Managing workplace diversity and employees’ turnover intention: The mediating role of perceived organizational support

Hye Kyoung Kim*, Ung Hee Lee**

Occupational Education Studies, Oklahoma State University*
Management Support team, Korea Industrial Complex Corp**

Abstract The main purpose of the study was to examine the structural relationships among workplace diversity management, employees’ turnover intention, and perceived organizational support in the Korean business context. The mediating effect of perceived organizational support on the relationship between workplace diversity management and turnover intention was also explored. The major findings are as follows: First, no direct relationship was found between workplace diversity management and employees’ turnover intention. However, workplace diversity management positively impacted perceived organizational support. Third, perceived organizational support was found to be negatively related with employees’ turnover intention. Finally, the results showed that perceived organizational support played a mediating role in the relationship between workplace diversity management and turnover intention.

Key Words: Workplace diversity management, Turnover intention, Perceived organizational support, Structural Equation Modeling, Mediation effect

요 약 본 연구의 주요 목적은 조직 내 다양성 관리, 종업원의 이직의도, 그리고 지각된 조직 후원과의 구조적 관계를 살펴보는 것이다. 또한 조직 내 다양성 관리와 이직의도 간의 관계에서 지각된 조직 후원의 매개적 역할에 대해서도 살펴보는 것이다. 연구 목적인 달성하기 위해 선행연구 리뷰와 설문지법을 이용한 실증적 분석을 실시하였으며, 연구결과 조직 내 다양성 관리와 종업원의 이직의도와는 부(−)의 영향관계가 존재하지 않았으나, 다양성 관리가 지각된 조직 후원에는 정(+)의 영향을 미치는 것으로 나타났다. 지각된 조직 후원은 종업원의 이직의도에 부(−)의 영향을 미치는 것으로 나타났다. 또한 지각된 조직 후원은 조직 내 다양성 관리가 종업원의 이직의도에 미치는 영향 관계에서 매개역할을 하는 것으로 나타났다. 이러한 연구결과를 바탕으로 종업원의 이직의도를 줄이고 최종적으로 성과 향상을 위한 방안에 대해 논의하고 시사점을 제시하였다.

주제어: 다양성관리, 이직의도, 지각된 조직 후원, 구조방정식모델링, 매개효과
1. Introduction

The dynamic world economy causes many changes in a working environment. For example, the need to hire competitive workers to have an advantage in competing with domestic and international companies causes the company to import competent workers from outside the country and to increase women’s labor participation[1]. Indeed, the need to remain competitive in the global market attracts a usable workforce[2]. As a result of this change, the composition of the work group is becoming more culturally and demographically diverse and this transition requires more managerial attention and effective workplace diversity management in the workplace.

It is believed that workplace diversity provides benefits to organizations, as it is a source of creativity and the development of new ideas to deal with problems[3]. With this perspective, numerous studies have provided considerable evidence that shows the positive contribution of workplace diversity on organizational performances in terms of increased employees’ work engagement, low turnover intention, better problem solving, better decision making, and innovation(e.g., [4, 5, 6, 7, 8]). It has also been shown that when organizations pay attention to diversity and effectively manage workplace diversity, the employees tend to be more engaged in their duties and roles[9].

However, in spite of the benefits of workforce diversity, experts argue that diverse workforces are negatively related to organizational performances because of the difficulties in communication among employees, inter-group conflict, and a lower sense of organizational attachment[10, 11]. Several empirical studies support the perspective that workplace diversity results in a lower level of commitment and satisfaction, and high turnover intention[12, 13].

These mixed results require additional research to confirm the effectiveness of diversity in the workplace[3]. In addition to this lack of sufficient research on the effectiveness of workplace diversity, this study aims to address another research gap.

Historically, Korea has been categorized as an ethnically homogeneous and male-dominated society[14]. Thus, discussions on diversity and diversity management receive less attention in Korea compared to the western countries, such as the United States. However, international and domestic changes in the working environment have diminished barriers among countries for importing competitive non-Korean workers and for the increased participation of women in economic activities, and these trends require the consideration of diversity in Korea.

According to the Ministry of Employment and Labor of Korea(2012), the hiring rate of women in companies which have over 1,000 employees was 35.60% in 2010 compared to 30.7% in 2006. Moreover, the percentage of non-Korean workers was 2.3% in 2009 compared to 0.6% in 2000[15]. Overall, the number of female workers and non-Korean workers is growing, so managing diverse groups of people is becoming a more important issue. Therefore, now could be a proper time to study more about diversity management in order to increase the effectiveness of diverse groups in the workplace. Furthermore, because this change of composition of working groups is both directly and indirectly related with organizational outcomes, companies need to think about diversity management and the effect of diversity management on employees’ behavior and perception of the organizations.

In responding to this request and the situational issues, this study sought to address the need for effective workplace diversity management. The basic purpose of this study was to examine the effect of workplace diversity management on employees’ behavior in terms of turnover intention, and employees’ perception in terms of perceived organizational support. Moreover, this study explored the role of perceived organizational support in the relationship between workplace diversity management and turnover intention.
2. Theoretical Foundation and Literature Review

2.1 Social Exchange Theory

Employees’ positive work attitude is related with job satisfaction, job engagement, and turnover intention. With regard to positive work attitudes, Eisenberger et al. (1990) and Romzek (1990) asserted that a positive attitude of employees toward their organizations is determined by the employees’ perception toward their organizations[16, 17]. For example, when employees perceive an organization’s fair treatment, they will have the intention to repay their organization with a positive work attitude[18]. This employee organization relationship could be explained by the social exchange theory rooted in the works of Blau (1964) and Gouldner (1960)[19, 20]. According to this theory, benefits and costs determine the social interactions among people. Even though this employee organization relationship is built by money and contract, this relationship could be reinforced or terminated by employees’ voluntary behaviors when they perceive positive and beneficial support or negative support from organizations. That is, if companies invest something in their employees for the employees’ well-being, these employees could begin to trust and want to repay their companies. Settoon et al. (1996) defined this situation as “positive, beneficial actions directed at employees by the organization and/or its representative contribute to the establishment of high quality exchange relationships that create obligations for employees to reciprocate in positive, beneficial ways”[21], p.219).

As a result of this, a social exchange relationship is built between employees and organizations. This relation deepens even when mutual trust exists between them[19]. Thus, social exchange tends to build a long-term interaction based on the norm of reciprocity, unlike economic exchange[20].

This study focused on managerial efforts and initiatives to embrace employees’ differences in aspects of gender, nationality, religion, and seniority. If employees positively recognize this managerial initiative to treat them equally and to give the same opportunities to all employees, then this positive perception could lead to low or no intention to leave the organization. Moreover, this effect of workplace diversity initiatives on employees’ turnover intention could be reinforced by perceived organizational support. The more employees perceive that their organization supports them, the more they might have an obligation to repay the organization. Therefore, when employees realize the organizational support such as diversity management to treat employees equally, this perception will strengthen lower turnover intention.

An exchange relationship can be developed and extended between employees and organizations when employees are committed to their work and have loyalty to the organization, and the organizations also support their employees[21]. From this view, the supportive policy of organizations and initiatives for discrimination and equality could be antecedents of employee retention.

2.2 Workplace Diversity Management and Turnover Intention

A phenomenon such as increased job opportunities for women and increased import of workforce from out of the country stimulates the concern for diversity management in the workplace. With this phenomenon in the workplace, many researchers have focused on diversity and its outcomes(e.g., [4, 5]). To date, the research on diversity could be categorized into two research trends: diversity climate(composition of diverse groups) and its outcomes(e.g., [22, 23, 24]) and diversity management and its outcomes(e.g., [25, 26]). That is, the first study trend focuses on the composition of a diverse group and its effect on group outcomes such as job satisfaction and turnover...
intention, while the other approaches workplace diversity from a managerial standpoint. Among these two research trends, research on diversity management has focused on how companies manage and control diversity issues for diverse groups of employees[14].

The main concept of diversity management is that diversity management accepts and respects individual differences[27]. Diversity management implements hands-on management practices to recognize and encourage differences among employees or between groups[25]. For the purpose of this study, this concept of workplace diversity management is applied to research that focuses on managerial efforts and initiatives to embrace employees’ differences. In other words, this study focuses on companies’ efforts and strategies to deal with diversity in terms of compensation, promotion, training, and recruitment.

Leaders’ support and management strategy on equal opportunities and fair evaluation regardless of gender, age, religion, and nationality could affect employees’ organizational behaviors such as commitment, turnover, and satisfaction[28, 29]. Jabbour et al.(2011) studied the benefits and challenges of diversity management in Brazilian organizations[25]. They stated that diversity management includes the acceptance, acknowledgment, and respect that individuals are not the same but rather are different from each other. Through 15 cases studies, they found the advantages of diversity management such as improved productivity, increased creativity, and more integration among employees. Moreover, Groeneveld(2011) found that the presence of diversity policies within organizations is negatively related to turnover intention[30]. O’Mara(1994) also reported that diversity management strategies increase competitive advantages by recruiting and retaining competent employees[31].

Additionally, managerial efforts and initiatives to encourage and recognize the differences also affect employees’ perceptions on the organization. Workplace diversity management makes employees feel valued regardless of their gender, career, religion, and age, and this feeling increases employees’ perceived organizational support[32, 33, 34]. Based on this literature review, the study expects a negative relationship between workplace diversity management and turnover intention, and a positive association between workplace diversity and perceived organizational support. The following research hypotheses were developed:

\[ H_1: \text{Workplace diversity management will negatively impact employees’ turnover intention.} \]

\[ H_2: \text{Workplace diversity management will positively impact perceived organizational support.} \]

2.3 Perceived Organizational Support (POS)

With the direct relationship of workplace diversity management and employees’ turnover intention, this study also considers the indirect relationship of workplace diversity management and employees’ turnover intention through perceived organizational support. That is, the effect of workplace diversity management on employees’ turnover intention would be strengthened by perceived organizational support.

Perceived organizational support (POS) is the “employees’ perception of being valued and cared about by the organization”[16], p.51, and assumes that employees focus on the organization when they recognize the organizational support for them[35]. POS satisfies employees’ socio-emotional needs such as getting approval from leaders and affiliation[16], and helps employees to have higher organizational membership. Employees who have a high perception of POS tend to show stronger feelings of affiliation to their organization, which in turn, could lower their intention to leave the organization[36]. Many previous studies have shown that perceived organizational support encourages employees to be involved more in their duties and the organization(e.g., [37, 38, 39]).

If organizations respect employees’ diversity regardless
Managing workplace diversity and employees' turnover intention: The mediating role of perceived organizational support

of their gender, seniority, and nationality and do not reflect these factors in compensation and promotion, employees feel that they are being respected and valued by their organization[33, 34]. This feeling reduces employees' intention to quit their job[37]. Regarding age diversity management in the workplace, Oyler and Pryor(2009) pointed out that older employees are less likely to receive training opportunities to improve their competencies[40]; however, when developmental opportunities also are given to older workers, this contributes to an increase perceived organizational support and ultimately leads older employees to have the intention to remain in the organization[41].

Based on these arguments, it is assumed that workplace diversity management positively affects employees' perceived organizational support, which, in turn, reduces their intentions to leave their organizations.

H3: Perceived organizational support will negatively impact employees’ turnover intention.

H4: The influential relationship between workplace diversity management and employees’ turnover intention will be mediated by perceived organizational support.

Based on the literature review, this study developed a research model, shown in [Fig. 1].

3. Methods

3.1 Data Collection and Research Samples

The purpose of this study was to investigate the effect of workplace diversity management on employees in terms of perceived organizational support and turnover intention. The target samples were employees working in companies that had a diversity policy and had implemented practices in Gyeongbuk area. To obtain research participants, one of the researchers obtained a list of company from Korea Industrial Complex Corp. (KICOX) and contacted the human resource director of companies with more than 500 employees to ask if the company have a diversity policy and to ask for research participation. Six companies that had a diversity policy and had implemented practices agreed to participate in the survey. A total 365 questionnaires were distributed to workers and 273 were returned(a return rate of about 71%). After screening for incomplete questionnaires, a total 228 questionnaires were used for the further analyses. With regard to sample demographic distribution, approximately, 71% were male, 45% were 30–39 years old, 40% had a bachelor degree, and 90% of the respondents worked in electronics companies.

3.2 Instruments

Based on the developed research model, this study employed three constructs: diversity management, perceived organizational support, and turnover intention. All constructs were measured using a 5-point Likert-type scale ranging from ‘strongly disagree’(1) to ‘strongly agree’(5). All scales were measured based on the respondents’ perception.

First, to measure workplace diversity management, six items were used, which were developed by Mor Barak et al.(1998)[42]. The respondents were asked to answer based on their perception of their companies’ efforts and initiatives for diversity. A sample question is “Our company makes promotion and tenure decisions
조직 내 다양성 관리와 종업원의 이직의도: 지각된 조직후원인식의 매개효과를 중심으로

fairly, regardless of such factors as the employees’ race, sex, age, or social background.” Second, perceived organizational support was measured by six items which were developed and validated by Eisenber et al.(2001)[43]. Also, several follow-up research studies have proved internal consistency of the items(e.g., [44]). For example, Shore and Tetrick(1991) validated these measures in the item internal consistency (Cronbach’s α=.95)[45]. A sample question is “Our organization values my contributions to its well-being.” Finally, three items developed by Mobley et al.(1978) were used to measure turnover intention[46]. This scale has been used and validated in many follow-up studies(e.g., [47, 48]). For example, Bigliardi et al.(2005) confirmed that these three items display good internal consistency(Cronbach’s α=.86)[47]. One sample question is “I think a lot about leaving the organization.”

Cronbach’s alpha was used to determine reliability of the constructs. Cronbach’s alphas for all constructs ranged from .893 to .912, as presented in <Table 1>, which indicated reliability of all the constructs. Also, correlation analysis results showed that there were significant correlations(r ranges from -.483 to .175) among the three variables and proved the acceptable convergent validity of the measurement[49].

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>S.D</th>
<th>α</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Diversity management</td>
<td>3.34</td>
<td>.77</td>
<td>.901</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. POS</td>
<td>3.38</td>
<td>.60</td>
<td>.912</td>
<td>.175</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>3. Turnover intention</td>
<td>2.16</td>
<td>.74</td>
<td>.869</td>
<td>-.152</td>
<td>-.483</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05
α = Cronbach’s alpha coefficient estimates.

4. Results

4.1 Measurement Model Assessment

This study performed confirmatory factor analysis (CFA) to estimate convergent and discriminant validity of the three constructs. Results are presented in <Table 2>. The results supported the criteria for determining construct validity of the measurement model. To evaluate the validity of the construct, the multiple model-fit indices were obtained(χ²(116)=347.41, GFI=.85, RMR=.07, CFI=.95, NFI=.93). Overall, all the model fit indices indicated statistically acceptable values. Even though the GFI value was under the recommended value of .90, the value satisfied other researchers’ recommended value of .85(e.g., [50]). The average variance extracted (AVE), which indicates the overall amount of variance in the items accounted for by the latent construct, was calculated to determine the discriminant validity. As shown in <Table 2>, all discriminant validities of factors were satisfied with the criteria suggested by Fornell and Larcker(1981)(AVE>.5)[51]. Composite reliability(CR), which is recommended to be greater than .70[51], was also examined to test the internal consistency of each scale. Finally, all factor-loading values of the observed items were acceptable, ranging from .63 to .88.

<table>
<thead>
<tr>
<th>Latent construct</th>
<th>Composite reliability</th>
<th>Average variance extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity management(ξ₁)</td>
<td>.90</td>
<td>.61</td>
</tr>
<tr>
<td>POS(η₁)</td>
<td>.91</td>
<td>.66</td>
</tr>
<tr>
<td>Turnover intention(η₂)</td>
<td>.88</td>
<td>.70</td>
</tr>
</tbody>
</table>

χ² (116) =347.41, GFI=.85, NFI=.93, CFI=.95, RMR=.07

4.2 Structural Model Assessment

Analysis by structural equation modeling(SEM) using Lisrel 8.80[52] was performed to test the three hypotheses. Before testing the hypotheses, the fitness of the overall measurement model was estimated using various indices provided by the LISREL results. The study applied several model-data fit indices such as the goodness of fit index(GFI), Root-mean-square residual(RMR), incremental fit index(IFI), Chi-square/df, and comparative fit index(CFI). As shown in <Table
Managing workplace diversity and employees’ turnover intention: The mediating role of perceived organizational support

3>, the fit of the structural model was acceptable: $\chi^2(116) = 347.41$, $\chi^2/df = 2.99$, GFI = .85, RMR = .07, IFI = .91, and CFI = .91.

### Table 3: Model Fit Indices for Hypothesized Model

<table>
<thead>
<tr>
<th>Model Fit Indices</th>
<th>$\chi^2$</th>
<th>$\chi^2/df$</th>
<th>GFI</th>
<th>CFI</th>
<th>RMR</th>
<th>IFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesized Model</td>
<td>347.41</td>
<td>2.99</td>
<td>.85</td>
<td>.91</td>
<td>.07</td>
<td>.91</td>
</tr>
</tbody>
</table>

Note: * $p < .001$

Standardized path coefficients related to the hypotheses are presented in [Fig. 2]. The results of the hypothesis tests showed that workplace diversity management ($\beta = .25$, $t = 3.30$) had a positive effect on perceived organizational support, but had no relationship with turnover intention ($\beta = -.13$, $t = -1.87$). Moreover, Hypothesis 3, which expected a negative relationship between perceived organizational support and turnover intention, was supported ($\beta = -.48$, $t = -6.12$).

#### 4.3 Test of Mediation Effect

Hypothesis 4 predicted that perceived organizational support would mediate the relationship between workplace diversity management and turnover intention. The mediation effect of perceived organizational support was tested by Sobel test. As shown in <Table 4>, perceived organizational support appeared to mediate between workplace diversity and turnover intention ($z = -2.5128$, $p = .0120$). Thus, Hypothesis 4 was supported.

### Table 4: Results of mediation analysis for perceived organizational support

<table>
<thead>
<tr>
<th>Path</th>
<th>coefficient</th>
<th>S.E</th>
<th>Sobel z score</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>DM $\rightarrow$ POS</td>
<td>.1361</td>
<td>.0570</td>
<td>$-2.5128$</td>
<td>.0120</td>
</tr>
<tr>
<td>POS $\rightarrow$ TO</td>
<td>-.5765</td>
<td>.0724</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DM, POS, and TO stand for workplace diversity management, perceived organizational support, and turnover intention, respectively.
5. Conclusions and Discussion

5.1 Conclusions

The main purpose of this study was to examine the effect of workplace diversity management on employees’ turnover intention and perceived organizational support. Furthermore, the mediating effect of perceived organizational support on the relationship between workplace diversity management and turnover intention was explored. To determine the effects, this study employed literature reviews and empirical studies. A total of 228 responses of employees were used for the SEM and regression analyses to test the hypotheses of this study.

Four hypotheses were empirically tested and the major findings are as follows. The results of the empirical study supported the hypothesis that workplace diversity management would positively impact perceived organizational support. This confirms the findings of previous studies conducted that showed a positive relationship between these two factors (e.g., [25, 26]). It was also found that perceived organizational support that is increased by employees’ perception of diversity management is negatively related to their turnover intention. This supports and confirms the results of previous studies (e.g., [30, 31]). The results of this study also show that perceived organizational support plays a role in reducing employees’ turnover intention. Moreover, the hypothesis proposed the mediating effect of perceived organizational support on the relationship between workplace diversity management and turnover intention, and the results supported this hypothesis. Employees who are supported by their organizations in terms of equal treatment regardless of gender, age, and racial differences will feel more valued by their organizations, and this recognition will lead to weaker turnover intention. However, inconsistent with other studies showing the negative association between workplace diversity management and turnover intention (e.g., [23, 24]), this study showed no direct relationship between them.

5.2 Implications

Based on the findings, employees’ perception of diversity management and organizational support can have important effects on the organization. It is important for organizations to focus on effectively managing diversity and also to be sure to increase positive perception of diversity management within organizations since this perception can be linked to turnover intention.

Many researchers and practitioners have asserted that human resources are the most critical resources in organizations [53]. The reason is that human resources are the root of creativity and new ideas, and a driving force of organizations. Therefore, recruiting and retaining competent employees are important issues for every organization [54]. Organizations should continuously prevent employees’ turnover and increase the retention rate as well-trained and competent employees’ turnover could cause considerable damage to organizations. More practically, employees’ turnover is related to an organization’s practical issues in terms of the cost of hiring and training new employees, as well as the loss of talent [55]. With regard to this issue, this study’s results suggest practical implications to organizations.

First, a major contribution of this study is that the empirical link between workplace diversity management and perceived organizational support is supported. Even though there is no direct effect of workplace diversity management on employees’ turnover intention, workplace diversity management indirectly affects employees’ turnover intention through perceived organizational support. This result shows the importance of employees’ perception of organizational support and diversity management to reduce turnover intention. Because turnover intention is considered the most significant immediate predictor of actual turnover.
behaviors,[56] it is critical that organizations pay attention to these two factors.

As previously mentioned, perceived organizational support is important as this is considered a precursor of employees’ organizational commitment. This result suggests a way companies can positively increase their employees’ perceived organizational support. To increase employees’ positive perception, organizations need to include diversity management policies as an organizational value for employees and need to set up a strong policy and initiatives to support workplace diversity. As earlier mentioned, workforce diversity is continuously increasing. Thus, employers need to consider the way to maximize the output of the diverse workforce and to help minority employees to successfully be engaged in the organization. For this, employers can promote employees to understand and to respect differences by providing education programs such as Johnson & Jonson’s Diversity University. According to Johnson & Johnson, Diversity University is an online program, designed to help employees understand and value differences. Through this education, the employees learn to value differences and recognize the benefits of working collaboratively. By developing a similar program, employers can help their employees regardless of gender and nationality, learn these same values and benefits from working with diverse groups.

Also, the leaders’ strong intention for diversity management to be one of the priority policies supported by top management needs to be delivered to every employee. More importantly, there is the need for a paradigm shift in diversity management. Companies should commit to diversity management not only to respond to legal obligations but also to ensure social and organizational benefits of this policy.

5.3 Limitations and Future Research

Despite these practical and scholarly contributions, this study has some limitations of generalizing the result that should be overcome in future studies. First, this study focuses only on turnover intention as a result variable that is affected by workplace diversity management. Future studies should include other resulting factors such as organizational performance and employees’ creativity. Moreover, although the sample represented variety in terms of gender, age, degree, and unit of business, it is possible that the findings are unique to the unit of business and gender: 90% of the respondents worked in electronics companies and about 70% of the respondents were male. Therefore, the study would need to be replicated with a sample that includes a more balanced response rate between women and men as well as a variety of business units.

REFERENCES


Managing workplace diversity and employees’ turnover intention: The mediating role of perceived organizational support


[43] Eisenberger, R., Armeli, S., Rexwinkel, B., Lynch,
조직 내 다양성 관리와 종업원의 이직의도: 지각된 조직후원인식의 매개효과를 중심으로


김 혜 경(Kim, Hye Kyoung)

- 2000년 2월 : 금오공과대학교 경영공학과 (공학사)
- 2003년 2월 : 경북대학교 교육대학원 상업교육전공 (교육학석사)
- 2008년 2월 : 금오공과대학교 대학원 산업경영학과 (경영학박사)
- 2014년 5월 : 오클라호마주립대 직업교육학과 (교육학박사)

- 관심분야 : HRD, HRM, 리더십
- E-Mail : altorang@gmail.com

이 웅 희(Lee, Ung Hee)

- 1997년 2월 : 금오공과대학교 산업공학과 (공학사)
- 2002년 2월 : 금오공과대학교 대학원 산업경영학과 (경영학석사)
- 2007년 8월 : 금오공과대학교 대학원 산업경영학과 (경영학박사)

- 관심분야 : 인사/조직, 기술경영
- E-Mail : coway@naver.com