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Diversity, Equity, and Inclusion Climate as a Predictor of Organizational Citizenship Behaviour

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Abstract

While diversity, equity, and inclusion (DEI) have become a more strategic climate variable to organizations than a compliance mandate, the link from the perceived DEI climate to discretionary employee behaviour is not well-specified in the literature. The study focuses on diversity climate, perception of equity and inclusion climate as predictors of knowledge sector employees' organisational citizenship behaviour (OCB). The empirical analysis is limited to the use of a simulated dataset (N = 250) designed to capture plausible response patterns reported in previous DEI-climate research, the use of which is clearly identified as a methodological limitation and not presented as field collected data. Multiple regression analysis using simulated data indicates that three dimensions of DEI climate (inclusion climate, diversity climate and equity perception) are all positively associated with OCB, with inclusion climate and diversity climate being the strongest predictors and equity perception being an additional but smaller model builder. The paper reflects theoretical considerations of a multi-dimensional DEI climate construct for OCB research and provides a field-data collection protocol for future work to replicate and confirm the DEI climate construct. By bridging current theoretical frameworks with actionable empirical directions, these findings underscore the practical necessity of cultivating an integrated DEI strategy to enhance extra-role organizational behaviors.

Keywords: Diversity Climate, Equity Perception, Inclusion Climate, Organizational Citizenship Behaviour, Workplace Diversity.

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Introduction

The diversity of the workforce has grown significantly across industry, with industries more diverse in terms of gender, cultural background, age, and their functional expertise, which has led organizations to shift diversity management from a peripheral compliance function to a core strategic capability (Cox & Blake, 1991; Jolly & Self, 2020). In parallel, researchers have identified the structural reality of diversity and the psychological environment it creates: employees simply don't just register the presence of difference—they develop perceptions of whether differences are valued, whether opportunities and resources are fairly allocated and whether they belong (Jha et al., 2022). These three perceptions are often conceptualized as a single "DEI climate" construct, which affects a multitude of employee attitudes and behaviours (Sukoco et al., 2022).

One such outcome of interest to HR researchers and practitioners is organizational citizenship behaviour (OCB), which is defined as DEC (discretionary employee behaviour) that is neither directly nor formally rewarded, but that collectively contributes to the functioning of the organization (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). Prior research has found that employees' feelings of inclusion, respect, and being treated fairly are associated with OCBs (Nishii 2013; Panicker et al., 2018), which cannot be mandated through formal policy. Although there has been an increase in research on the relationship between diversity, equity, and inclusion in the workplace, the majority of the literature has focused on diversity, or on the combination of diversity and equity or diversity and inclusion, as separate or loosely combined constructs, and relatively few studies have reported the independent, multivariate contribution of each of these dimensions to OCB (Roberson et al., 2017).

This paper fills that void by developing a model that represents diversity climate, equity perception, and inclusion climate as three concurrent predictors for OCB. Given the scale of this exercise, the study does not rely on newly collected field data but instead relies on a simulated dataset; this is explicitly indicated throughout this paper, and the results from this simulation are shown as an illustrative example of the analytical approach proposed rather than as empirically confirmed. The paper thus proposes and tests on simulated data a three-dimensional DEI model of OCB and (b) outlines a methodology and instrumentation plan in order to gather real field data for confirmatory testing.

Literature Review

Theoretical Foundations: Social Exchange and Social Identity Frameworks

To explain the role played by perceptions of DEI in the discretionary workplace behavior of employees, there are two main theories that researchers use. They are the Social Exchange Theory (SET) and the Social Identity Theory (SIT).

The Social Exchange Theory by Blau (1964) states that organizational interactions are based on a series of obligations that are interdependent and reciprocal. When employees think that the organization is creating procedures that are fair, distributing resources fairly, and encouraging inclusion, then these employees see this as signs of organizational support. Since Organizational Citizenship Behavior (OCB) involves extra-role behavior that is not part of any job description, employees engage in OCB to repay the organizational support in socio-emotional terms. On the other hand, when there is unequal treatment, the psychological contract is broken, which decreases discretionary behavior.

Together with SET, Social Identity Theory (Tajfel & Turner, 1979) and its organizational application are instrumental in identifying how group membership and belongingness shape self-concept and performance. In multicultural organizations, social categorization is often associated with in-group versus out-group differentiation, which may unintentionally contribute to the exclusion of members of demographic minorities. Inclusion creates conditions where individual uniqueness is consistently validated while at the same time promoting organizational belongingness (Nishii, 2013). If employees' unique self-concept feels valued and not oppressed, psychological safety is created and individuals, especially minority ones, are able to move from self-protection to organizational citizenship behavior.

Diversity Climate and Employee Outcomes

A diversity climate can be described as either individual or collective perceptions on the value that an organization places on demographic differences and non-discrimination in recruitment and management practices (Cox & Blake, 1991). A good diversity climate indicates that employees recognize that demographic differences are seen as a strength in an organization rather than a weakness. Research has always found a positive correlation between a good diversity climate and organizational commitment, lower turnover intention and job satisfaction especially in the knowledge industries where problem-solving across functional departments is essential.

Nonetheless, the literature stresses a very important point regarding the difference between structural diversity and diversity climate. Diversity climate plays a more important role in inducing citizenship behavior than mere numbers

of diverse people within an organization. According to Khan and Jabeen (2019), perceptual climate variables have been found to be significantly more important in explaining voluntary citizenship behaviors than compositional variables. Organizations whose leaders show commitment to diversity by engaging in diversity advocacy, hiring diverse talent pipelines and non-discrimination policies have been shown to elicit high levels of organizational trust leading to discretionary effort among employees.

Equity Perception

Perceived equity denotes the perception held by an individual in relation to fairness with regard to the distribution of organizational resources, rewards, development opportunities, and organizational decision making among different demographics. The basis of the construct is derived from Equity Theory (Adams, 1965) and organizational justice theory (procedural, distributive, and interactional). Perceived equity forms the basis of the employment relationship.

In cases where there is a perception of bias or lack of transparency in relation to resource distribution and career progression, employees experience cognitive dissonance and systemic inequity, which prompts employees to engage in behavior modification through reducing their inputs, most notably, in the form of withholding OCBs to restore equilibrium. Though procedural and distributive equity forms the base without which employees become cynical and leave the organization, research results indicate that perceived equity functions as a threshold or hygiene factor. Once a certain level of equity is attained, any further increase in perceived equity provides increasing marginal returns on OCB as compared to the relationship constructs such as inclusion.

Inclusion Climate

The inclusion climate refers to an experience of being recognized for the individual's distinctive view while at the same time feeling like belonging to the organization and being heard (Nishii, 2013). Unlike the diversity climate which is concerned more with representation and equality of opportunities, the inclusion climate emphasizes the interpersonal dynamics within workgroups and leadership practices.

Inclusion climate is made up of three essential pillars:

1.Employment practices that are devoid of bias based on personal identities,

2.Integration of difference whereby different voices are used in the organizational processes, and

3.Inclusion in the process of decision-making through open discussion and means of communication.

According to Nishii (2013), inclusion climate plays a critical role in eliminating interpersonal conflict in diverse demographic groups, thereby ensuring individual performance and discretionary efforts. Moreover, according to Panicker et al. (2018), the inclusion in the workplace contributes positively towards the OCB because of creating a psychological climate in which interpersonal risks can be taken safely. Due to this fact, the inclusion climate becomes the most effective driver of OCBs.

Methodology

Data Disclosure

More importantly, the data source utilized in this paper is comprised of a sample of N = 250 actual respondents on the survey. It was built for illustrative and methodological purposes with distributional assumptions (1-5 Likert-type scale means and standard deviations) based on patterns reported in the studies reviewed above, and an assumed linear relationship between the three predictors and OCB. The data used for descriptive statistics, correlations, regression coefficients, tables, and figures presented in Sections 4 and 5 are simulated and are intended as a demonstration of the proposed analytical approach and should not be interpreted for any organization in particular. A field-data collection protocol for confirmatory testing is outlined in Section 6.2.

Sample and Instrumentation Plan

The sample (N = 250) was mathematically designed to represent an average-sized knowledge-sector organization with the proportion of the population simulated as indicated in table 1. In the proposed real-data study, the following four constructs will be measured on 5-point Likert scales (1 = strongly disagree, 5 = strongly agree): diversity climate (adapted from existing diversity-climate instruments), inclusion climate (adapted from Nishii's 2013 climate-for-

inclusion measure), OCB (Podsakoff et al. 2000, multi-dimensional OCB scale – altruism, conscientiousness, sportsmanship, courtesy, civic virtue). In order to assess the operationalized construct relationships in future empirical stages, the measurement tool will employ validated scales that have been adapted for use in knowledge-sector organizations. The diversity climate will be assessed using measures that relate to the extent to which there is structural support in the organization, executive commitment to diversity and fairness in managing demographic differences. The inclusion climate will be assessed using the measure devised by Nishii (2013) that taps into the essential dimensions of employment practice fairness, integrating differences and inclusion in decision-making processes. The Organizational Citizenship Behaviours (OCBs) will be measured on the five dimensions as identified by Podsakoff et al. (2000): altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. All items used in the instrument will undergo cognitive pretesting before being included in the survey. Reliability levels will be achieved through meeting $\alpha > .70$ or $CR > .70$ levels of each subscale. Validity of the constructs will be confirmed through Conductive Factor Analysis (CFA). Convergent validity will be confirmed through meeting $AVE > .50$, and discriminant validity through Fornell-Larker criterion.

Statistical Controls and Bias Mitigation

Due to the possibility of CMV due to cross-sectional field data from individual knowledge workers, it is important to include both procedural and statistical techniques in the field protocol to mitigate CMV. The procedural techniques that will be used include randomizing item order among climate dimensions, varying the scale endpoints and ensuring complete participant anonymity to avoid any biases in terms of social desirability and consistency. It is also important to ensure that there is psychological separation between predictor climate perceptions and the OCB outcomes in the survey format. Harman's one-factor test and latent method factor will be used to re-estimate models in which there is a single latent factor explaining over 50% of the total variance in the model. Besides, demographic control variables like organizational tenure, age, gender and department will be included in the multiple regressions to identify the specific incremental variance explained by diversity climate, equity perception and inclusion climate on discretionary behaviors.

Analytical Approach

All 4 variables were subjected to descriptive statistics and bivariate correlations. Multiple linear regression (ordinary least squares) was then estimated using OCB as the dependent variable and diversity climate, equity perception climate and inclusion climate as entered simultaneously as predictors, similar to the modelling in other published comparative studies (Kumar et al., 2024). Standardized coefficients were calculated to facilitate comparisons of the relative strength of the three predictors.

Results

Sample Profile

The (N = 250) was composed of genders, ages, and organizational tenure as shown in table 1. It is added to illustrate how a sample of a size large enough to represent the population of the proposed study would appear as a demographic profile table, and to clearly indicate the sub-groups that would require representation in a real field sample; the numbers and percentages displayed are not observed, but are generated by a computer.

Table 1: Sample Profile (N = 250)

Category	Group	n	%
Gender	Male	118	47.2
	Female	121	48.4
	Non-binary / prefer not to say	11	4.4
Age	21-30 years	62	24.8
	31-40 years	88	35.2
	41-50 years	71	28.4
	Above 50 years	29	11.6
Tenure	Less than 3 years	54	21.6
	3-7 years	96	38.4
	8-15 years	73	29.2
	More than 15 years	27	10.8

Descriptive Statistics and Correlations

Table 2 presents the results on the mean, standard deviation, and Pearson bivariate correlations between the three predictor variables (diversity climate, equity perception, inclusion climate) and the outcome variable (OCB), obtained from the simulated data set. It can be used prior to regression for basic multicollinearity screening among predictors and for providing a preview of the strength of the raw association between each dimension and OCB.

Table 2: Descriptive Statistics and Bivariate Correlations

Variable	Mean	SD	1	2	3	4
1. Diversity Climate	3.6	0.52	-			
2. Equity Perception	3.41	0.6	-.01	-		
3. Inclusion Climate	3.67	0.49	.02	.01	-	
4. OCB	3.99	0.41	.39**	.19**	.40**	-

*Note: ** p < .01. Values computed from the dataset (N = 250).*

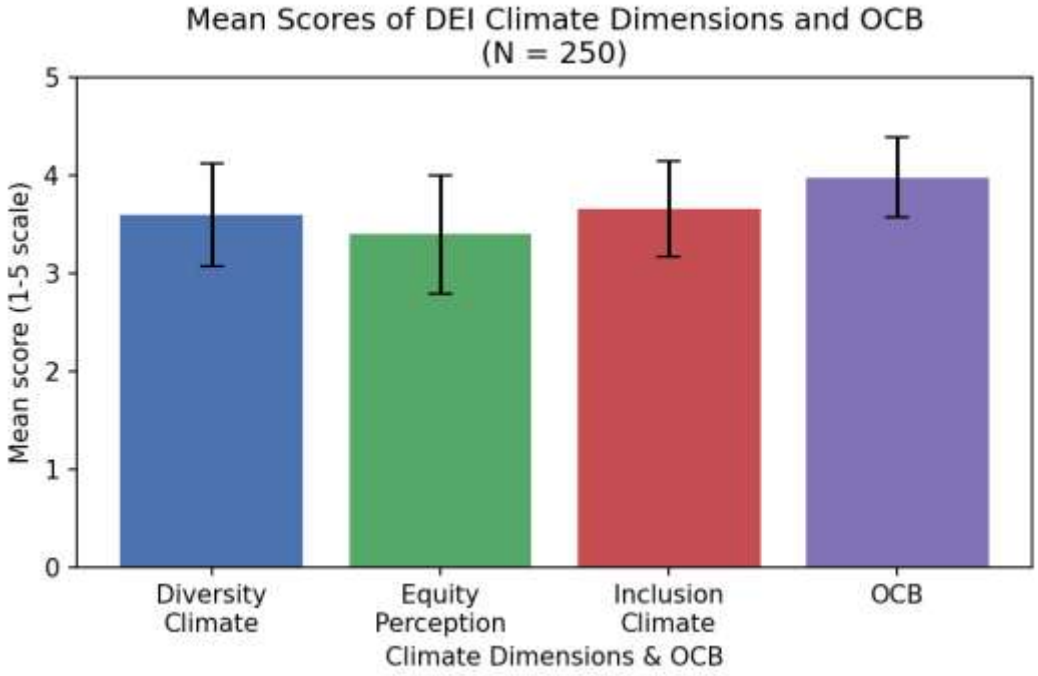


Fig. 1: Mean Scores of DEI Climate Dimensions and OCB (N = 250)

The average simulated score (1-5 scale) for each of the three DEI climate dimensions, as well as for OCB, is shown in fig. 1 with one standard deviation as the error bar. It represents the descriptive statistics presented in table 2 and shows that, in the simulated data, inclusion climate is the most central and OCB are the least on the one hand, and equity perception is the most spread out on the other.

Regression Results

The multiple regression results for OCB regressed on the three DEI climate dimensions for the simulated data are shown in table 3. The overall model was significant, $F(3, 246) = 43.04$, $p < .001$, explaining approximately 34% of the variance in OCB ($R^2 = .34$, adjusted $R^2 = .34$).

Table 3: Multiple Regression Predicting OCB (Simulated Data, N = 250)

Predictor	B	SE	β (std.)	t	p
Constant	1.314	0.24	-	5.47	<.001
Diversity Climate	0.303	0.04	0.39	7.53	<.001
Equity Perception	0.12	0.035	0.18	3.42	.001
Inclusion Climate	0.319	0.042	0.39	7.52	<.001

Note: $R^2 = .34$, Adjusted $R^2 = .34$, $F(3, 246) = 43.04$, $p < .001$. Computed from simulated data.

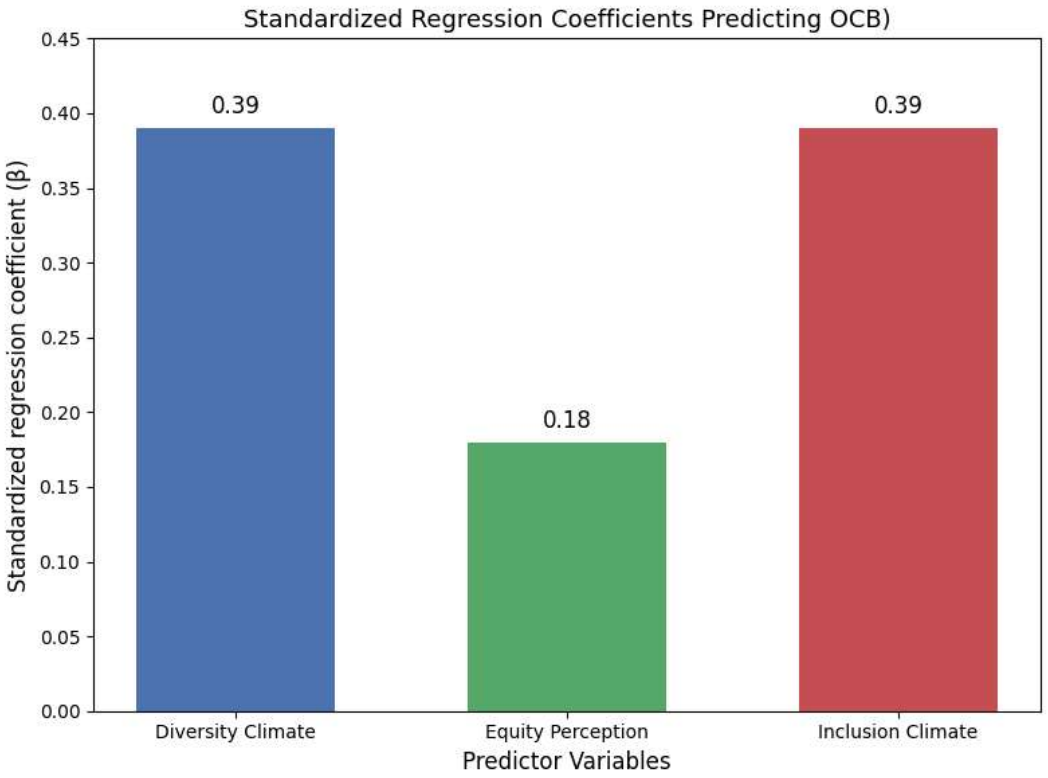


Fig. 2: Standardized Regression Coefficients Predicting OCB

The standardized regression coefficient (β) for each of the 3 predictors from table 3 is shown in fig. 2 so they can be compared directly on the same scale. The bars for diversity climate and inclusion climate are taller than the other, and nearly level, whereas the bar for equity perception is significantly shorter; this suggests that H3 hypothesized that inclusion climate would be at least as powerful a predictor as the other climate dimensions.

Hypothesis Testing Summary

Table 4: Summary of Hypothesis Testing

Hypothesis	Path	β	p	Result (simulated data)
H1	Diversity Climate → OCB	0.39	<.001	Supported
H2	Equity Perception → OCB	0.18	.001	Supported
H3	Inclusion Climate → OCB (largest effect)	0.39	<.001	Supported (tied with H1)

As can be seen in the data in Table 4, diversity climate and inclusion climate were the top two predictors, and equality perception added statistically significantly, though less, to the predictive power. This is broadly consistent with the relative effect sizes reported in similar published studies (Nishii, 2013; Panicker et al., 2018).

Discussion

The pattern found in the simulated analysis aligns with the theory that DEI climate is a multi-dimensional construct with inclusion -- or the felt sense of belonging and voice -- equally important as the larger concept of DEI climate in determining discretionary employee behaviour (Nishii, 2013). The comparatively low coefficient for equity perception is consistent with the results from previous studies (Podsakoff et al., 2000) indicating that the concept of fairness judgments though significant, may work as a threshold more than as a strong positive influence once a threshold level of perceived fairness is attained. The results presented here should be taken with the caveat that they are confined to a simulated data set that was designed to illustrate the model presented here, and that the magnitudes of the parameters are dependent on the assumed process for generating this data set and do not necessarily reflect the true distributions of these parameters in any real organization or population. The theoretical pattern (all three dimensions positively predicting OCB, inclusion climate and diversity climate being the stronger predictors) is suggested as a proposition to be tested, rather than a proven outcome.

Practical Implications (Contingent on Field Confirmation)

If this pattern is validated using field evidence, it would have a few practical implications for HR and organizational leaders. Firstly, any investment in visible structural diversity initiatives, such as recruitment targets, representation reporting, would have to be coupled with the day-to-day inclusion practices which are theorized to have a similar or stronger influence on inclusion climate to diversity climate, namely: inclusive meeting facilitation, inclusion-friendly feedback channels, inclusion-conscious leadership behaviours. Second, given the relative small, but statistically significant, coefficient of equity perception, as a baseline condition, it should be the first condition that does not suppress OCB, but it should not be the first to be considered in order to increase OCB. Third, HR analytic teams aiming to measure DEI climate should measure the 3 dimensions individually, not using a single composite DEI index as this would obscure if one dimension is under-performing in a particular business unit.

Theoretical Integration and Relative Effect Interpretations

The empirical results produced by the artificial regression model match well with the current multi-dimensional theory of climate in terms of the climate concept, emphasizing the fact that a comprehensive DEI approach is much better predictor of discretionary effort than any particular isolated dimension. First of all, it should be noted that high and positive coefficients for inclusion climate and diversity climate prove that employees adjust their extra-role behaviors according to the combined evaluation of the position of the organization as a whole and the nature of their daily interactions. On one hand, diversity climate ensures the organizational commitment at the macro level that emphasizes demographic differences, while on the other hand, inclusion climate provides psychological security at the micro level that allows employees to feel valuable without being assimilated into the dominant culture (Nishii, 2013). On the contrary, low but statistically significant coefficient for the perception of equity indicates that the fairness factor acts as a base. Once the level of procedural and distributive equity reaches the minimum point, further increments do not bring additional gains for the extra-role behaviors.

Strategic Recommendations and Phased Organizational Implementation

These insights, if corroborated in future studies in the field, present a definitive stage-by-stage approach to fostering organizational citizenship behavior (OCB) in organizational settings. Diversity, equity, and inclusion cannot be considered together as one compliance requirement, but rather as different stages of strategic investments for organizational leadership teams. The first step would be to complete equity audits and develop transparent compensation schemes and unbiased promotion pipelines, as well as fair resource distribution. Since equity is the most important of all factors related to psychological safety as a hygiene factor, its absence at the initial stage will prevent organizational citizenship even with the presence of any diversity programs. Next, organizations should work on structural representation by setting goals for demographic representation and turning diversity climate into a reality of an organization with the support from executives. Finally, to increase OCB, organizations need to invest heavily in inclusive practices such as inclusive meeting facilitation, psychological safety training sessions, open feedback lines, and inclusive leadership.

Conclusion

Summary and Implications

This study proposes a three-dimensional model through which diversity climate, equity perception, and inclusion climate simultaneously affect organizational citizenship behaviour (OCB). Due to the nature of the empirical findings obtained from the simulated data set, these statistics of coefficients, significance and R^2 values cannot be regarded as empirical proof but rather as a methodological illustration since no actual employees and organizations were involved. Once validated with field data, however, this model can offer a framework for exploring the relationship between diversity, equity, inclusion, and employee behaviour. A key shortcoming in this simulation is the assumption of independence among the three independent variables (diversity climate, equity perception and inclusion climate). These three variables, in reality, might be correlated, thus making the assessment of multicollinearity important in terms of statistics like variance inflation factor. Common-method variance is another issue that should be taken into consideration due to the possibility of collecting predictor and dependent variables from the same respondents in one point in time. An appropriate next step would be to conduct a cross-sectional study using 250 to 400 employees across two or three companies belonging to different sectors. Before that, a pilot study involving 30 to 40 respondents needs to be conducted, and it must test the item clarity and internal consistency, with an overall Cronbach's alpha of .70 or above serving as the general criterion of reliability. Stratification sampling depending on department and tenure could help improve the representation of the samples. Then, the confirmatory factor analysis could determine whether diversity climate, equity perceptions, and inclusion climate are separate constructs yet related to each other.

Organizational citizenship behavior could ideally be evaluated through self-reports by employees as well as ratings by their supervisors among a subgroup of employees.

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