 In addition, to ascertain the assumed directional flow of our model, we estimated all possible alternative models (e.g., a model in which diversity approaches were specified to predict feelings of inclusion through work outcomes). In line with what we expected, we found that all of these alternative configurations yielded a significantly worse fit than our hypothesized model.
and minority members following the procedure recommended by Gaskin (2011). In line with hypothesis 1, there was a positive relationship between colorblindness and inclusion for majority members (γ = .65, p < .01), but not for minority members (γ = .17, n.s.; Z_difference = 2.18, p < .01). Consistent with hypothesis 2, multiculturalism was positively related to inclusion for minority members (γ = .69, p < .01), but not for majority members (γ = .06, n.s.; Z_difference = 3.22, p < .01).

We further predicted that for majority members, inclusion mediates the relationship between colorblindness and work outcomes (hypothesis 3a), whereas we expected that for minority members, inclusion mediates the relationship between multiculturalism and work outcomes (hypothesis 3b). Initial support for these hypotheses was obtained by comparing the model fit of the fully mediated model with the partially mediated model (see above). In addition, we assessed the indirect effects of the diversity approaches on work outcomes for both majority and minority members (see Table 3.4).

Table 3.4 Indirect Effects of Diversity Perspectives on Work Outcomes for Majority and Minority Members

<table>
<thead>
<tr>
<th>Diversity Perspective</th>
<th>Work Satisfaction</th>
<th>Perceived innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorblindness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Majority</td>
<td>.37**</td>
<td>.25**</td>
</tr>
<tr>
<td>Minority</td>
<td>.06</td>
<td>.08</td>
</tr>
<tr>
<td>Multiculturalism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Majority</td>
<td>.04</td>
<td>.01</td>
</tr>
<tr>
<td>Minority</td>
<td>.49**</td>
<td>.39**</td>
</tr>
</tbody>
</table>

Note. Significance testing was based on bootstrapping (5000 iterations).
**p < .01.

Confirming hypothesis 3a, we found a significant indirect effect of colorblindness on satisfaction (γ = .37, p < .01) and perceived innovation (γ = .25, p < .01) for majority members. Consistent with hypothesis 3b, we found a significant indirect effect of multiculturalism on satisfaction (γ = .49, p < .01) and perceived innovation (γ = .39, p < .01) for minority members.

Thus, for majority members, stronger perceptions of a colorblind approach elicited feelings of inclusion, which in turn predicted job satisfaction and innovation. In contrast, for minority members, stronger perceptions of a multicultural approach were associated with increased feelings of inclusion, which in turn predicted these
outcomes. Figure 3.2 and 3.3 presents the results with standardized regression coefficients for the final models of the analyses.\footnote{For the clarity of presentation, Figures 3.2 and 3.3 do not show the paths from the control variable “perceived cultural diversity” to each latent variable. The reported standardized regression coefficients are however derived from a model that does control for perceived cultural diversity.}
CHAPTER 3

Discussion

Due to demographic changes in their workforce, organizations are increasingly faced with the challenge to develop and implement successful diversity approaches. The goal of the current study was to provide a better understanding of how and why perceived organizational diversity approaches relate to work outcomes for majority and minority employees.

For majority members, we found that the extent to which they perceived their organization to value equality regardless of group membership (i.e., a colorblind approach) was positively related to work outcomes in terms of work satisfaction and perceived innovation. In contrast, for minority members, the extent to which they perceived their organization to adopt an approach in which differences between cultural groups are acknowledged and appreciated (i.e., a multicultural approach) was positively related to these work outcomes. Although the importance of diversity approaches has been pointed out by several scholars, empirical evidence that link these approaches to outcomes in an organizational setting is scarce (cf. Rattan & Ambady, 2013). That is, most of the empirical work concerns support for specific diversity approaches in a societal context (e.g., Karafantis et al., 2010; Levin et al., 2012; Plaut et al., 2011; Ryan et al., 2007; Wolsko et al., 2000). Yet, in this study, going beyond a mere preference for colorblindness or multiculturalism, we provided insights into how actual perceived diversity approaches in organizations impact people in their daily working life.

Perhaps even more important, we identified a key process in understanding these differential routes to work outcomes. For both majority and minority members, the relationship between the organizational approach towards diversity and work outcomes was fully mediated by the extent to which they perceived to be included in the organization. Majority members, however, feel especially included when they perceive their organization to ignore cultural group differences and to stress individualism. In contrast, the degree to which an organization is perceived to adopt a multicultural approach was particularly related to feelings of inclusion for minority members. In sum, inclusion seems an important factor for both majority and minority members to secure affective and productive work outcomes. Yet, how inclusion is established appears to be different for majority and minority members.

Taken together, the present research offers an interesting starting point to further examine the struggle for equality in the workforce. Equality in terms of colorblindness seems to include an implicit expectation of similarity, which leave little possibilities for expressing one’s cultural background. Indeed, previous studies show
that employees report high pressure to assimilate to existing organizational norms when colorblind messages are conveyed by managers (Chattopadhyay et al., 2004; Ely & Thomas, 2001; Plaut et al., 2011). In addition, research suggests that the colorblind ideology is especially sensitive to strategic reframing by majority employees to defend their dominant position within the organization (Knowles, Lowery, Hogan, & Chow, 2009). In contrast, equality in a multicultural approach refers to attaching equal value to all contributing cultural groups within the organization. Ironically, while in theory majority members are included in such a multicultural approach, the present study suggests that majority member do not perceive this approach as being inclusive of their group. This is in line with previous research that indicates that the “value in diversity” approach is less embraced by majority members as it may threaten their current dominant position in the organization (Bell, Harrison, & McLaughlin, 2000; Brief et al., 2005; Gilbert & Ivancevich, 2001; Plaut et al., 2011; K. M. Thomas & Plaut, 2008).

Possible Limitations and Future Research

The present study had a number of possible limitations. The first and most important limitation of this study is that we relied on cross-sectional data to test our hypotheses. Therefore, we are not able to draw any straightforward conclusions regarding the causality and sequence of the relations examined. However, we believe that the direction of the relationships in our conceptual model is both theoretically plausible and in line with previous research (e.g., Levin et al., 2012; Plaut et al., 2009; Plaut et al., 2011). In addition, we found that all possible alternative configurations fitted the data significantly worse than our hypothesized model.

A second potential limitation is that all data were self-reported, which may inflate common method bias (Podsakoff et al., 2003). As mentioned in the introduction, we relied on subjective assessments of organizational approaches to diversity, as research shows that perceptions of one’s social environment have a far greater and more direct impact on one’s behavior than the social environment itself (Eisenberger et al., 1986). Therefore, we hold that subjective perceptions of diversity approaches have more proximal explanatory power than objective measures of diversity approaches (cf. Krackhardt, 1990). In addition, the results of our CFA’s supported the construct validity and the lack of overlap between the different scales we used, decreasing the possibility of substantial noise due to common method bias. Indeed, our post-hoc analyses revealed that the amount of common method variance present was relatively low and therefore probably did not impact our results substantially. Notwithstanding these observations, future studies could attempt to gather information from different sources. Going beyond the mere perceptions of
diversity approaches among employees, HR or general managers could be asked to assess the diversity approach in their organization. Similarly, performance indicators could be provided by line- or general managers. Such triangulation of multiple data sources would further increase the reliability and validity of the present results.

Our findings suggest that belonging to either the cultural majority or cultural minority group within an organization is a crucial factor to consider when studying the impact of diversity approaches on employees. This does not necessarily imply, however, that all majority members will benefit from a colorblind approach or that all minority members will prosper under a multicultural diversity approach. Future research may elaborate on this notion by exploring whether there are individual employee characteristics (e.g., personality traits) that can explain which diversity approach works best for whom. This research may be informed by previous work on individual differences in the endorsement of colorblind and multicultural national integration policies. In this context, it has been found that majority members who score high on social dominance orientation (SDO; Pratto, Sidanius, Stallworth, & Malle, 1994) endorse a colorblind approach significantly more than those low in SDO (Knowles et al., 2009). In addition, minority members who are highly identified with their cultural group have been found to be especially susceptible to the exclusionary effect of colorblindness and to benefit most from an environment in which cultural differences are valued (Gonzales & Cauce, 1995; Rosenthal & Levy, 2010). Testing these predictions in an organizational setting may further improve our understanding of why and how perceived organizational diversity approaches affect employees.

Implications

In our view, the present study has some important implications for organizations. Our results show that different strategies towards diversity management relate to work outcomes for majority and minority employees differently. The patterns between diversity approaches and inclusion suggest that when organizations focus on a single approach to deal with diversity, some groups in the organization may feel excluded. Ensuring that both majority and minority members feel included is therefore a key challenge for organizations that have a culturally diverse workforce. In order to do so, scholars have argued that organizations should move beyond the colorblindness/multiculturalism dichotomy, and develop a new diversity approach that is inclusive of both majority and minority members ("all-inclusive multiculturalism"; Stevens et al., 2008).

One way to develop such an approach is to focus on elements out of both approaches that potentially appeal to both majority and minority members (Purdie-Vaughns & Ditlmann, 2010). While colorblindness and multiculturalism seem to be
clearly distinct and constitute cohesive sets of ideas and practices, they may not be entirely mutually exclusive (Plaut, 2002). Particularly, to acknowledge and value the positive influence that cultural differences may have on work processes is not necessarily incompatible with a focus on individual qualifications in recruitment, selection, and employee development. Corresponding with this line of reasoning and with findings from previous research (e.g., Levin et al., 2012; Plaut et al., 2009; Ryan et al., 2007; Wolsko et al., 2006), we found a positive association between perceptions of colorblindness and multiculturalism in the present study. Future research could elaborate on this finding by more explicitly modeling how colorblindness and multiculturalism are manifested in organizations.

From a practical point of view, organizations may implement diversity approaches that are more inclusive by explicitly valuing the contributions of all cultural subgroups in their diversity communication (e.g., in mission statements). In addition, diversity policies and initiatives can be framed as benefiting everyone, as opposed to just one particular subgroup. Furthermore, when a practice does not directly benefit everyone, employees can be reminded that such diversity practices promote professionalism and collegiality and are part of a greater effort to create a stronger workplace environment for everyone (K. M. Thomas, 2005). Yet, a more inclusive diversity approach should not only be manifested in diversity communication. Organizations should “put their money where their mouth is” and also implement structural changes to include all employees (Stevens et al., 2008). For example, organizations could ensure that members of all cultural subgroups are represented in leadership roles and in diversity structures (e.g., diversity task forces; Stevens et al., 2008). The results of the present research underline the importance of developing and implementing such an all-inclusive diversity approach.