**How can organizations reduce depression of employees with different ethnicity?**

**The role of organizational diversity climate**

**Mladen Adamovic, Victor Sojo, Adriana Vargas, and Rebecca Schachtman**

Centre for Workplace Leadership

Faculty of Business & Economics

University of Melbourne

198 Berkeley Street

Carlton VIC 3053

Australia

+61 383 449371

[Mladen.adamovic@unimelb.edu.au](mailto:Mladen.adamovic@unimelb.edu.au) ; [vesojo@unimelb.edu.au](mailto:vesojo@unimelb.edu.au) ; [adriana.vargas@unimelb.edu.au](mailto:adriana.vargas@unimelb.edu.au) ; rebecca.schachtman@unimelb.edu.au

**How can organizations reduce depression of employees with different ethnicity?**

**The role of organizational diversity climate**

**Abstract**

**Purpose:**

Research evidence and media reports further indicate that employees with different ethnicity tend to experience depression and health problems, often based on feelings of worthlessness and suicidal ideation. We aim to provide through our research recommendations of how organizations can design their work climate and HRM systems and practices to improve the well-being of employees with different ethnicity. To address this issue, to expand research on ethnic minorities in the workplace, and to improve well-being of employees with different ethnicity, we integrate research on ethnic minorities with the job-demands-resources (JDR) model.

**Design/methodology/approach:**

We conducted a two-wave survey study with 279 employees from three medium sized organizations located in Australia. To test our hypotheses, we conduct path analysis using Mplus version 8.

**Findings if paper is empirical:**

Consistent with our theoretical model rooted in the JDR model, our empirical study suggests that organizational diversity climate relates positively to job self-efficacy and job satisfaction, which in turn relates negatively to depression symptoms. Further, our subsequent analysis shows that employees with different ethnicity value a high organizational diversity climate more than White employees do.

**Research limitations/implications:**

In our sample, most employees with different ethnicity listed China or South East Asia as their ethnic background. Future research could try to include additional ethnicities to compare and generalize our findings. Further, employees evaluated most variables of our research model. Future research could try to include supervisor evaluations or objective health measures.

**Originality/value of the paper:**

Our work suggests that the experience of an open-minded and tolerant work environment makes significant strides in satisfying the needs of ethnic minorities in the workplace. Such a diversity climate indicates to them that the input and ideas of all employees, regardless of ethnic background, are valued. This facilitates the development of their job self-efficacy. Another key contribution is that we focus on the role of organizations and managers to improve the well-being of employees with a different ethnic background. We take a more proactive approach to go beyond the analysis of problems and challenges, demonstrating that organizations should try implement an effective diversity climate by giving employees the feeling that differences are respected and that can reveal their true identities and selves in the workplace.

In most Western countries, we observe a strong increase of culturally diverse employees with different ethnicity due to globalization of business, skilled labor shortages, poverty in some developing countries, and armed conflicts in several areas around the world (OECD, 2012). Unfortunately, the management of employees with different ethnicity represents a challenge for most organizations (Paunova, 2017). Ethnic minorities often suffer from social exclusion, discrimination, or even exploitation in the workplace (Bell et al., 2010; Bingelli et al., 2013; Van Laer & Janssens, 2011). Research evidence and media reports further indicate that employees with different ethnicity tend to experience depression and health problems (Al-Maskari et al., 2011), often based on feelings of worthlessness and suicidal ideation (Goldberg et al., 1997). While prior research provided important implications regarding the problems and issues that employees with different ethnicity and migrant workers face, we don’t know much about how managers and organizations can help them to improve their situation (Bingelli et al., 2013; Guo & Al Ariss, 2015). Therefore, we aim to provide through our research recommendations of how organizations can design their work climate and HRM systems and practices to improve the well-being of employees with different ethnicity (see also Romani et al., 2017).

To address this issue, to expand research on ethnic minorities in the workplace, and to improve well-being of employees with different ethnicity, we integrate research on ethnic minorities with the job-demands-resources (JDR) model (Demerouti et al., 2001). We adapt the theory of the JDR model to employees with different ethnicity, and therefore provide information whether the model applies to this specific context. This model is a theoretical framework to investigate stress and employee well-being in the workplace (Bakker & Demerouti, 2007; Demerouti et al., 2001). According to this model, employee well-being decreases when an imbalance between job demands and job resources exist (Schaufeli & Bakker, 2004). Job demands are psychological and organizational characteristics of one’s job that cause psychological stress and consume cognitive resources. In contrast, job resources represent aspects of one’s job that are useful to conduct one’s tasks or to achieve one’s objectives (Demerouti et al., 2001).

We argue that the JDR model is a useful theoretical perspective for research on employees with different ethnicity, because they are more likely to suffer from stress and depression (Hovey & Magana, 2000; Qiu et al., 2012). Adapting the theorizing of the JDR model to the context of employees with different ethnicity, we argue that an effective organizational diversity climate is particularly important for them, because it shows employees with different ethnicity that their organizations values liberty, equality, and tolerance for diversity. A high organizational diversity climate is therefore likely to allow organizations to weaken negative workplace dynamics for employees with different ethnicity. Accordingly, in this paper, we investigate whether organizational diversity climate influences depression through job self-efficacy and job satisfaction (Figure 1). We argue that employees with different ethnicity attach more importance to an organization’s diversity climate. Put differently, a high diversity climate should have more beneficial effects for employees with different ethnicity.

**Hypotheses and theoretical background**

Based on the JDR model (Demerouti et al., 2001), we consider an organization’s diversity climate as a job resource that should increase employees’ job self-efficacy. We argue that the effective establishment of an organizational diversity climate should weaken health impairment processes, helping employees to cope effectively with job demands and improving their well-being (Nishi, 2013). In a diversity-friendly environment, employees perceive that differences among employees are respected. They believe they can benefit from learning resulting from different perspectives and ways of thinking (Nishi, 2013). Employees are valued for who they are as people, not just for the tasks they do and the jobs that they fill. Employees also think that they can share and learn from each other. Such an open-minded environment characterized by tolerance for diversity is likely to increase employees’ job self-efficacy. Employees will think that they can handle more effectively unforeseen situations and that they are well-prepared for their job (Schyns & von Collani, 2002).

*Hypothesis 1: Organizational diversity climate is positively related to employees’ job self-efficacy.*

We further argue that employees’ job satisfaction is likely to increase, when they work in an organization that is characterized by a high diversity climate, indicating liberty, equality, and tolerance for diversity. In such an environment, employees are usually able to resolve conflicts with co-workers more effectively (Nishi, 2013). Further, they feel more psychologically safe to be really who they are. They do not feel a need to play role. Instead they “reveal” their actual personality and identity (Nishi, 2013). A high diversity climate is also characterized by a better work-life balance, further increasing employees’ job satisfaction (Haar, Russo, Suno, & Malaterre, 2014).

*Hypothesis 2: Organizational diversity climate is positively related to employees’ job satisfaction.*

The JDR model can be well applied to the context of employees with different ethnicity, because they are more likely to experience health problems (Hovey & Magana, 2000). In line with the theorizing of the JDR model and the ideas of enlightenment, we believe that an effective organizational diversity climate is particularly important regarding job self-efficacy and job satisfaction for people with different ethnicity, because it shows them that all employees are valued and respected, independently of their ethnic background. This means we argue that employees with different ethnicity attach more importance to an organization’s diversity climate. We posit that employees with different ethnicity will additionally see a high diversity climate as an indicator of an inclusive organization, leading to stronger effects. Implementing a high diversity climate is likely to increase job self-efficacy of people with different ethnicity, because they will feel less disadvantaged due to their different ethnic and cultural backgrounds. They are likely to believe that organization values their different ideas, perspectives, and backgrounds, increasing their job self-efficacy and job satisfaction.

*Hypotheses 3 and 4: Ethnicity moderates the relationship between organizational diversity climate and employees’ job self-efficacy in such a way that the relationship will be stronger for non-White employees.*

*Hypothesis 4: Ethnicity moderates the relationship between organizational diversity climate and employees’ job satisfaction in such a way that the relationship will be stronger for non-White employees.*

Based on the JDR model (Demerouti et al., 2001) and prior research, we expect that job self-efficacy and job satisfaction reduces depression symptoms. Feeling confident to conduct one’s work effectively should increase employees’ belief that they are responsible for their well-being and life. They are more able to handle their work and work-life balance, reducing symptoms related to depression. Relatedly, being more satisfied with one’s job should induce in employees the feeling of a meaningful life, helping them to see a sense in their life and to reduce depression symptoms.

*Hypothesis 5: Employees’ job self-efficacy reduces depression symptoms.*

*Hypothesis 6: Employees’ job satisfaction reduces depression symptoms.*

Building on Hypotheses 1 and 5, we argue that a high organizational diversity climate transmits its beneficial effects on employees’ well-being through increased job self-efficacy.

*Hypothesis 7: Organizational diversity climate reduces depression symptoms through employees’ job self-efficacy.*

Building on Hypotheses 2 and 6, we also argue in Hypothesis 8 that employees’ job satisfaction is another mechanism through which organizational diversity climate transmits its effects on employees’ wellbeing.

*Hypothesis 8: Organizational diversity climate reduces depression symptoms through employees’ job satisfaction.*

**Methods**

**Sample and Procedure**

We conducted a two-wave survey study with workers from three medium sized organizations located in Australia. The research team directly emailed all employees of the organizations with an invitation to participate with a six-month interval between the two invitations. Employees evaluated items regarding their organization’s diversity climate, their job self-efficacy, and their job satisfaction. In the second measurement point in time, employees further responded to depression symptoms. In total, the described study collected data from 279 employees, whereby 138 employees also filled out the second survey. The sample was 74% female. This reflected gender proportions within the organizations, which were female dominated. 11% of the participants identified as homosexual, 77% where white, and 69% were born in Australia. This means that 23% that had a different ethnicity. Most of them listed China and South-East Asia as their ethnic background. Participants’ average age was 43.49 years. The mean tenure in the organization was 6.98 years.

**Measures**

*Diversity climate* was measured with seven items (e.g., “In this organisation, people’s differences are respected”) developed by Nishii (2013). Participants indicated to what extent they agreed or disagreed with each item from 1 = ‘Strongly disagree’ to 5 = ‘Strongly agree’.

*Job self-efficacy* was measured with seven items (e.g., “Thanks to my resourcefulness, I know how to handle unforeseen situations in my job”) developed by Schyns and Collani (2002). Participants indicated to what extent they agreed or disagreed.

*Job satisfaction* was measured with the Job in General Scale of theAbridged Job Descriptive Index (Smith, Kendall & Hulin, 1969). Participants were asked to “think of your job in general. All in all, what is it like most of the time?”. They could choose ‘Yes’ if the word or phrase described the work, ‘No’ if it did not, and ‘?’ if they could not decide. The words and phrases were: good, undesirable, better than most, unpleasant, makes me happy, excellent, enjoyable, and poor.

*Depression* was evaluated with the General Health Questionnaire 28. The depression subdimension evaluates feelings of worthlessness and suicidal ideation with 7 items (e.g., “Felt that life isn't worth living?”) to which responses included ‘not at all’, ‘no more than usual’, ‘rather more than usual,’ and ‘much more than usual’.

Finally, for *ethnicity*, we drew from the responses to a question about the participant’s ethnicity (0 non-white, 1 white).

Based on prior research, we controlled for age, tenure, country of birth, job demands, organizational membership, and income. *Job demands* were measured with five items (e.g., “I feel like I have a lot to do at work”) developed by Boyar, Carr, Mosley, and Carson (2007). Participants indicated to what extent they agreed or disagreed.

**Analysis and Results**

Means, standard deviations, and zero-order correlations are presented in Table 1.

------------------------------------

Insert Table 1 about here

------------------------------------

The model fit of the hypothesized model was acceptable: *χ*2 (512) = 930.82; CFI = .932; TLI = .926; RMSEA = .041; and SRMR = .068.

**Hypotheses Testing**

To test our hypotheses, we conduct path analysis using Mplus version 8. Hypothesis 1 predicted that organizational diversity climate relates positively to job self-efficacy. The results indicate that organizational diversity climate has a positive and significant relationship with job self-efficacy (*B* = .20, *p* < .01) (Table 2, Figure 1). Further, Hypothesis 2 predicted a positive relationship between organizational diversity climate and job satisfaction. The results also support this hypothesis (*B* = 1.43, *p* < .01).

Hypotheses 3 and 4 described the interaction between organizational diversity climate and ethnicity. The results in Table 2 indicate that the moderation reached significance with regard to job self-efficacy (*B* = -.16, *p* < .05). Figure 2 graphically represents the two-way interaction between organizational diversity climate and ethnicity. The relationship between organizational diversity climate and job self-efficacy is stronger people with different ethnicity than for White employees. Hypothesis 3 is therefore supported. Hypothesis 4 is not supported; the interaction of organizational diversity climate and ethnicity is not significant with regard to job satisfaction (*B* = .63, *p* > .05).

------------------------------------

Insert Figure 2 about here

------------------------------------

Hypothesis 5 further predicted a negative relationship between job self-efficacy and depression. The results support this hypothesis, suggesting that job self-efficacy is negatively and significantly related to depression beyond job stress (*B* = -.49, *p* < .05) (Table 2). Job satisfaction is also negatively and significantly related to depression (*B* = -.08, *p* < .01), supporting Hypothesis 6.

We further argued in Hypothesis 7 that organizational diversity climate relates positively to depression through job self-efficacy. The results of our analysis indicate that the indirect relationship approaches significance (*B* = -.10, p < .10). This means Hypothesis 7 is supported. Similarly, building on Hypothesis 2 and Hypothesis 6, we argued in Hypothesis 8 that organizational diversity climate relates positively to depression through job satisfaction. The results of our analysis support the indirect link (*B* = -.12, p < .05).

**Discussion**

Consistent with our theoretical model rooted in the JDR model (Bakker & Demerouti, 2007; Demerouti et al., 2001), our empirical study suggests that organizational diversity climate relates positively to job self-efficacy and job satisfaction, which in turn relates negatively to depression symptoms. We expand research on organizational diversity climate by showing that it has beneficial effects on employee well-being. Prior research has mostly focused on financial performance (McKay & Avery, 2009) and job satisfaction (Madera, Dawson, & Neal, 2013) as outcomes of organizational diversity climate. In addition to these outcomes, we demonstrate that an organizational diversity climate is also important to employees’ health, particularly for employees with different ethnicity.

Further, our theorizing and subsequent analysis further show that employees with different ethnicity value a high organizational diversity climate more than White employees do. Our theoretical and empirical work suggests that the experience of an open-minded and tolerant work environment makes significant strides in satisfying the needs of ethnic minorities in the workplace. Such a diversity climate indicates to them that the input and ideas of all employees, regardless of ethnic background, are valued. This facilitates the development of their job self-efficacy.

Another key contribution is that we focus on the role of organizations and managers to improve the well-being of employees with a different ethnic background. Prior research was often guided by social identity theory and has mostly focused on identifying the problems and challenges that ethnic minorities and migrants face in the workplace (Hakak & Al Ariss, 2013; Stahl et al., 2016). We take a more proactive approach to go beyond the analysis of problems and challenges, demonstrating that organizations should try implement an effective diversity climate by giving employees the feeling that differences are respected and that can reveal their true identities and selves in the workplace.

**References**

Avery, D. R., Tonidandel, S., Volpone, S. D., & Raghuram, A. (2010). Overworked in America? How work hours, immigrant status, and interpersonal justice affect perceived work overload. *Journal of Managerial Psychology,* 25(2): 133–147.

Bakker, A.B., & Demerouti, E. (2007) The job demands-resources model: State of the art. *Journal of Managerial Psychology,* 22, 309 – 328.

Bell, M. P., Kwesiga, E. N., & Berry, D. P. (2010). Immigrants: The new invisible men and women in diversity research. *Journal of Managerial Psychology,* 25(2): 177–188.

Binggeli, S., Dietz, J., & Krings, F. (2013). Immigrants: A forgotten minority. *Industrial and Organizational Psychology,* 6: 107–113.

Boyar, S. L., Carr, J. C., Mosley Jr., D. C., & Carson, C. M. (2007). The development and validation of scores on perceived work and family demand scales. *Educational & Psychological Measurement, 67*(1), 100-115. DOI: 10.1177/0013164406288173.

Fang, T., Samnani, A.-K., Novicevic, M.. & Bing, M. (2013). Liability-of-foreignness effects on job success of immigrant job seekers. *Journal of World Business,* 48: 98-109.

Goldberg, D. P., Gater, R., Sartorius, N., Ustun, T. B., Pinccinelli, M., Guruje, O., and Rutter, C. (1997). The validity of two versions of the GHQ in the WHO study of mental illness in general health care. *Psychological Medicine*, *27*(1), 191-197. S0033291796004242. http://doi.org/10.1017/S0033291796004242.

Guo, C., & Al Ariss, A. (2015). Human Resource Management of international Migrants: Current theories and future research. *The International Journal of Human Resource Management,* 26, 1287-1297.

Hakak, L., & Al Ariss, A. (2013). Vulnerable work and international migrants: A relational human resource management perspective. *The International Journal of Human Resource Management,* 24, 4116–4131.

Nishii, L. H. (2013). The benefits of climate for inclusion for gender-diverse groups. Academy of Management Journal, 56(6), 1754-1774. doi:10.5465/amj.2009.0823.

OECD. (2012). Key statistics on migration in OECD countries. Retrieved from http://www.oecd.org/document/4/0,3746,en\_2649\_37415\_48326878\_1\_1\_1\_37415,00.html. Last accessed by 10 October 2018.

Paunova, M. (2017): “Who gets to lead the multinational team? An updated status characteristics perspective.” *Human Relations*, 70 (7), 883–907.

Romani, L., Holck, L., Holgersson, C., & Muhr, S.L. (2017): “Diversity management and the Scandinavian model: Illustrations from Denmark and Sweden.” In: M. Özbilgin & J.F. Chanlat (eds.): *Management and Diversity. Perspectives from National Context*, Vol. 3. London: Emerald, 261–280.

Schaufeli, W.B. & Bakker, A.B. (2004) Job demands, job resources, and their relationship with burnout and engagement. *Journal of Organizational Behavior,* 25, 293-315.

Schyns, B., & von Collani, G. (2002). A new occupational self-efficacy scale and its relation to personality constructs and organizational variables. *European Journal of Work & Organizational Psychology, 11*(2), 219-241. DOI: 10.1080/13594320244000148.

Smith, P. C., Kendall, L., & Hulin, C. L.(1969). *The measurement of satisfaction in work and retirement: A strategy for the study of attitudes*. Chicago: Rand McNally.

Stahl, G., Tung, R. L., Kostova, T., & Zellmer-Bruhn, M. (2016). Widening the lens: Rethinking distance, diversity, and foreignness in international business research through positive organizational scholarship. *Journal of International Business Studies*, 1-10.

Van Laer, K., & Janssens, M. (2011): ”Ethnic minority professionals’ experiences with subtle discrimination in the workplace.” *Human Relations*, 64 (9), 1203–1227.

***Table 1***

**Descriptive Statistics, Correlations, and Reliabilities**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Mean | SD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1. Country of birth | 0.68 | 0.46 |  |  |  |  |  |  |  |  |  |  |
| 2. Organizational tenure | 6.98 | 7.18 | .11 |  |  |  |  |  |  |  |  |  |
| 3. Age | 43.49 | 11.31 | -.25 | 36.12\*\* |  |  |  |  |  |  |  |  |
| 4. Income (standardized) | 0.00 | 1 | .06\* | .59 | 2.11\*\* |  |  |  |  |  |  |  |
| 5. Job demands | 4.08 | 0.83 | .03 | 1.04\*\* | .01 | .27\*\* | (.93) |  |  |  |  |  |
| 6. Ethnicity | 0.77 | 0.42 | .08\*\* | .05 | .61\* | .06\* | .04\* |  |  |  |  |  |
| 7. Organizational diversity climate | 3.57 | 0.77 | -.10 | -.10 | -1.02 | -.04 | -.14\*\* | -.03 | (.93) |  |  |  |
| 8. Job self-efficacy | 4.10 | 0.57 | .01 | .14 | -.08 | .-.01 | -.02 | -.01 | .10 | (.88) |  |  |
| 9. Job satisfaction | 20.04 | 1.01 | .10 | .08 | -.07 | .03 | .-.01 | .06 | .42\*\* | .02 | (.85) |  |
| 10. Depression | 0.54 | 1.09 | -.05 | -.03 | -.20\*\* | -.06 | .10 | .11 | -.06 | -.13\* | -.19\*\* | (.80) |

*Note.* N = 275 employees; 139 employees for depression. Reliabilities (coefficient alpha) appear in parentheses on the diagonal.

\*\**p* < 0.01.

\**p* < 0.05.

***Table 2***

**Results of Moderation Analysis**

**Dependent variables**

|  |  |
| --- | --- |
|  | *Job self-efficacy* |
| Country of birth (0 = outside Australia, 1 = Australia) | .06 |
| Organizational tenure | .00 |
| Age | .00 |
| Income | .05† |
| Organizational diversity climate  Ethnicity (0 = non-White, 1 = White)  Ethnicity × organizational diversity climate | .20\*\*  .44  -.16\* |
|  | *Job Satisfaction* |
| Country of birth (0 = outside Australia, 1 = Australia) | .80 |
| Organizational tenure | .04 |
| Age | .00 |
| Income | -.26 |
| Organizational diversity climate  Ethnicity (0 = non-White, 1 = White) | 1.43\*\*  -3.10 |
| Ethnicity × organizational diversity climate | .63 |
|  | *Depression* |
| Job demands | .12\* |
| Job self-efficacy | -.49\* |
| Job satisfaction | -.08\*\* |
| Organizational diversity climate through job self-efficacy | -.10† |
| Organizational diversity climate through job satisfaction | -.12\* |

*Note.* N = 275 employees in T1, 138 employees in T2. Values are unstandardized coefficients.

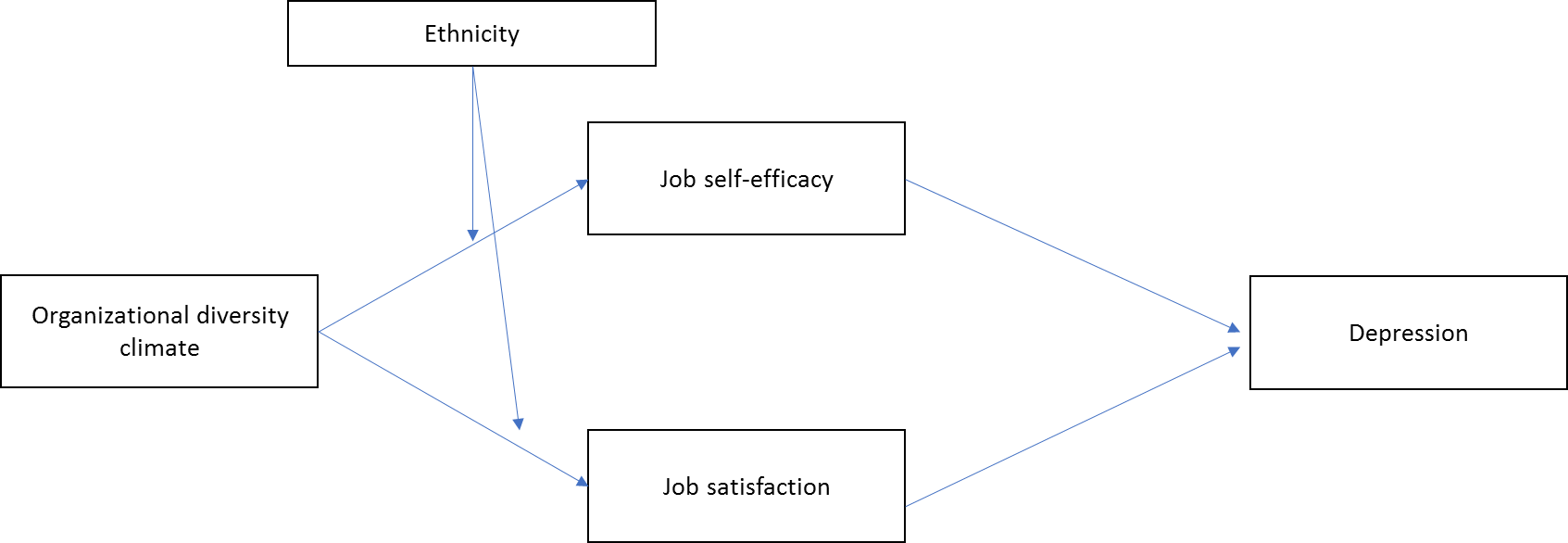
\*\* *p* < 0.01,

\* *p* < 0.05,

† *p* < .10.

***Figure 1.***

**Research Model.**



***Figure 2***

**Interaction Effect between Organizational Diversity Climate and Ethnicity**

**on Job Self-Efficacy**

