Examining the Relationship Between Perceived Diversity Climate, Psychological Safety, Organizational Identification, and Occupational Self-Efficacy

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Kwesi O. Adjei

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Alexandra Luong, Ph.D., Advisor

Mallory McCord, Ph.D., Committee member

Jon Pierce, Ph. D., Committee member

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Abstract

The purpose of this study was to analyze the relationships between an individual's perceptions of an organization's diversity climate, psychological safety, organizational identification, and occupational self-efficacy (OSE). These relationships were examined using a sample gathered from Amazon's Mechanical Turk (MTurk) and tested using multiple regression analyses. Significant positive relationships were found between all the variables in this study, except for diversity climate and OSE.

Table of Contents

List of Tables

List of Figures

Within the current workforce, there exists a stark difference in the ratio of white employees to minority employees. In 2018, the number of white senior level officials outnumbered all minority senior level officials, with a ratio of 6 to 1 (U.S. Equal Employment Opportunity Commission, 2018). This gap between white employees and minority employees exists across all levels of employment and is indicative of the barriers that systemically exclude non-majority employees. Even when access is gained, the particular job experiences of different groups can lead to differences in performance, career outcomes, and career satisfaction (Greenhaus et al., 1990). For example, work experiences such as racial bullying affect minorities at a disproportionately high rate and can lead to various detriments such as negative emotions and counterproductive work behaviors (Fox & Stallworth, 2005). The gap between demographic groups and the differences in their workplace experiences will need to be resolved as the racial make-up of America continues to change.

Projections based on the 2010 Census indicate that the amount of diversity in the United States will increase to the point where there is no longer a racial majority. Although non-Hispanic Whites will still be the largest group, there will not be a single majority group. The racial makeup of America will change across society, including in the workplace, in which the disparity in minority representation will be replaced with more equal representation by all groups (Cooper, 2012). Companies like Google have stated their commitment to increasing their number of diverse employees, and regions including Silicon Valley have started to diversify their workforce through programs designed to enhance the skills of minority workers (Brown, 2015; Manjoo, 2014).

Changes in the professional environment in terms of diversity are not only racial. Sexual orientation has also seen increases in acceptance within the modern workplace. There has been a recent influx of organizations adjusting their discrimination policies to include sexual orientation, including the addition of domestic partner benefits (Day & Greene, 2008). As of 2019, 93% of Fortune 500 companies have included sexual orientation in their non-discrimination policies; furthermore, 85% percent included gender identity in their non-discrimination policies (Human Rights Campaign, 2019). From these statistics, it is apparent that the business world is becoming more welcoming of diverse identities. The acceptance of diversity in organizations that choose to adopt egalitarian policies has also led to increases in organizational productivity, innovation, and performance (Hossain et al., 2019; Pichler et al., 2018)

As the workforce becomes more heterogeneous, organizations will need to give minority employees the tools to succeed as well as ensure that these employees feel welcome in an environment that has typically been inhabited by the majority. An organization that values diversity and advocates for the equal treatment of all their employees creates a positive diversity climate. Climates of this variety are based on employees' perceptions of their organization's attitude toward diversity and the systems that are in place to support minority employees. Research has shown that organizations with more positive diversity climates benefit from decreased turnover intentions and increased performance (Kossek & Zonia, 1993; Chrobot-Mason & Aramovich, 2013; Singh et al., 2013). The current study will examine if diversity climate will lead to increases in occupational self-efficacy, which is an individual's belief in their competence to complete their work tasks (Schyns & von Collani, 2002). This relationship

will be mediated by psychological safety, which is the perception that the workplace is safe for interpersonal risk-taking, and organizational identification, which is a how individuals perceive their psychological unity with their organization (Mael & Ashforth, 1995; Newman et al., 2017).

The present study has several implications for research. First, this study answers the call of Dwertmann and colleagues (2016) to conduct more research on diversity climate that has a theoretical basis for being conducted at a particular level, meaning that the researcher carefully considers the level of the variables of interest. Diversity climate can be viewed at two different levels: psychological and shared. The psychological diversity climate refers to an individual's perception of the climate, while shared diversity climate refers to a team or organization's shared perception (Dwertmann et al., 2016). The variables in this study are all at the individual level and relate to the perceptions of the individual employee. Focusing on psychological diversity climate allows for insight into how diversity affects individual employees' perceptions of the work environment and their capabilities. The other variables measured in this study also exist on the individual level, which allows for direct analysis of the effect that organizational attitudes toward diversity has on employee beliefs about their workplace and themselves. The extant literature on the lasting effects of psychological safety and organizational identification will also be expanded by linking the variables to occupational self-efficacy (OSE). The most important outcome in terms of research is expounding upon the current understanding of Social Identity Theory (SIT). SIT research has become more prevalent over time, but no discipline has seen more use than organizational psychology. One area of SIT that needs to be researched further is

individual responses in different social groupings; this study will expand on this area concerning how individual employees respond to organizations that enhance identification through diversity climates (Hornsey, 2008).

The current study also has practical implications as it will shed light on ways that organizations can facilitate the success of minority employees. Diversity climate is particularly important in aiding the progress of minority employees because it can be controlled by organizations through policy changes. Organizations that are perceived as being unwelcoming to diversity can begin to manage and alter their image by instituting policies that support their minority employees. Although focusing on recruitment and selection is the best way to ensure a more diverse workforce, creating policies and procedures that allow for people of different demographic groups to thrive is the best way to manage the employees who are already working for the company. As mentioned previously, diversity is becoming more expected and accepted in the workplace, but the question remains, "How do we make sure that minority employees flourish?" A link between diversity climate and occupational self-efficacy can create a means for organizations to directly affect their employee's ability to succeed in the workplace. More efficacious employees will lead to better performance and more success for their organization. Furthermore, this study analyzes psychological diversity climate, which is an individual's perception of the climate (Reinwald et al., 2019). Focusing on the individual level of diversity climate, rather than the shared level (team/organizational), can create new methods for performance management, building cohesion, and other parts of organizational life. Equipped with the knowledge that diversity climates lead to higher occupational self-efficacy, leaders can increase performance through the establishment of

diversity-friendly policies. Leaders also would be able to use the policies and procedures to increase psychological safety and organizational identification to enhance cohesion in both teams and the organization itself. If organizations can create better diversity climates, they can improve the abilities of employees of all demographic backgrounds. This can lead to more qualified employees for upper management, as well as creating a better image to aid in recruitment. This study may also shed light on the types of organizations that can enable individuals new to the workforce succeed in the future. Employees, minority and otherwise, can increase the possibility of future career success by choosing to work in organizations that have positive diversity climates. Through psychological safety and organizational identification, these organizations can create opportunities for career success that lead to increased OSE. Although creating and working in positive diversity climates will not eliminate all workplace disparities, doing so is a step toward closing the gap.

Background Literature

Diversity Climate

An organizational climate is the perception of the work environment that is created by the policies and procedures put in place by the organization (Schneider et al., 1994). Organizational climate can be broken into two categories: molar climates and focused climates. The former is not as frequently studied but refers to the general climate of an organization, while focused climates are construct-specific and analyze a particular form of climate. For example, within one organization there can be a service climate, safety climate, procedural justice climate, and ethical climate (Schneider et al., 2013).

Organizational climates have tangible effects on the pivotal parts of an organization; service climates, for example, have been shown to relate to both customer satisfaction and financial performance (Schneider et al., 2009).

The focused climate of relevance to this study is diversity climate, which was originally researched by Kossek and Zonia (1993). The researchers conducted a study to analyze how membership in a particular group changes how one perceives their organization's commitment to diversity. Using a sample of academic staff and faculty, the researchers found that as the ratio of women to men increased, so did the positive perceptions of the diversity climate. Surprisingly, this same study found that this relationship does not exist with racial minorities, showing that merely having many diverse individuals does not create perceptions of a positive diversity climate. The positive perception increased only if the organization had adequate resources for the minorities (Kossek & Zonia, 1993).

Kossek and Zonia's (1993) study, combined with the Cox's conceptual framework for effective integration of culturally diverse personnel (1991), creates the operationalization of a positive diversity climate that is used in this study. In this framework, Cox notes that the organization needs to address six aspects of its organization to achieve effective integration. The first aspect is acculturation, which refers to how different groups grow accustomed to each other and resolve their cultural differences. The next aspect is structural integration or the number of diverse individuals throughout all levels of the organization. The third aspect, informal integration, is the amount of contact outside the organization that prompts the mixture of cultural groups. The fourth aspect is eliminating prejudice and discrimination from the organization. The

fifth aspect is establishing an organizational identity that allows employees from different cultural backgrounds to identify with the organization. The final aspect is fulfilling inter-group conflict, which means reducing culturally-based tension. An organization with an ideal diversity climate will have addressed all parts of Cox's framework and created policies that protect diverse individuals. As stated previously, diversity climate can either be psychological or shared (individual versus collective). The shared level of diversity climate offers insight into how an organization or team feel about the policies that are put in place, but we are interested in individual perceptions and how employees are affected by their environment (Dwertmann et al., 2016). Focusing on the psychological level will allow us to gain insight into how diversity climate affects the occupational self-efficacy of employees.

The literature on the outcomes of diversity climate is fairly limited, but existing findings show that a positive diversity climate can predict outcomes such as sales performance and turnover (Mckay et al., 2008; Chrobot-Mason and Aramovich, 2013). The most important potential finding for the current study is possible the relationship between diversity climate and psychological safety. Singh and colleagues (2013) studied how psychological safety mediated the relationship between diversity climate and performance through self-identity. Using a sample of 165 employees from a midwestern organization, the researchers found that psychological safety mediated the relationship between diversity climate and various forms of performance (Singh et al., 2013). This relationship was moderated by the race of the employee, such that minorities perceived a stronger relationship between climate and performance. The authors posit that racial

minorities react more strongly to discrimination and injustice, which makes positive diversity climates have a stronger effect on their work-life.

Psychological Safety

Psychological safety is typically associated with the work of Dr. Edmonson (1999, p. 354), who described it as "a shared belief that the team is safe for interpersonal risk taking." In her seminal study, Edmonson analyzed the relationships between psychological safety and learning behavior within the work team and found a significant positive relationship between the two variables. This work enabled researchers to focus on the many outcomes of group and organization-level psychological safety. A review of the psychological safety literature conducted by Newman et al. (2017) found that psychological safety is also linked to increased communication, knowledge sharing, performance, innovation, and creativity.

At an individual level, psychological safety was found to mediate the relationship between formal mentoring and turnover intention (Chen et al., 2014). Through increased social identification and decreased psychological strain, psychological safety increased the affective commitment of employees while reducing their dissatisfaction with the organization. Psychological safety was similarly found to have positive relationships with work engagement, task performance, information sharing, citizenship behaviors, creativity, and job satisfaction (Frazier et al., 2017). Furthermore, psychological safety relates to enhanced error-related learning, meaning that people are more likely to be unafraid of making mistakes and more likely to learn from their errors (Hetzner et al., 2009). The current study aims to add to the growing literature on the individual outcomes

of psychological safety and how it relates to internal states, in this case, occupational self-efficacy.

Organizational Identification

Creating a successful organization requires personal investment from the employees in the form of organizational identification. Mael and Ashforth (1995) describe organizational identification as employees grouping themselves and the organization that they work for in the same social category. This typically means that the employee believes that they share some of the same qualities that the organization purports to possess. The concept of organizational identification came from SIT, which states that individuals identify with groups that represent certain aspects of themselves (e.g., race, religion, personality, etc.) (Ashforth & Mael, 1989). In this case, the organization is the group with which people align themselves. Research on organizational identification has found that it has many favorable outcomes, such as decreased counterproductive work behaviors, increased task performance, and job performance (Ciampa et al., 2019; He & Brown, 2013).

Organizational identification is very closely related to organizational commitment in terms of definition, outcomes, and antecedents. Despite their similarities, the two concepts are distinct in their characteristics. To highlight these differences, van Knippenberg and Sleebos (2006) conducted a study to look at the theoretical and outcome differences between organizational identification and commitment. The authors found that the key difference between identification and commitment is that the former implies that there is psychological unity between the organization and the person, while commitment implies that the person and the organization are separate entities.

Furthermore, due to organizational commitment being a job attitude, it is more closely related to other job attitudes (organizational support, turnover intentions, etc.) than organizational identification.

Occupational Self-Efficacy

Research on self-efficacy, one's belief in their own competence to finish a particular task, began with Bandura's (1997) initial work in which he discussed how self-efficacy can be increased. Other studies found that self-efficacy is a crucial factor in determining the actions people take, the effort they put forth, and their performance outcomes (Bandura, 1982). There are two forms of self-efficacy: generalized self-efficacy (GSE) and domain-specific self-efficacy. GSE is a more stable form of self-efficacy that is formed as an amalgamation of one's experiences and is akin to a personality trait. An individual with high GSE believes that they are highly capable of surpassing any variety of obstacles that they may experience (Shelton, 1990). Domain-specific self-efficacy differs from GSE because it focuses on a specific area, such as academic self-efficacy and creative self-efficacy (Tierney & Farmer, 2002; Honicke & Broadbent, 2015). The domain-specific form of self-efficacy that this study focuses on is occupational self-efficacy (OSE). OSE was developed so that people in any profession could be compared on their self-efficacy levels as related to their job. Schyns and Collani (2002), found that OSE is related to leader-member exchange; job satisfaction with the superior, colleagues, and tasks; and has lasting effects on employees that can lead to increased career success (both subjective and objective) (Spurk & Abele, 2014). This finding corroborates Schyns and Collani's (2002) previous finding that OSE is malleable and can change over time. Further corroborating the malleability of OSE, previous research has shown that

interventions such as stress management courses can increase an employee's self-efficacy (Füllemann et al., 2015). Whereas GSE is trait-like and stable, OSE is state-like and malleable.

The Current Study

The current study aims to determine how diversity climate, psychological safety, and organizational identification are linked to each other. The proposed relationships between these variables are based on SIT (Ashforth & Mael, 1989). Positive diversity climates relates to identity freedom, which is how free an employee feels expressing their identity at work (Chrobot-Mason & Aramovich, 2013). Identification is primarily used in expressing one's self to others, which is also the main principle of psychological safety (Asforth et al., 2008). Furthermore, diversity climate and psychological safety are linked through organizational support. Kossek and Zonia (1993) found that a positive diversity climate requires the equal distribution of resources and organizational support, while Frazier et al. (2017) found that psychological safety is positively related to organizational support. According to Kossek and Zonia's (1993) conceptualization, diversity climate functions in the same capacity of organizational support. Based on these relationships, we expect that diversity climate will lead to increased psychological safety. It is important to note that the positive outcomes of diversity climate are experienced by members of all groups, not just minority groups (McKay et al., 2007). The relationship between diversity climate and psychological safety only been previously studied by Singh et al. (2013); therefore, this current research aims to replicate those findings. With this background, it is expected that a positive diversity climate would relate to stronger psychological safety.

As previously stated in Cox's framework, an organization needs to make sure that all employees, no matter their cultural background, can establish a shared organizational identity. An organization's identity is influenced by the external image that it creates, meaning that an organization that has an image of a positive diversity climate creates an identity that is attractive and welcoming to individuals of all backgrounds. Therefore, a positive diversity climate would relate to stronger organizational identification (Dukerich et al., 2002).

H1: Employees who experience positive diversity climates will experience greater psychological safety.

H2: Employees who experience positive diversity climates will experience greater organizational identification.

Psychological Safety, Organizational Identification, and Occupational Self-Efficacy

As previously mentioned, Schyns and Collani (2002) noted that OSE, unlike general self-efficacy, is malleable; especially at the beginning of an employee's career. Other research has shown that OSE can change over the course of a career and can be influenced by targeted programs (Spurk & Abele, 2014; Fülleman et al., 2015). As an employee experiences career success over the course of their employment, their OSE should increase, which in turn creates a positive feedback loop for career success. Psychological safety and organizational identification are viable antecedents to OSE growth, due to their effects on risk-taking and creativity, which can jump-start the positive feedback loop with early career success.

Psychological safety has been shown to be related to creativity, which is inherently prone to risk. When employees feel that mistakes they make will not result in excess criticism or embarrassment, they are more willing to take risks which could potentially lead to career success (Kark & Carmeli, 2009; Carmeli et al., 2010; Palanski & Vogelgesang, 2011). Regardless of whether the risks are successful, the ability to freely express and explore ideas will lead to employees feeling more valued at work, which in turn increases their perception that they have the ability to succeed in their job. Organizational identification has been shown to have similar effects on creativity. The identification serves as an incentive for the employee to surmount despite any obstacles that may disrupt their success. Failing would harm the organization, and by extension would harm the individual's view of themself. The desire to avoid failure increases both creative effort and creative performance (Hirst et al., 2009). Madjar, Greenberg, and Chen (2011) conducted an extension of the Hirst et al. (2009) study that linked organizational identification and creativity and replicated the findings, with an additional discovery that organizational identification is also related to noncreative performance, which can also be viewed as career success. A review of the existing literature found no previous studies which have examined the relationship between psychological safety, organizational identification, and OSE. Furthermore, the literature on OSE is sparse, so if the findings support the hypotheses then they will add to the literature on OSE.

H3: Employees who experience greater psychological safety will experience greater OSE.

H4: Employees who experience greater organizational identification will experience greater OSE.

Psychological Safety and Organizational Identification as Mediators between Diversity Climate and OSE

As discussed previously, OSE is related to career success and performance. Based on Singh et al.'s (2013) study on diversity climate and psychological safety, diversity climate has an indirect relationship with performance that is mediated by psychological safety. Since OSE has a strong relationship with performance, it is expected that diversity climate will have a mediated relationship with OSE through both psychological safety and organizational identification. Psychological safety is frequently examined in studies as a mediator. Psychological safety has been found to be a mediator between leadership behavior and certain individual behaviors for employees, such as creativity and engagement (Carmeli et al., 2010; May et al., 2004). Psychological safety also mediates the relationship between ethical leadership behavior and knowledge hiding (Men et al., 2018). Researchers have also found that psychological safety serves as a mediator for attitudes toward the organization, such that perceived organizational support leads to increased performance (Singh et al., 2013). As diversity climate is a form of organizational support, it stands to reason that psychological safety is a viable mediator between climate and OSE. Organizational identification is not as frequently used as a mediator in research, but the antecedents and outcomes of identification point to the concept being an inimitable aspect of work life. For example, organizational identification has been found to relate to both ethical and transformational leadership, which alters the behavior and performance of employees (He & Brown, 2013). As mentioned in Cox's framework, organizational identification is a by-product of creating a workplace that affirms diversity. Because of this, we propose that organizational

identification serves as a mediator between diversity climate and occupational self-efficacy.

With the body of research on the many relationships that psychological safety mediates, it is reasonable to suggest that to say that psychological safety is an essential part of growth and development within an employee's career. As stated previously, a positive diversity climate requires the establishment of organizational support, which also serves as an antecedent to psychological safety. We hypothesize that the relationship between diversity climate and occupational self-efficacy occurs through psychological safety. Increased identification with an organization allows employees to express their thoughts and ideas without fear of repercussion, which allows for the free expression of ideas that aids in employee's perception of value in their position and potential career success, thereby increasing occupational self-efficacy.

Although the research on the outcomes of diversity climate is sparse, it stands to reason that policies that are put in place to protect and support diverse employees lead to increased organizational identification. This idea is further echoed in Cox's framework (Cox, 1991). The increased identification enables the employees to perceive value in their inclusion in the organization and experience potential career success, thus, increasing occupational self-efficacy (Singh et al., 2013; Spurk & Abele, 2014).

H5: The positive relationship between diversity climate and OSE will be mediated by psychological safety.

H6: The positive relationship between diversity climate and OSE will be mediated by organizational identification.

Method

Participants

The participants in this study were individuals who use Amazon's Mechanical Turk. The eligibility requirements for this study were that the participants must be at least 18 years of age, work at least part-time (20 hours per week), have worked in their current job for at least six months, and work in an organization (not self-employed). These requirements ensure that the employees have had adequate time in their organizations and can give responses that reflect their experience over a variety of interactions. This was the only information that was screened for, meaning that the participants were not restricted to the US. Since the variables in this study are experienced individually and are not a US-based phenomenon, there was no need to restrict the sample. Participants were recruited through the Amazon MTurk boards and completed a screening survey, Time 1 survey, and a Time 2 survey. The compensation for the surveys were $.05, $.50, and $1.00 for the screening, Time 1, and Time 2 survey, respectively. Out of the 500 respondents that completed the screening survey, 214 were removed because they did not meet eligibility requirements. The remaining 286 participants were sent the Time 1 survey, and 199 (70%) completed the survey. Finally, the remaining 199 were sent the Time 2 survey and 156 responses were received, leading to a response rate of 54%. Fifteen participants were removed from the analysis due to missing over 20% of their data (9 participants from Time 1 and 6 participants from Time 2). Thirty-five participants were also removed from analysis due to failed attention checks (20 from Time 1 and 15 from Time 2). Three additional respondents were removed due to violating the z-score cutoff for outliers. The final sample size for this study was 179 participants in Time 1 and

142 participants in Time 2. Demographics were only obtained for the Time 2 survey, in which there were slightly more male participants (54%) than female participants (44%), and their ages ranged from 18 to 66. Forty-six percent of the participants identified as Caucasian/White, 39% identified as Asian/Pacific Islander, while the remaining 14% identified as African American, Hispanic, or American Indian. The majority of the participants held a 4-year degree (41%). Most participants have been working in their current position for 1 to 5 years (49%) and most participants have been in the workforce for 10 or more years (40%).

Procedure

The questionnaire was created and administered through Qualtrics and posted on the Amazon Mechanical Turk boards. To counter any order effects that may occur, the administered scales were given in random order. The questionnaire also included three attention checks, using a directed query item that tells participants to respond with a certain number (Abbey & Meloy, 2017). If participants failed any of these attention checks, their data was removed. The questionnaire was time-lagged by two days to mitigate potential common method bias. Participants began by reading a statement of informed consent that briefed them about the study and reminded them that they can withdraw from the study whenever they liked, to uphold ethical standards. If participants agreed to partake in the study, they were presented with a screen that prompted them to answer the questions on the survey with their current job in mind. This statement also directed them to consider their tenure as a whole in the organization, not just how things have been recently. Following this statement, the participants were presented with the order-randomized scales. In the first wave of data collection, participants responded to

the diversity climate and psychological safety. The second wave of data collection included the organizational identification and OSE measures; finally, the survey culminated with a demographics section to assess ethnicity, gender identity, tenure of employment, total years of work, age, highest degree earned, and the industry of participants.

Measures

Diversity Climate

Employee perceptions of diversity climate were measured using McKay's (2008) 4-item diversity climate perception scale. Participants were asked to rate their agreement with 4 separate statements and higher scores signified more positive diversity climates. Some sample items are, "I trust the organization to treat me fairly" and "Maintains diversity-friendly work-friendly." Reliability in this study was shown to be acceptable with a Cronbach's α of .83. There is an older version of this scale, also developed by McKay (2007), that is a 9-item measure. The more recent measure was chosen due to the length and the answerability of the questions. This diversity climate measure was found to correlate with other measures of diversity and diversity perception. Each statement was rated on a five-point Likert scale ranging from 1 = "Strongly disagree" to 5 = "Strongly agree."

Psychological Safety

Psychological safety was measured using Carmeli, Reiter-Palmon, and Ziv's (2010) psychological safety scale. This scale has five-items (one of which is reverse-scored) that assess perceptions of psychological safety, with higher scores signifying

more psychological safety. Some sample items from the scale are, “It is safe to take a risk in this organization” and “People in this organization sometimes reject others for being different.” Reliability of the scale in this study was acceptable with a Cronbach’s α of .72. This scale is adapted from Edmonson’s (1999) scale that analyzed team psychological safety with 7-items by replacing the word “team” with the word “organization.” Due to the extensive use and validation of Edmonson’s measure, researchers recommend that it, or an adapted version, should be used in psychological safety research (Newman et al., 2017). Each statement was rated on a five-point Likert scale ranging from 1 = “Strongly disagree” to 5 = “Strongly agree.”

Organizational Identification

Organizational Identification was measured using Mael and Ashforth’s (1992) scale. This is a six-item scale that measures agreement or disagreement with a set of questions that is indicative of perceptions of identification. Some sample items are, “This organization’s successes are my successes,” and “When someone praises this school, it feels like a personal compliment.” Organizational identification as measured with this scale was found to correlate with organizational distinctiveness, organizational prestige, participation in the organization, and advising people to attend an institution (Mael & Ashforth, 1992). Reliability was shown to be acceptable with a Cronbach’s α of .87. Each statement was rated on a five-point Likert scale ranging from 1 = “Strongly disagree” to 5 = “Strongly agree.”

Occupational Self-Efficacy

The occupational self-efficacy scale was taken from Rigotti, Schyns, and Mohr's (2008) occupational self-efficacy scale. The Rigotti et al. (2008) scale was adapted from Schyns and von Collani's (2002) original 20-item occupational self-efficacy and reduced to a six-item scale. Higher scores on this scale reflect higher feelings of occupational self-efficacy. Some sample items from this scale are, "When I am confronted with a problem in my job, I can usually find several solutions" and "My past experiences in my job have prepared me well for my occupational future." This scale was originally created in German, so to test its reliability across different languages, Rigotti et al. (2008) translated each item for their international samples. The countries that were tested were Germany, Sweden, Belgium, the UK, and Spain. The reliability was found to be acceptable with a Cronbach's $\alpha = .85$. This OSE scale has been shown to correlate with general-self efficacy, self-esteem, and internal locus of control (Schyns & von Collani, 2002). The Rigotti et al. (2008) scale originally used a six-point Likert scale, but for the sake of consistency, this study used a five-point Likert scale ranging from 1 = "Strongly disagree" to 5 = "Strongly agree".

Analytical Strategy

The assumptions for this study were tested using SPSS, and a hierarchical regression was conducted to determine the overall relationship between the predictors and OSE. Following this, a mediational analysis was conducted in the SPSS Process Macro. Mathematical assessment of skew (using a skew statistic cutoff of ±2.58) found that all four measures were negatively skewed: diversity climate (-4.83), psychological safety (-3.23), organizational identification (-5.10), and OSE (-3.98). All the variables were reverse-scored, and the square root transformation was applied, which fixed the

negative skew: diversity climate (2.26), psychological safety (0.61), organizational identification (2.45), and OSE (1.38). The transformed variables meet the assumption of normality and were used in the subsequent analysis. There is evidence of multicollinearity in this dataset between psychological safety and organizational identification, due to the variance inflation factor (VIF) being greater than 5 and a bivariate correlation of .97. Inspection of the scatterplots revealed that the assumptions of linearity and homoscedasticity were met.

Results

Table 1 presents the descriptive statistics, reliability, and correlations for the four variables of interest. Although McKay (2007) found that the effects of diversity climate were experienced by both majority and minority groups, Singh and colleagues (2013) determined that the effects were stronger in minority groups. To control for any effects that ethnicity may have on the hypothesized relationships, ethnicity was entered in block 1. Block 2 included diversity climate, psychological safety, and organizational identification. The full model was statistically significant, F (4, 133) = 8.75, p <.001 and explained 21% of the variance in occupational self-efficacy, as seen in Table 2. As discussed above, there is evidence of multicollinearity between psychological safety and organizational identification. To avoid the effect of suppression and understand the individual predictive power of these two variables, two follow up regression analyses were conducted with one predictor at a time. Results of these analyses can be seen in Tables 3 and 4. When organizational identification was omitted from the analysis, psychological safety had a significant positive relationship with OSE (Table 3, β = .45, p <.001). Additionally, when psychological safety was omitted there was a significant

positive relationship between organizational identification and OSE (Table 4, β = .41, p <.001).

Table 1

Descriptive statistics, reliability, and correlations.

Variables	*M*	*SD*	1	2	3	4
1. Diversity Climate	3.94	.74	(.83)			
2. Psychological Safety	3.61	.73	.67*	(.72)		
3.Organizational Identification	3.72	.81	.59*	.97*	(.87)	
4. OSE	4.15	.56	.10	.36*	.33*	(.85)

[a] 1 and 2, n = 179. 3 and 4, n = 142. [b] Cronbach's alpha (α) are in parentheses.

*p<.01, one-tailed

Table 2

Hierarchical Multiple Regression Analysis Predicting OSE

Step and variable	β	*t*	*SE*	*F*	R^2	ΔR^2	ΔF^2
Step 1	1.27	18.97	.07	1.49	.01		
Ethnicity	.10	1.22	.10				
Step 2	.06*	.22*	.28*	8.75*	.21*	.20*	11.10*
Ethnicity	.09	1.15	.09				
Diversity Climate	-.07	-.67	-.09				
Psych Safety	1.21*	3.63*	.39*				
Org Identification	-.82**	-2.33**	.28**				

*p<.001 ** p<.05

Table 3

Hierarchical Multiple Regression Analysis Predicting OSE without Organizational Identification

Step and variable	β	*t*	*SE*	*F*	R^2	ΔR^2	ΔF^2
Step 1	1.27	19.03	.07	1.41	.01		
Ethnicity	.10	1.19	.20				
Step 2	.06*	.22*	.28*	8.23*	.16*	.15*	11.60*

Ethnicity	.08	1.00	.02
Diversity Climate	-.17	-1.73	.08
Psych Safety	.45 *	4.73*	.11*

*p<.001

Table 4

Hierarchical Multiple Regression Analysis Predicting OSE without Psychological Safety

Step and variable	β	t	SE	F	R^2	ΔR^2	ΔF^2
Step 1	1.27	18.97	.07	1.49	.01		
Ethnicity	.10	1.22	.20				
Step 2	.06*	.22*	.28*	8.23*	.16*	.15*	11.60*
Ethnicity	.08	.96	.02				
Diversity Climate	-.15	-1.51	.09				
Org. Identification	.41 *	4.14*	.08*				

*p<.001

A parallel mediation analysis was conducted using the SPSS Process Macro (see Table 5). Diversity climate had a significant positive relationship with psychological safety (β = .52, p <.001), which indicated support for hypothesis 1. Diversity climate also had a significant positive relationship with organizational identification (β = .11, p <.001), indicating support for hypothesis 2. Based on the results from the previous regressions, hypotheses 3 and 4 were supported. Psychological safety had a significant positive relationship with OSE (Table 3, β = .45, p <.001), as did organizational identification (Table 4, β = .41, p <.001).

The results of the parallel mediation analysis indicated there was not a significant direct effect of diversity climate on OSE (β = -.07, p = .51), as shown in Table 5. Further analysis of the results of the parallel mediation revealed that there was a significant positive indirect effect of diversity climate on OSE through psychological safety (Table

5, β = .63, *SE* = .20, 95% CI [.26, 1.06]), and a significant negative indirect effect of diversity climate on OSE through organizational identification (β = -.09, *SE* = .05, 95% CI [-.20, -.004]). The full model for the parallel mediation analysis can be seen in Figure 1. Since the violation of multicollinearity is an issue in this analysis, two more mediation analyses were conducted, one in which psychological safety was omitted and the other in which organizational identification was omitted. These analyses revealed significant positive indirect effects of diversity climate on OSE through psychological safety (Table 6, β = .24, *SE* = .06, 95% CI [.13, .36]) and organizational identification (Table 6, β = .24, *SE* = .07, 95% CI [.12, .38]). These results show that although there is no direct effect between the IV (diversity climate) and DV (OSE), there is a significant indirect relationship through the mediators. According to Zhao et al., (2010) this is indicative of an indirect mediation; hence, hypotheses 5 and 6 are supported.

Table 5

Direct, Indirect, and Total Effects of Diversity Climate in Parallel Mediation Analyses

	β	*B*	*SE*	*LLCI, ULCI* [a]
Direct				
Psychological Safety	.52*	.40*	.06	.29, .51
Org. Identification	.11*	.12*	.03	.07, .17
OSE	-.07	-.06	.09	-.23, .12
Indirect				
Psych Safety > OSE	.63	.56	.20	.26, 1.06
Org Ident > OSE	-.09	-.08	.05	-.20, -.004

*p<.001, [a] 95% confidence interval

Table 6

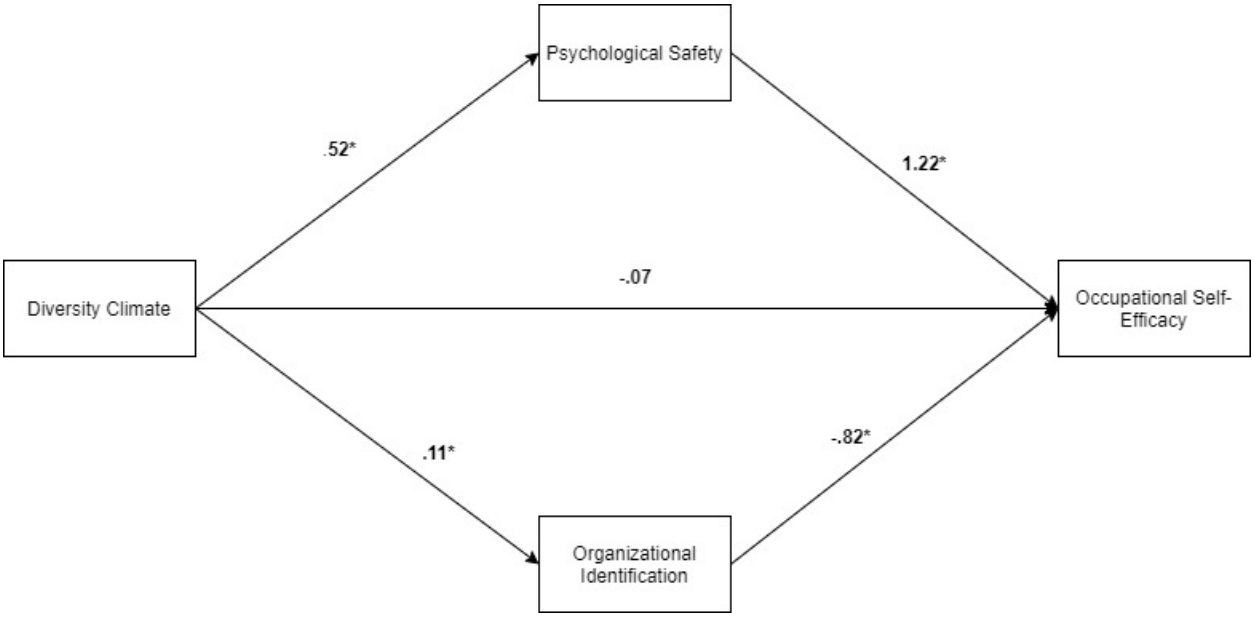
Indirect Effects of Diversity Climate on OSE from Individual Mediational Analyses

	β	B	SE	*LLCI, ULCI* [a]
Psych Safety > OSE	.24	.21	.06	.13, .36
Org Ident > OSE	.24	.21	.07	.12, .38

[a] 95% confidence interval

Figure 1

Model of the relationships from the parallel mediation analysis.



Note. The significant relationships are marked by an asterisk

Discussion

The results of this study aid in a deeper understanding of social identity theory (SIT) and the effects that the perception of having a shared organizational identity may have on individuals. All the hypothesized relationships in the current study were based on SIT and the premise that positive diversity climates aid in fostering employee identity with their organization. Since Cox's (1991) framework requires that an organization

needs to have a collective identity to have a positive diversity climate, we can assume that the existence of a positive diversity climate is indicative of group identification for the employees. This was further supported by the finding that diversity climate had a significant positive relationship with organizational identification, which suggests that a positive diversity climate develops a shared identity between an employee and their organization. Additionally, the current study found that an organization's positive attitude toward diversity relates to employees perceiving that their workplace is psychologically safe (i.e., safe for interpersonal risk-taking and the sharing of their identities). This finding was consistent with previous findings regarding the relationship between diversity climate and psychological safety. This pattern of results shows that social groupings as defined by SIT and positive attitudes toward diversity (which is indicative of a shared identity based on diversity) relate to an individual feeling greater psychological safety and identification.

This study also extends the psychological safety literature by establishing a previously studied antecedent with diversity climate and providing evidence of occupational self-efficacy as an outcome. Previous studies have typically focused on the organization-oriented outcomes of psychological safety, rather than how it affects the internal states of the employee. The findings of this study suggest that an employee's feelings of being psychologically safe in their workplace relates to them feeling more confident in their abilities to succeed in the work environment. Due to the previously found connections between psychological safety and variables such as creativity and error-related learning, the significant relationship between psychological safety and OSE is logical (Kark & Carmeli, 2009; Carmeli et al., 2010; Palanski & Vogelgesang, 2011).

The current study also provides evidence for the relationship between organizational identification and OSE. As discussed above, organizational identification relates to an employees' reticence to fail, creativity, and performance (Hirst et al., 2009; Madjar et al., 2011). As an employee experiences greater creativity and increases in performance, they can also experience more career success, which creates a positive feedback loop between success and OSE (Spurk & Abele, 2014). Additionally, one surprising finding in this study was the high correlation between psychological safety and organizational identification. This relationship between psychological safety and organizational identification was a substantial finding that has not been the focus of past research. Some conceptualizations of psychological safety already take identity into account, but the findings of this study further emphasize the interconnectedness of the two concepts (Chrobot-Mason & Aramovich, 2013).

The current study was unable to find support for a direct mediated relationship between diversity climate and OSE. Although an organization's attitude toward diversity has an influence on an employee in terms of their psychological safety and organizational identification, the results suggest that it does not directly relate to the employees' belief about their job skills. This study did, however, find evidence of an indirect mediated relationship between diversity climate and OSE through psychological safety and organizational identification, suggesting that an organization's attitude toward diversity can still have effects on an employees' belief in their occupational abilities.

All the variables in this study were analyzed on the individual-level and focused on employee perceptions. This individualized analysis answers the call of Dwertmann (2016) to conduct diversity climate research that has a theoretical basis for the level of

analysis as well as the call for research into how SIT affects individuals. As the American workplace becomes more heterogeneous, studies that focus on individual reactions to concepts akin to diversity become more important. Through learning how to create group identifications and safe environments, organizations can develop a more cohesive workforce.

Practical Implications

Knowing that psychological safety and organizational identification are related to higher occupational self-efficacy in employees can incentivize organizational leaders to focus on creating policies and procedures that relate to diversity. These findings emphasize how important a psychologically safe work environment and organizational identity is to employees. OSE relates to an individuals' belief in their abilities in any workplace, which means that it extends to jobs that they may have in the future. Individuals who are entering the workforce should aim to find workplaces that emphasize psychological safety and organizational identification to benefit from the relationship with OSE and potentially give them with the confidence needed to succeed in their future careers

The results of this study highlight the importance of organizations showing their support and positive attitudes toward diversity. Utilizing more diverse practices relates to employees of all ethnicities feeling like the workplace is safe for them to freely share their identities and take risks, which in turn also relates to enhanced belief in their abilities in the workplace. The increase in the belief in their abilities subsequently relates to individual performance improvements. Additionally, the diverse practices are associated with developing organizational identification, which in turn enhances

performance (Madjar et al., 2011). Investing and focusing efforts into creating a diversity-friendly workplace where leaders are expected to show their commitment to diversity, can help organizations create a strong and successful workforce.

Limitations and Future Directions

One major limitation in this study was that the data was collected from an Amazon MTurk sample. Due to the Mturk sample, the screening process, and failed attention checks, the sample size for this study was quite limited. Gathering data from a sample of various organizations would likely reduce the attrition rate and result in a larger sample. Due to reliance on self-report measures, socially desirable responding may have occurred. A related issue was the possibility of common method bias. The current study attempted to control for common method bias by collecting data at two different time points, but future research should include objective measures and use statistical methods to strengthen the results.

A second limitation was the high correlation between psychological safety and organizational identification. The existence of multicollinearity in a multivariate dataset increases the possibility of type II errors, which can lead to the acceptance of a null hypothesis that should be rejected (Grewal et al., 2004). The high correlation ($r = .97$) between psychological safety and organizational identification, the high VIF, and the magnitude of the relationship between organizational identification and OSE suggests that organizational identification was redundant and being suppressed by psychological safety.

A third limitation in this study was the short time lag between data collection at Time 1 and Time 2. Psychological diversity climate is liable to change over time as new employees and supervisors join the company. There is a possibility that over the course of one's career, the longer they are exposed to positive diversity climates, the more their OSE will increase. The increase may also be caused by other indirect relationships, but a longitudinal study of 1-2 years would aid in unearthing more about the mechanisms behind OSE and how organizations can foster its growth

A fourth limitation was the possibility that there are confounding variables that affect the relationships in this study. For example, psychological safety can also be predicted by the relationship between the leader and the subordinate. One of the main principles of a positive diversity climate is that there is visible support from leaders in the organization, so there is a potential for leadership type or leader-member exchange (LMX) to have a significant role in the relationship between diversity climate and psychological safety. Furthermore, general self-efficacy (GSE) could confound the relationship between psychological safety, organizational identification, and OSE. Previous research has found a strong relationship between general self-efficacy and OSE, so if an individual's GSE is already high then it might explain more variance than psychological safety or organizational identification. Future research should consider other confounding variables that have the potential to explain the relationships that were found in this study.

In addition to the suggestions discussed above, future researchers should also examine the relationships between psychological safety, organizational identification, and other internal states. Analyzing how these variables relate to other constructs such as

GSE and self-esteem, could enhance the literature on the workplace and personality. Furthermore, research should be conducted on how the relationships in this study function. A longitudinal study that measures OSE, psychological safety, and organizational identification at various time points could shed light on how OSE changes over time in relation to other work variables. This would clarify the stability of OSE and could serve as the basis for interventions that increase OSE. Finally, research that examines how other forms of climates affect psychological safety and organizational identification would expand the literature about the effects that an organizations' policies and procedures have on their employees.

Conclusion

In this study, an employee's perception of their organization's attitude toward diversity was found to relate to their psychological safety and organizational identification. Furthermore, diversity climate was found to have an indirect relationship with OSE through psychological safety. The correlations revealed a strong relationship between psychological safety and organizational identification, which may prove to be an important area of research in the future. This study illuminates the importance of diversity climate, psychological safety, and organizational identification in an individual's career. OSE relates to an individual's belief in their abilities in all work-related skills, not just the ones that are used in their current workplace, so developing a strong sense of OSE early on in one's career can help their future professional development. Individuals who are new to the workforce should aim to find an organization that has positive attitudes toward diversity, values psychological safety, and creates a shared organizational identity to set them up for future career success. Even

though there was no direct relationship between diversity climate and OSE, this study found that working in an organization with a positive diversity climate indirectly relates to possible increases in an individual's occupational self-efficacy.

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Appendix: Survey Scales

Diversity Climate (McKay, Avery, & Morris, 2008).

1. I trust the organization to treat me fairly.
2. Respect views of people like me.
3. Maintains diversity-friendly work environment.
4. Top leaders visibly committed to diversity.

Psychological Safety (Carmeli, Reiter-Palmon, & Ziv, 2010).

1. I am able to bring up problems and tough issues.
2. People in this organization sometimes reject others for being different.*
3. It is safe to take a risk in this organization.
4. It is easy for me to ask other members of this organization for help.
5. No one in this organization would deliberately act in a way that undermines my effort.

Organizational Identification (Mael & Ashforth, 1992).

1. When someone criticizes this organization, it feels like a personal insult.
2. I am very interested in what others think about this organization.
3. When I talk about this organization, I usually say ‘we’ rather than they.
4. This organization’s successes are my successes.
5. When someone praises this organization, it feels like a personal compliment.
6. If a story in the media criticized the organization, I would feel embarrassed.

Occupational Self-Efficacy (Rigotti, Schyns, & Mohr, 2008).

1. I can remain calm when facing difficulties in my job because I can rely on my abilities.
2. When I am confronted with a problem in my job, I can usually find several solutions.
3. Whatever comes my way in my job, I can usually handle it.
4. My past experiences in my job have prepared me well for my occupational future.
5. I meet the goals that I set for myself in my job.
6. I feel prepared for most of the demands in my job.

*Item is reverse-scored