

Diversity climate and turnover intention: A moderated-mediation model of affective commitment and ethical climate

Rupali *

Amity Business School

Amity University

Greater Noida

Uttar Pradesh

India

Paritosh Mishra [†]

Department of HR, OB & Psychology

Amity Business School

Greater Noida

Uttar Pradesh

India

Balvinder Shukla [§]

Amity University

Greater Noida

Uttar Pradesh

India

Abstract

The purpose of the paper is to study employee turnover intentions using the organization's perceived diversity climate. The study looks at the moderating effect of perceived ethical climate and the mediating effect of affective commitment on the link between the variables identified. Responses from 312 employees are included in the study's empirical data. The software SMART PLS 4.0 was used to do the analysis. The study discovers that the diverse atmosphere is a precursor of the turnover intention, which frequently predicts future employee voluntary turnover. Additionally, the mediating impact of affective

*ORCID ID: <https://orcid.org/0000-0003-0527-9365>

[†]ORCID ID: <https://orcid.org/0000-0002-0025-4874>

[§]ORCID ID: <https://orcid.org/0000-0001-9745-468X>

*E-mail: rupali.kumar97@gmail.com (Corresponding Author)

[†]E-mail: pmishra@amity.edu

[§]E-mail: bshukla@amity.edu

commitment helps to explain this link. The study also identifies ethical climate as a moderator, strengthening this association. This research adds value by investigating the affective commitment as a mediator in the link between diversity, climate, and employees' turnover intention, and it may be the first to investigate the moderating influence of ethical climate given the importance of retention to the organisation. These results highlight the value of informing employees about the multicultural and ethical cultures at work.

Subject Classification: 91.

Keywords: *Affective commitment, Diversity climate, Ethical climate, Turnover intention.*

1. Introduction

Owing to globalisation, an ageing population, and migrant workers there has been more diversity in the workforce than seen in earlier times. Organisations have focused on how to effectively manage diversity to realise benefits and diminish the adverse effects to achieve an advantage in the global market. There is an increment of academic and real-world evidence that diversity and inclusion are beneficial to both company performance and the ethical requirements for businesses (Jolly & Self, 2020). In response to the growing interest in issues of diversity, several researchers in the area of diversity have observed and studied the influence of diversity in workforce and determined that if managers successfully managing a diverse workforce can further enhance a firm's performance (Cachat-Rosset, Klarsfeld, & Carillo, 2021; Cox, 1994). When diversity is properly handled and the atmosphere at work promotes as well as appreciates a diversified workforce, then employees of those firms feel supported, valued, and welcomed. This gives rise to a plethora of varied beneficial outcomes for the organisation, such as satisfaction, greater innovation, as well as creativity. Research on diversity climate in organisations has shown to improve organisational commitment in addition to lower turnover intentions (McKay P. , et. al., 2007). Turnover intention is a critical challenge which has received a lot of interest recently, as both scholars and practitioners have grown more conscious of the costs of recruitment, training, and low productivity. Employee turnover can add high costs to organisations, which then not reduce their bottom line. Since employees act as a core resource, excessive turnover can reduce the organisational knowledge and skill impacting the performance of the firm. In today's world of intense competition, it can be a great loss to the organisation if competent employees wish to leave the organisation. Recognising the various antecedents of turnover intention is of utmost

importance to human resource managers and professionals. There are several other factors also which have an influence on employees' turnover intention such as the work climate of the organisation.

A workplace environment, such as a diversity climate and ethical climate, has a considerable impact on the success of any organisation. Current businesses are aware of their ethical responsibility to create a diverse workforce. But in order to attain and maximise the benefits of diversity in the workplace, managers have to create a positive diversity climate perception. One of the many aspects of organisational work environment that affect turnover intentions is the perception of diversity climate. (Simha & Cullen, 2012). Maintaining a diverse workplace and creating an accepting environment without the presence of discrimination against those diverse employees is also an ethical practice. Among other work climates, the ethical climate is one such branch which can be used to influence organisational outcomes through maintaining ethical behaviour and creating an ethical environment. It provides a view of how the employees perceive their organisation's attitude and actions on ethics as well as organisational policies and procedures. Ethical climate is also considered as a determinant variable which impacts employees' behaviour such as intention to leave (Simha & Pandey, 2021). It is also, directly and indirectly, associated to organisational affective commitment and turnover intention. Since employee perception of ethical climate and diversity climate are closely related and have several similar characteristics, features and values studying both areas simultaneously are key to generating a greater understanding of reducing employee turnover.

Despite the plethora of research on benefits of diversity climate, very few studies have focused on the factors that underly these favourable effects. It is crucial to study the mechanisms that govern the relationship between diversity climate and turnover intentions. Social exchange theory (Blau, 1986) explains that employee behaviour may be altered based on the monetary benefits, but also other social resources provided to him. When diversity initiatives are framed such that employees feel valued and integrated, it helps to create a positive climate which further reduces employee's intention to leave. The authors especially contend that affective commitment may concurrently account for the mediating mechanisms since it affects workers' attitudes and job performance when they perceive a supportive diversity practises and policies. Victor & Cullen's (1988) concept of ethical climate explains that employees are more likely to be supportive of the company and have less turnover intention when they believe that the ethical atmosphere in their workplace is more beneficial

and motivating for public as well as other stakeholders. A well exhibited ethical climate can influence commitment as it is gauged by workers approval of firm's values and behaviour. Affective commitment and its connection to employees' intentions to leave the company may both be explained by studying these with ethical climate context. The authors contend that diversity climate's relationship with turnover intention is through the mediating influence of affective commitment along with the moderating effect of ethical climate.

2. Review of Literature and hypotheses development

2.1 Diversity Climate

Diversity climate is described as "employee behaviours and attitudes that are grounded in perceptions of the organizational context related to women and minorities" (Mor Barak, Cherin, & Berkman, 1998). It can be also described as a company's commitment to ethical HR methods and procedures along with the societal assimilation of minority employees working in that organisation (McKay, Avery, & Morris, 2008). It is a representation of people's feelings about their organization's efforts to promote fairness and inclusiveness. Researchers have generally identified fair treatment and inclusion as two basic practices which constitute diversity climate (Chrobot-Mason & Aramovich, 2013; Mor Barak, Cherin, & Berkman, 1998). Fairness refers to how organisations' practices avoid unfairness and inequity. The inclusion factor entails the purposeful integration of all personnel irrespective of demographic characteristics. Diversity climate is often studied at two levels i.e., individual and group levels. Researchers examine the perception of the individual and the influence of the business environment of one's wellbeing and happiness at the individual level. Whereas when it is considered at the group level they aggregate employees' shared impressions of their business setting (Perry & Li, 2019).

Much research on diversity climate has utilized social identity theory (Tajfel & Turner, 2004) to gain insights into the phenomenon. As per the theory, people arrange themselves into identity clusters centred on prominent traits such as race, age and sex. This theory helps explains employees' identification within a group concerning the organisation, cohesion, and conflicts within and between groups. Conferring to earlier studies, people's views on the diverse climate vary according to the ethnic community they are a part of (McKay, Avery, & Morris, 2008). Employees develop a shared perception of a positive diversity climate when a firm

commits to diversity-friendly management initiatives like diversity training, recruitment, and mentorship which can then help employees feel included by recognising them as valuable insiders with distinct identities.

2.2 Turnover Intention

Employee turnover is the termination of membership in any organisation. Whereas Thoresen et. al., (2003) explained turnover intention as the employee's "willingness to leave an organization". It exhibits the attitude of an employee to leave the position within his/her organisation. Rather than actual turnover, it is the signal that employees convey before actually leaving their organisations. Several previous researchers have proposed it as a crucial predictor of real voluntary employee turnover (Cohen, Blake, & Goodman, 2016; Griffeth, Hom, & Gaertner, 2000). Griffeth, Hom, and Gaertner (2000) performed an extensive meta-analysis to study and gauge the antecedents of turnover through which they discovered that turnover intention which is an attitude was among the few most powerful predictors of actual employee turnover. Several past studies have confirmed that turnover intention is a result of an interplay between several factors such as leadership, dissatisfaction, Human Resource Management (HRM) practices, work attitudes, and organisational contextual factors (Lee, Wu, Chen, Kao, & Feng, 2014; Park & Min, 2020; Xu, Wu, & Li, 2018). Jolly and Self (2020) studied the association between diversity climate perception of employees, organisational embeddedness and turnover intention and revealed that organisations can reduce the turnover intentions of employees if there exists a positive psychological diversity climate.

2.3 Relationship between Diversity Climate and Turnover Intention

Past literature has highlighted relationships among diversity climate and significant organisational outcomes, such as retention, employee job satisfaction, motivation, innovation, and performance (Madera, Dawson, & Neal, 2013; McKay & Avery, 2015). This phenomenon can be understood by Social Identity Theory which explains why people partake in membership of some groups and distance themselves from others (Tajfel & Turner, 2004). People are usually drawn to a company if its employees share their qualities or ideals, while employees who do not fit in with the company's culture usually depart. In addition to assisting in lowering the negative impression of workers from diverse backgrounds, a climate that is supportive of diversity also tends to improve employees'

sense of belonging to the firm. Variety in the demographic composition of the personnel can therefore influence turnover. If people feel they have nothing in common with others, these differences may make them want to separate from them, which might increase exclusion and turnover. Alternately, when firms actively manage employee differences by promoting an inclusive culture, this promotes employee similarity, which may enhance job satisfaction and lessen the likelihood that individuals would quit diverse companies.

By encouraging a feeling of similarity, an inclusive culture may help lower the interpersonal barriers that separate employees from one another and increase interpersonal interactions. Additionally, the notion of a diverse environment may affect other significant outcomes like employee retention (Manoharan & Singal, 2017), organisational commitment (Jackson, Heyns, & McCallaghan, 2019) and job satisfaction (Madera, Dawson, & Neal, 2013). In a sample of people from different racial groups within the US population, McKay et. al., (2007) found an adverse link between diversity climate perception and the intention to quit an organisation. According to Groeneveld (2011), Dutch public sector workers were less likely to indicate a desire to leave their jobs if they believed their employer used diversity management practices. A culture that values diversity not only works to improve the perception of employees from diverse backgrounds as organisational members but also lessens their perceived discrimination. More recently, Seritwatana (2021) studied diversity climate within a population of Thai employees and found that it has an adverse link with turnover intention.

H1: There exists a negative relationship between diversity climate and turnover intention.

2.4 Mediating Role of Affective Commitment

Organizational commitment was summarized by Porter, Steers, Mowday, and Boulian (1974) as “strong belief in and acceptance of the organisation’s goals and values, willingness to exert considerable effort on behalf of the organisation, and a definite desire to maintain organisational membership.” Employees who are loyal to their companies are more likely to identify with their employers’ aims and ambitions and want to stay with them. Meyer, Stanley, Herscovitch, and Topolnytsky (2002) proposed three factors to assess organisational commitment, namely affective (AC), continuation (CC), and normative (NC), which assess the same

consequence but have different antecedents. AC represents an emotional commitment to and engagement in the organisation, CC represents the perceived expenses of quitting the group, and NC represents a felt responsibility to stay in the organisation (Allen & Meyer, 1990). According to Allen and Meyer (1990, p. 02), affective commitment is “an affective or emotional attachment to the organization such that the strongly committed individual identifies with, is involved in, and enjoys membership in, the organization”.

Organizational commitment affects every day behaviour of employees and therefore is essential for firms to achieve optimum performance and efficiency. If employees feel that their company recognises and satisfies their emotional need to be protected, they are more inclined to put out effort into their job. Numerous research that experimentally analysed the relationships among organisational commitment and intentions to quit have indicated a negative relationship. Several recent meta-analyses indicated organisational commitment significantly lowers voluntary turnover (Guzeller & Celiker, 2020; Rubenstein, Eberly, Lee, & Mitchell, 2017). Additionally, it has been asserted that AC churns out more devoted workers who are more inclined to go above and beyond the required degree of commitment and more probably like to stick in the organisation for a longer period owing to their emotional ties, which lowers their intention to quit (Allen & Meyer, 1990). The link between diversity climate and commitment has been garnering interest amongst scholars. A supportive climate for diversity and strategies to lower turnover were found to be connected to enhanced organisational engagement (Buttner, Lowe, & Billings-Harris, 2010). When people believe that their organisations are willing to associate themselves with diverse individuals and recognize the value that diversity brings to the workplace it is expected that this will increase the affective commitment of the employees. In a recent study by Cachat-Rosset, Klarsfeld, and Carillo (2021) affective commitment was found to be a mediating factor between diversity and employees’ work role performance. Similarly, in a recent survey by Cheeks and Yancey (2022) have also found a correlation between employees’ diversity climate perception and organisational affective commitment.

H2: Diversity climate and affective commitment are positively related to each other.

H3: Affective climate and turnover intentions are negatively related to each other.

H4: The association between diversity climate and turnover intentions are mediated by affective commitment.

2.5 Moderating role of Ethical Climate

Schneider (1975) enlightened the importance of work climates in an organisation which play a crucial role in understanding employee behaviours. One such work climate is ethical climate of an organisation, which may be explained as the perception of employees on the organisations' rules, methods, and practices within an ethical context (Victor & Cullen, 1988). Ethical climate is a "shared perception of personnel about how ethical issues should be addressed and what ethically correct behaviour is" (Deshpande, 1996). Built on the pioneering ethical climate theory that was given by Victor & Cullen (1988), an expanding corpus of research has examined how ethical climate affects employees' attitudes and actions. When a beneficial ethical climate exists within an organisation when its employees feel that it performs ethically and addresses all the lawful requirements. Several authors have analysed the benefits of having a favourable ethical climate in a firm such as an increase in job satisfaction, commitment to the organisation, ethical behaviour in addition to reduced job stress and turnover intentions (Deshpande, 1996; Friend, Jaramillo, & Johnson, 2020; Kaur, 2017).

The ethical climate of a company gives signs regarding how its practices are seen by employees. A favourable ethical climate also enhances the affective commitment of employees since affective commitment is captured by the employees' acceptance of company goals, actions, and values as well as their need to connect with the company. This link between ethical climate and affective commitment has been corroborated by many researchers (Lee, Ismail, & Sanusi, 2018; Mitonga-Monga, 2018). Stewart, Volpone, Avery, & McKay (2011) also observed that ethical climate projects a moderating association on the existing link with diversity climate and turnover intentions. Consequently, any company with a stronger ethical culture has a higher chance of lessening the workers' desire to leave the company. Prior research has studied ethical climate as an influencing connection amongst several distinct variables such as turnover intentions (Fournier, Jr., & Lawrence B., 2010; Joe, Hung, Chiu, & Hsu, 2018). However, despite the plethora of research, the moderating impact of employee perception of ethical climate on diversity climate and intention to leave relationship via affective commitment as a mediator have not yet been studied. Therefore, as proposed by Hayes (2017), the following hypothesis was created.

H5: Ethical climate indirectly influences the relationship between diversity climate and turnover intentions via affective commitment, so that a higher ethical climate will strengthen this relationship.

3. Methodology

The data was collected with a simple random sampling method utilising a self-administered survey distributed by means of Google forms to approximately 500 employees. Respondents were asked to fill out the questionnaire which consisted of a 5-point Likert scale of 1-5, with 1 indicative of “Strongly Disagree” and 5 indicating “Strongly Agree”. A few responses were taken out due to incomplete data and finally, 312 responses were considered for the statistical analysis. The response rate for the survey came out to be 62.4%. For pursuing the data analysis, PLS-SEM analysis was utilised with the use of Smart-PLS 4.0 since the software has been said to be more competent in handling complex data sets than other available software in the market (Hair, Ringle, & Sarstedt, 2012). The descriptive findings of the respondents are displayed in Table 1. In the sample size of 312, there were 165 males (52.9%) and 147 females (47.1%). The age of vast majority of the respondents were within the range of 35 to 45 years. Out of the total responses, a total of 47.1% of the respondents had an educational qualification of a post-graduation degree.

3.1 Measures

3.1.1 Diversity Climate

The sixteen-item version of the Diversity Perceptions Scale, which was established by Mor Barak, Cherin, & Berkman (1998) was utilised to measure Diversity climate. It comprises of two dimensions specifically Organisational and Personal both of which have been utilized for the study.

Table 1
Descriptive Results

		Frequency	Percent
Gender	Females	147	47.12
	Males	165	52.88
Age	Under 25	38	12.18
	25-35	91	29.17
	35-45	104	33.33
	Above 45	79	25.32
Education Qualification	Diploma	14	4.49
	Graduation	151	48.40
	Post-Graduation	147	47.12

The scale was found to have acceptable internal consistency (Cronbach alpha=0.949).

3.1.2 Ethical Climate

To measure this variable a shortened six-item version of ethical climate scale which was proposed by Victor & Cullen, (1988) was employed (Zagenczyk, Purvis, Cruz, Thoroughgood, & Sawyer, 2021). The items in our scale were primarily concerned with professional standards, regulations, and laws. A sample item is "It is very important to follow the company's rules and procedures here." The scale had an acceptable alpha= 0.852.

3.1.3 Affective commitment

Allen & Meyer (1990) modified scale of affective commitment consisting of 6 items was utilized. A sample item is "I would be very happy to spend the rest of my career in this organization." The scale was found to be reliable (alpha=0.907).

3.1.4 Turnover Intention

A 6-item scale that was modified to fit the current research's objectives from Roodt's (2004) 15-item scale was used to gauge turnover intention that is the desire to quit or remain (Bothma & Roodt, 2013). A sample item from the scale is "How often have you considered leaving your job?" The scale was within the acceptable range (alpha=0.904).

3. Research Findings

3.1 *Measurement Model*

Before testing this study's hypotheses, the measurement model was used to investigate the validity and reliability. As seen in Table 2, items of every construct was checked while assessing the factor loadings of the model and each items were kept as they had a value above 0.5 (Hair, Ringle, & Sarstedt, 2012). The range of Cronbach's Alpha was 0.85-0.94 which were all above the threshold limit of 0.70. The Composite reliability (rhoA and rhoB) was found to be acceptable i.e., above 0.70. Convergent validity was also examined and all items were kept as they were above 0.50. Moreover, every variance inflation factors (VIF) were greater than the 10 benchmark; which depicts no possible cause of multicollinearity.

Table 2
Outer loadings, Cronbach's alpha, Rho_a, Rho_c, AVE

Constructs	Items	Factor Loadings	VIF	Alpha	rho_a	rho_c	AVE
<i>Affective Commitment</i>	AC1	0.817	2.427	0.907	0.908	0.928	0.683
	AC2	0.793	2.170				
	AC3	0.863	2.787				
	AC4	0.828	2.774				
	AC5	0.826	2.791				
	AC6	0.829	2.605				
<i>Ethical Climate</i>	EC-1	0.623	1.508	0.852	0.866	0.891	0.578
	EC-2	0.733	1.624				
	EC-3	0.718	1.690				
	EC-4	0.853	2.432				
	EC-5	0.823	2.300				
	EC-6	0.79	2.108				
<i>Diversity Climate</i>	OF1	0.751	3.313	0.949	0.957	0.955	0.574
	OF2	0.826	3.530				
	OF3	0.785	3.563				
	OF4	0.797	3.236				
	OF5	0.761	2.886				
	OF6	0.744	3.199				
	OI1	0.845	4.854				
	OI2	0.71	2.318				
	OI3	0.564	2.067				
	OI4	0.777	3.440				
	PC1	0.815	3.532				
	PC2	0.55	2.388				
	PC3	0.631	2.295				
	PD1	0.851	4.062				
	PD2	0.842	4.099				
	PD3	0.782	3.368				
<i>Turnover Intentions</i>	TI1	0.847	2.542	0.904	0.905	0.926	0.675
	TI2	0.832	2.336				
	TI3	0.8	2.018				
	TI4	0.783	2.002				
	TI5	0.842	2.383				
	TI6	0.825	2.246				

Table 3
Discriminant validity via HTMT.

Constructs	AC	DC	EC	TI
Affective Commitment (AC)				
Diversity Climate (DC)	0.584			
Ethical Climate (EC)	0.714	0.577		
Turnover Intentions (TI)	0.824	0.524	0.777	

Table 4
Discriminant validity via Fornell & Larcker criteria

Constructs	AC	DC	EC	TI
Affective Commitment (AC)	0.826			
Diversity Climate (DC)	0.556	0.757		
Ethical Climate (EC)	0.635	0.554	0.76	
Turnover Intentions (TI)	-0.748	-0.497	-0.685	0.822

The Heterotrait-Monotrait (HTMT) ratio as well as the Fornell and Larcker criteria (which is that for all constructs, the square roots of AVE were bigger when compared to the correlations between those constructs and the other latent constructs displayed on the diagonal) were applied to calculate and measure the discriminant validity. Results from Table 3 and Table 4 showed that no values were more than or equal to 0.85 (Henseler, Ringle, & Sarstedt, 2015) or 0.90 (Fornell & Larcker, 1981), which indicated that discriminant validity was satisfactory.

3.2 Structural Model

Further measurement of the structural model was done with the help of three criteria: effect size (f^2) which gauges how different the groups are from one another, coefficient of determination (R^2) which examines the variations in a single variable may be explained by variations in another one, and predictive relevance (Q^2 value) which determines if a model is predictively relevant (Table 6). For the effect size, when predicting turnover intention, affective commitment contributes f^2 (0.746) more than diversity climate (0.022). This reveals that affective commitment has a strong influence when indicating turnover intention as compared to diversity climate which has a very low effect. When predicting affective commitment, diversity climate predicts more f^2 (0.079) than ethical climate (0.287). The obtained results show that ethical climate has a low effect

Table 5
Hypothesis Testing

Hypothesis	Beta	Standard deviation	t value	P values	LLCI	ULCI	Results
H1: DC -> TI	-0.117	0.048	6.099	0.000	-0.390	-0.202	Supported
H2: DC -> AC	0.259	0.055	4.734	0.000	0.151	0.368	Supported
H3: AC -> TI	-0.682	0.037	18.689	0.000	-0.752	-0.609	Supported
H4: DC -> AC -> TI	-0.176	0.038	4.617	0.000	-0.252	-0.102	Supported
H5: EC x DC -> AC -> TI	0.064	0.029	2.209	0.027	0.005	0.120	Supported

size and diversity climate has a very low effect when indicating affective commitment. Furthermore, for the R^2 , 47% of the total variance of affective commitment and 57% of turnover intentions can be explained by their exogenous variables. Finally, Q^2 values were larger than 0 which suggests predictive relevance. Most items depicted lower value RMSE values than LM values as shown in Table 6 which indicated that the predictive power was medium.

The conceptual model findings obtained straight from the Smart PLS are displayed in Figure 1 of the output. A bootstrapping approach was utilised to measure the path coefficients of the items as well as the t-values of all the relationships. Out of the five proposed hypotheses, two were indicating indirect relationships and the remaining were direct relationships. The results can be seen in Table 5, the bootstrapping method was utilised in SmartPLS 4. The results indicated that diversity climate had a direct negative and also a statistically significant association with

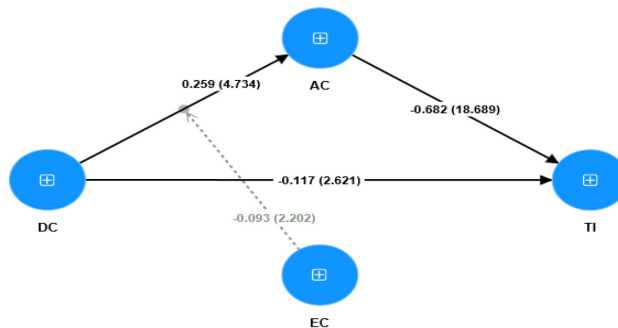


Figure 1
Structural model with path coefficient.

Table 6
Predictive Power of the Model (Q^2)

Constructs	Q^2 predict	PLS-SEM_RMSE	LM_RMSE
AC1	0.245	1.034	1.037
AC2	0.227	0.887	0.879
AC3	0.323	0.882	0.902
AC4	0.286	0.925	0.931
AC5	0.286	0.98	0.998
AC6	0.478	0.79	0.755
TI1	0.289	0.896	0.909
TI2	0.307	0.81	0.832
TI3	0.254	0.837	0.818
TI4	0.299	0.872	0.898
TI5	0.287	0.995	1.013
TI6	0.327	0.822	0.8

Note: DC= Diversity Climate, TI= Turnover Intention, AC= Affective Climate, EC= Ethical Climate

turnover intentions ($\beta = -0.117$, t -value=6.099, $p < 0.005$). Diversity climate similarly had a positive and statistically significant relationship with the construct affective commitment ($\beta = 0.259$, t -value=4.734, $p < 0.005$). The affective commitment also showed a direct negative and statistically significant relationship with turnover intention ($\beta = -0.682$, t -value=18.689, $p < 0.005$). Therefore, the authors failed to reject hypotheses H1, H2 and H3. Moreover, when the mediating link of employees' affective commitment was observed it was found to be negative and statistically significant ($\beta = -0.176$, t -value=4.617, $p < 0.005$ and $CI = -0.252, -0.102$) depicting the support of H4. The study also hypothesised the moderating influence of ethical climate on the link between diversity climate and turnover intention via the relationship of diversity climate and affective commitment. Data analysis results supported H5 ($\beta = 0.064$, t -value=2.209, $p < 0.005$ and $CI = 0.005, 0.120$) which demonstrated the indirect impact of ethical climate on the impact of diversity climate on turnover intention of employees via affective commitment and found that diversity climate and commitment link is greater at higher levels of ethical climate than at lower ones.

4. Discussions and Implications

The study examines several aspects of diversity climate and its direct relationship with other constructs such as turnover intention and indirect relationships via the mediating role of affective commitment. Moreover, ethical climate was studied as a moderator which influences the association of diversity climate and affective commitment which then impacts employees' turnover intention. The findings of the current research provide support for the expanding corpus of research showing consistent negative relations between diversity climate and turnover intentions which is a predictor of real turnover of employees. The authors investigated this link among diversity climate and turnover intentions in great depth by studying whether this link can be mediated and/or moderated by other variables. The authors observed that employee experiences of how they view organisations' diversity climate reliably determine turnover intentions, and employees who evaluate the organization's diversity climate favourably have fewer plans to quit. In line with previous research, the results of this study also indicated that a well exhibited and perceived diversity climate can improve employees' turnover intention (Buttner, Lowe, & Billings-Harris, 2010; Groeneveld, 2011; Jolly & Self, 2020). Our findings also depicted that a positive perception of diversity climate indicated higher affective commitment which is present when the employees feel that their values and beliefs are in line with organisations. In their meta-analysis research, Guzeller & Celiker (2020) also emphasised the adverse relation of commitment and turnover intention. Consistent with findings from Lee, Kim, & Kim (2020), our findings also indicated that the negative link among turnover intentions and diversity climate of an organisation is mediated by affective commitment. Therefore, it is crucial for organisations to provide consistent messages about the importance of diversity. In addition to the diversity climate, if an organization's ethical behaviour is inconsistent with its management policy on workforce diversity, it will send conflicting signals to its employees. Another significant finding from this research is that employees' perception of an ethical climate moderates the relationship via the mediating influence of diversity climate and turnover intention. Consistent with the findings of Stewart, Volpone, Avery, & McKay (2011), who found that intention to leave was low among those who had any organisation which maintains values and an ethical climate results in employees wanting to stay with the firm. Additionally, it enhances affective commitment, which explains why certain employees have low intentions of quitting.

Additionally, the current study has various real-life applications significance for managerial implications. This study's main purpose is to develop and enrich managers' knowledge of the ramifications of diversity climate on employees' turnover intentions. Any organisation which wishes to promote the positive effects of diversity should consider this research. HR managers who want to capitalise on the advantages of having a diverse personnel must also be aware of the other factors which can mediate or moderate this relationship. While framing policies, rules, and programs one must keep in mind the perception of diversity climate and ethical climate to influence the turnover intention of employees. Employees may think that the organisation has a strong ethical code of conduct as a result of several diversity initiatives that attempt to reduce discrimination, enhance employee attitudes, and increase the representation of minorities. This perception affects the perceived ethical climate. Even though the research on commitment, diversity climate and ethical climate are extensive and rich, they are often not studied simultaneously, especially with their influence on turnover intentions. Studies in the past have generally been more focused on examining the direct relationship of diversity climate with other employee work attitudes and behaviour, but there is a gap to study this relationship in more depth with other specific mechanisms such as affective commitment and ethical climate. The current study's novelty derives from linking up work climate (diversity climate and ethical climate) with turnover intention. Together, the findings of the current research demonstrate how significant is diversity climate, how employees value it, and the various ways in which employee outcomes may be impacted by perceptions of diversity. The current research advances the knowledge pool by being among the first to study the moderated-mediated link between ethical climate and affective commitment on the association between diversity climate and turnover intention.

The present research is not free from limitations since the research design was cross-sectional. Since the long-run continuity of the relationships can change thus this can be remedied by taking longitudinal research in the future to examine them. This study was done in the Delhi-NCR region and in the future, researchers can undertake it in a different area or country. Moreover, the research could also benefit from analysing different levels of employees to see if different levels of employees have different perceptions of diversity and ethical climate. Other factors which directly impact the diversity climate and turnover relationship such as job embeddedness, work ambiguity, leadership etc. can be studied.

5. Conclusions

This study expands on the variables that affect how the diversity climate affects employees' intentions to leave. The novel aspect of this study is the way it looks at how affective commitment functions as a mediator and ethical climate as a moderator. A positive perception of diversity climate has been shown to depict a reduced intention to leave the company. This study's assessment also shows strong connections among these variables and constructs. This study demonstrates that an ethical climate moderates the relationship between diversity climate and affective commitment and influences the turnover intentions of employees.

References

- [1] Allen, N. J., & Meyer, J. P. The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of occupational psychology*, 63(1), 1-18 (1990). doi:<https://doi.org/10.1111/j.2044-8325.1990.tb00506.x>.
- [2] Blau, P. *Exchange and Power in Social Life*. New York: Routledge (1986). doi:<https://doi.org/10.4324/9780203792643>.
- [3] Bothma, C. F., & Roodt, G. The validation of the turnover intention scale. *SA Journal of Human Resource Management*, 11(1) (2013). doi:10.4102/sajhrm.v11i1.507.
- [4] Buttner, E. H., Lowe, K. B., & Billings-Harris, L. Diversity climate impact on employee of color outcomes: Does justice matter? *Career Development International*, 38(6), 239-258 (2010). doi:<https://doi.org/10.1108/13620431011053721>.
- [5] Cachat-Rosset, G., Klarsfeld, A., & Carillo, K. Exploring the impact of diversity climate on individual work role performance: A novel approach. *European Management Review*, 1-15 (2021). doi:10.1111/emre.12483.
- [6] Cheeks, M. E., & Yancey, G. B. Examining diversity climate through an intersectional lens. *Psychology of Leaders and Leadership*, 25(1), 12-33 (2022). doi:<https://doi.org/10.1037/mgr0000122>.
- [7] Chrobot-Mason, D., & Aramovich, N. P. The Psychological Benefits of Creating an Affirming Climate for Workplace Diversity. *Group and Organization Management*, 38(6), 659-689 (2013). doi:<https://doi.org/10.1177/1059601113509835>.

- [8] Cohen, G., Blake, R. S., & Goodman, D. Does turnover intention matter? Evaluating the usefulness of turnover intention rate as a predictor of actual turnover rate. *Review of Public Personnel Administration*, 240-263 (2016). doi:<https://doi.org/10.1177%2F0734371X15581850>.
- [9] Cox, T. *Cultural diversity in organizations: Theory, research and practice*. San Francisco: Berrett-Koehler Publishers (1994).
- [10] Deshpande, S. Ethical climate and the link between success and ethical behavior: An empirical investigation of a non-profit organization. *Journal of Business Ethics*, 15, 655-660 (1996). doi:[doi:10.1007/BF00411800](https://doi.org/10.1007/BF00411800).
- [11] Fornell, C. G., & Larcker, D. F. Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50 (1981). doi:<https://doi.org/10.1177/002224378101800104>.
- [12] Fournier, C., Jr., J. F., & Lawrence B., C. The Moderating Role of Ethical Climate on Salesperson Propensity to Leave. *Journal of Personal Selling & Sales Management*, 30(1), 7-22 (2010). doi:<https://doi.org/10.2753/PSS0885-3134300101>.
- [13] Friend, S. B., Jaramillo, F., & Johnson, J. S. Ethical Climate at the Frontline: A Meta-Analytic Evaluation. *Journal of Service Research*, 1-23 (2020). doi:<https://doi.org/10.1177/1094670519898261>.
- [14] Griffeth, R. W., Hom, P. W., & Gaertner, S. A meta-analysis of antecedents and correlates of employee turnover: Update, moderator tests, and research implications for the next millennium. *Journal of management*, 26(3), 463-488 (2000). doi:<https://doi.org/10.1177%2F014920630002600305>.
- [15] Groeneveld, S. Diversity and employee turnover in the Dutch public sector: Does diversity management make a difference? *International Journal of Public Sector Management.*, 24, 594-612 (2011). doi:[10.1108/09513551111163675](https://doi.org/10.1108/09513551111163675).
- [16] Guzeller, C. O., & Celiker, N. Examining the relationship between organizational commitment and turnover intention via a meta-analysis. *International Journal of Culture, Tourism And Hospitality Research*, 14(1), 102-120 (2020). doi:[10.1108/IJCTHR-05-2019-0094](https://doi.org/10.1108/IJCTHR-05-2019-0094).
- [17] Hair, J., Ringle, C., & Sarstedt, M. Partial least squares: The better approach to structural equation modeling? *Long Range Plan*, 45(5-6), 312-319 (2012). doi:[DOI: 10.1016/j.lrp.2012](https://doi.org/10.1016/j.lrp.2012).

- [18] Hayes, A. F. *Introduction to Mediation, Moderation, and Conditional Process Analysis second edition: A regression-based approach*. New York: The Guilford Press (2017).
- [19] Henseler, J., Ringle, C., & Sarstedt, M. A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43, 115-135 (2015). doi:<https://doi.org/10.1007/s11747-014-0403-8>.
- [20] Jackson, L., Heyns, M., & McCallaghan, S. Exploring organisational diversity climate with associated antecedents and employee outcomes. *SA Journal of Industrial Psychology*, 45(1), 1-10 (2019). doi:<https://doi.org/10.4102/sajip.v45i0.1614>.
- [21] Joe, S.-W., Hung, W.-T., Chiu, C.-K. L.-P., & Hsu, Y.-C. To quit or not to quit. *Personnel Review*, 47(2), 1062-1076 (2018). doi:<https://doi.org/10.1108/pr-04-2017-0124>.
- [22] Jolly, P. M., & Self, T. T. Psychological Diversity Climate, Organizational Embeddedness, and Turnover Intentions: A Conservation of Resources Perspective. *Cornell Hospitality Quarterly*, 61(4), 416-431 (2020). doi:<https://doi.org/10.1177/1938965519899935>
- [23] Kaur, J. Exploring relationships among ethical climate types and organizational commitment: A case of Indian banking sector. *Journal of Indian Business Research*, 9(1), 20-40 (2017). doi:<http://dx.doi.org/10.1108/JIBR-02-2015-0022>.
- [24] Lee, C.-C., Wu, Y.-Y., Chen, Y.-L., Kao, P.-F., & Feng, W.-K. The impact of work-family conflicts, coworker relationships and salary levels on turnover intention: Using real estate brokers as examples. *Journal of Information and Optimization Sciences*, 35(2), 143-166 (2014). doi:<https://doi.org/10.1080/02522667.2013.867738>.
- [25] Lee, J., Kim, S., & Kim, Y. Diversity climate on turnover intentions: A sequential mediating effect of personal diversity value and affective commitment. *Personnel Review*, 50(5), 1397-1408 (2020). doi:<https://doi.org/10.1108/pr-11-2019-0636>.
- [26] Lee, U. H., Ismail, A. .., & Sanusi, N. S. Ethical Climate as a Determinant of Organizational Commitment. *International Journal of Asian Social Science*, 534-539 (2018). doi:<https://doi.org/10.18488/journal.1.2018.88.534.539>.
- [27] Madera, J. M., Dawson, M., & Neal, J. A. Hotel managers' perceived diversity climate and job satisfaction: The mediating effects of role

- ambiguity and conflict. *International Journal of Hospitality Management*, 35, 28-34 (2013). doi:<https://doi.org/10.1016/j.ijhm.2013.05.001>.
- [28] Manoharan, A., & Singal, M. A systematic literature review of research on diversity and diversity management in the hospitality literature. *International Journal of Hospitality Management*, 66, 77-91 (2017). doi:<https://doi.org/10.1016/j.ijhm.2017.07.002>.
- [29] McKay, P. F., & Avery, D. R. Diversity Climate in Organizations: Current Wisdom and Domains of Uncertainty. *Research in Personnel and Human Resources*, 33, 191-233 (2015). doi:<https://doi.org/10.1108/S0742-730120150000033008>.
- [30] McKay, P. F., Avery, D. R., & Morris, M. A. Mean racial-ethnic differences in employee sales performance: The moderating role of diversity climate. *Personnel psychology*, 61(2), 349-374 (2008). doi:<https://doi.org/10.1111/j.1744-6570.2008.00116.x>.
- [31] McKay, P., Avery, D. R., Tonidandel, S., Morris, M. A., Hernandez, M., & Hebl, M. R. Racial differences in employee retention: Are diversity climate perceptions the key? *Personnel psychology*, 60(1), 35-62 (2007). doi:<https://doi.org/10.1111/j.1744-6570.2007.00064.x>.
- [32] Meyer, J. P., Stanley, D. J., Herscovitch, L., & Topolnytsky, L. Affective, continuance, and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of vocational behavior*, 20-52 (2002). doi:<https://doi.org/10.1006/jvbe.2001.1842>.
- [33] Mitonga-Monga, J. Ethical climate influences on employee commitment through job satisfaction in a transport sector industry. *Journal of Psychology in Africa*, 28(1), 15-20 (2018). doi:<https://doi.org/10.1080/14330237.2018.1426710>.
- [34] Mor Barak, M. E., Cherin, D. A., & Berkman, S. Organizational and personal dimensions in diversity climate: Ethnic and gender differences in employee perceptions. *The Journal of Applied Behavioral Science*, 34(1), 82-104 (1998). doi:<https://doi.org/10.1177/0021886398341006>.
- [35] Park, J., & Min, H. Turnover intention in the hospitality industry: A meta-analysis. *International Journal of Hospitality Management*, 102599, 90 (2020). doi:<https://doi.org/10.1016/j.ijhm.2020.102599>.
- [36] Perry, E. L., & Li, A. *Diversity climate in organizations*. Oxford Research Encyclopedia of Business and Management (2019). doi:10.1093/acrefore/9780190224851.013.45.

- [37] Porter, L. W., Steers, R. M., Mowday, R. T., & Boulian, P. V. Organizational commitment, job satisfaction, and turnover among psychiatric technicians. *Journal of applied psychology*, 603-609 (1974). doi:<https://doi.org/10.1037/h0037335>.
- [38] Roodt, G. Turnover intentions. *Unpublished document*. Johannesburg: University of Johannesburg (2004).
- [39] Rubenstein, A., Eberly, M., Lee, T., & Mitchell, T. Surveying the forest: A meta-analysis, moderator investigation, and future-oriented discussion of the antecedents of voluntary employee turnover. *Personnel Psychology*, 71(1), 23-65 (2017). doi:<https://doi.org/10.1111/peps.12226>.
- [40] Schneider, B. Organizational Climates: An Essay. *Personnel Psychology*, 28(4), 447-479 (1975). doi:<https://doi.org/10.1111/j.1744-6570.1975.tb01386.x>.
- [41] Seriwatana, P. Diversity climate as a key to employee retention: The moderating role of perceived cultural difference. *Asian Administration & Management Review*, 46 (2021). doi:<https://doi.org/10.2139/ssrn.4044005>.
- [42] Simha, A., & Cullen, J. B. Ethical climates and their effects on organizational outcomes: Implications from the past and prophecies for the future. *Academy of management perspectives*, 26(4), 20-34 (2012). doi:<https://doi.org/10.5465/amp.2011.0156>.
- [43] Simha, A., & Pandey, J. Trust, ethical climate and nurses' turnover intention. *Nursing Ethics*, 28(5), 714-722 (2021). doi:<https://doi.org/10.1177/0969733020964855>.
- [44] Stewart, R., Volpone, S. D., Avery, D. R., & McKay, P. You support diversity, but are you ethical? Examining the interactive effects of diversity and ethical climate perceptions on turnover intentions. *Journal of business ethics*, 100(4), 581-593 (2011). doi:<https://doi.org/10.1007/s10551-010-0697-5>.
- [45] Tajfel, H., & Turner, J. C. *The social identity theory of intergroup behavior*. Psychology Press (2004).
- [46] Thoresen, C. J., Kaplan, S. A., Barsky, A. P., Warren, C. R., & Chermont, K. D. The affective underpinnings of job perceptions and attitudes: a meta-analytic review and integration. *Psychological Bulletin*, 914-945 (2003). doi:<https://psycnet.apa.org/doi/10.1037/0033-2909.129.6.914>.

- [47] Victor, B., & Cullen, J. B. The organizational bases of ethical work climates. *Administrative Science Quarterly*, 33(1), 101 (1988). doi:<https://doi.org/10.2307/2392857>.
- [48] Xu, T., Wu, T.-J., & Li, Q.-Q. The relationships between job stress and turnover intention among tour guides-the moderating role of emotion regulation. *Journal of Interdisciplinary Mathematics*, 21(2), 409-418 (2018). doi:<https://doi.org/10.1080/09720502.2017.1420570>.
- [49] Zagenczyk, T. J., Purvis, R. L., Cruz, K. S., Thoroughgood, C. N., & Sawyer, K. B. Context and social exchange: perceived ethical climate strengthens the relationships between perceived organizational support and organizational identification and commitment. *The International Journal of Human Resource Management*, 32(22), 4752-4771 (2021). doi:<https://doi.org/10.1080/09585192.2019.1706618>.