

The Role of Diversity Practices and Inclusion in Promoting Trust and Employee Engagement

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Abstract

This paper investigates the association of diversity practices with an important aspect of workplace well-being, engagement. It was hypothesized that the association of diversity practices would be mediated by trust climate and that this mediation relationship would be stronger when employees experienced feelings of inclusion in the workplace. Using a sample of 4,597 health sector employees, results indicated that diversity practices are associated with a trusting climate that, in turn, is positively related to employee engagement. Furthermore, the relationship between diversity practices and trust climate was moderated by inclusion.

Theoretical and practical implications of the study are discussed along with recommendations for future research.

The Role of Diversity Practices and Inclusion in Promoting Trust and Employee Engagement

In order to be competitive, organizations must realize that today's workforce is increasingly diverse. Without efforts to promote policies and practices that support and include individuals from all backgrounds, organizations will find themselves left behind. Implementing diversity practices can result in positive outcomes for organizations such as increased profitability, creativity, flexibility, successful adjustment to fluctuations in the market, and overall individual and organizational growth (Thomas & Ely, 1996).

One area of research that has received scant attention concerns the impact of human resource (HR) practices on less tangible outcomes such as employee well-being (Gould-Williams, 2007). This paper aims to investigate the association of diversity practices with employee engagement, a vital ingredient in overall workplace well-being. Although well-being has been disputed in the literature, a recent review suggests that it is an important mediator between HR practices and organizational performance (Van De Voorde, Paauwe, & Van Veldhoven, 2012). To our knowledge, this paper represents the first in-depth examination of the relationship between diversity practices and engagement. Therefore this study contributes to the literature by providing support for the efficacy of diversity practices at an individual employee level. Furthermore, we examine the climate in which individuals interact with their colleagues and suggest that diversity practices will lead to a climate that employees perceive as high in trust. Using social exchange theory (SET; Blau, 1964) as the theoretical framework, we argue that a trusting climate will provide a mechanism through which diversity practices can increase an employee's sense of engagement in their work.

A key challenge facing the diversity literature is improving our understanding of how organizations can create environments where a diverse workforce experiences trust (Purdie-Vaughns, Steele, Davies, Ditzmann, & Crosby, 2008). We propose that the relationship between diversity practices and trust climate will be strengthened in the presence of high employee perceptions of inclusion. Inclusion is important in this instance because it facilitates the extent to which an employee feels as if he or she is an insider in the organization, through access to important networks and decision making processes (Mor Barak, 2008). In line with process models of HR management (e.g. Nishii and Wright, 2008), we measure employees' perceptions of HR practices rather than relying on management reports. This is consistent with the notion that there may be a difference between the intended HR practices implemented by management and those perceived and experienced by employees. As such, we expect that individuals who perceive themselves as having insider access to organizational decision making processes will be more amenable to the potential positive effects of diversity practices. Our study adds to the literature in this area by furthering our understanding of why feelings of inclusion are important in the organizational context.

Diversity Practices and Engagement

Diversity practices within an organization act as a signal of its commitment to support employees from all backgrounds. A successful diversity program should communicate its goals in a way that frames diversity as a challenge and an opportunity rather than as a threat or hurdle to overcome (Jayne & Dipboye, 2004; Howard-Grenville & Hoffman, 2003). The payoffs of diversity practices can be significant for both employees and organizations. Perceptions of a fair diversity climate directly impact minority group job performance (McKay, Avery, & Morris, 2008), as well as outcomes such as organizational commitment and turnover intentions

regardless of race (Buttner, Lowe, & Billings-Harris, 2010).

Research on employee well-being began with a focus on the prevention and repair of negative states including burnout and stress. However, recent years have seen a significant shift in this focus, influenced by the positive psychology movement (Seligman & Csikszentmihalyi, 2000), with a new emphasis on mental “wellness” and engagement (Bakker, Schaufeli, Leiter, & Taris, 2008, p.187). Engagement is defined as a persistent affective-cognitive state that produces “a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption” (Schaufeli, Martinez, Marques Pinto, Salanova, & Bakker, 2002, p.74). Since empirical research in the engagement field began, its nomological network has received increased research attention. Its antecedents include perceived organizational support, perceived supervisor support, procedural justice and distributive justice, and its consequences include job satisfaction, work performance, withdrawal behaviors, turnover and organizational citizenship behavior (Saks, 2006; Rich, LePine, & Crawford, 2010).

Using SET (Blau, 1964), the well-being literature has proposed that engagement can act as a means of repaying one’s organization in exchange for the amount of career and social related support received (Maslach, Schaufeli, & Leiter, 2001; Cropanzano & Mitchell, 2005). SET states that relationships evolve over time and lead to reciprocal, trusting, and loyal partnerships (Cropanzano & Mitchell, 2005). Therefore, when an organization makes an effort to provide resources and support their employees, the employees will reciprocate by fully engaging in their work roles. In fact, this has been previously shown in studies where perceived fairness, social support, rewards and recognition, workload, and organizational values are all antecedents of engagement (Maslach et al., 2001).

Although previous research has determined that diversity practices can mitigate the

negative effects of discrimination and increase employees' workplace attitudes and performance, diversity practices have not yet been linked specifically to engagement. As Kahn (1990) suggests in his seminal research on engagement, employees are more engaged when they are in a work environment that promotes psychological safety, meaningfulness and availability. Psychological safety is associated with nonthreatening, consistent and predictable social systems that allow one to feel safe enough to show their full selves and become fully engaged (Kahn, 1990). In line with SET, diversity practices signal to employees that they care about their well-being and support their individual differences. Employees, in turn, reciprocate with increased engagement. Thus, this research will determine the potential for diversity practices to predict employee engagement, or:

Hypothesis 1: Employee's positive perceptions of diversity practices will be positively related to employee engagement.

Trust

There has been a call in the literature for more empirical research in order to elucidate the 'black box' of intervening mechanisms that explain how HR practices impact important outcomes for organizations and their employees (Gould-Williams & Mohamed, 2010; Castanheira & Chambel, 2010). One variable that may allow us to shed light on this, and that may provide a mechanism through which HR practices can take effect, is trust. Trust is an essential element of any positive exchange relationship (Gould-Williams & Davies, 2005) and a necessary pre-requisite for interaction in the face of uncertainty and vulnerability. In diverse workplaces, where similarity between coworkers may be less salient, the heightened degree of

uncertainty and vulnerability associated with interpersonal cooperation makes trust a vital ingredient for cooperation and employee well-being.

The most widely accepted definition of trust describes it as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another” (Rousseau, Sitkin, Burt & Camerer, 1998, p.395). The literature has positioned trust as an important antecedent to a wide range of outcomes including job attitudes, such as commitment, satisfaction and turnover intentions (Dirks & Ferrin, 2002), employee in role and extra role performance (Mayer & Davis, 1999; Madjar & Ortiz-Walters, 2009) and organizational sales and profits (Davis, Schoorman, Mayer, & Hwee Hoon, 2000). As such, organizational theorists have increasingly recognized the need to further our understanding of the circumstances under which trust in organizations can be created and enhanced.

Employing SET as the theoretical framework, trust researchers have argued that HR activities play an important role in trust development. For instance, Whitener (1997) posits that positive HR activities create a situation where individuals or groups of employees feel obligated to reciprocate with positive attitudes, including trust. In particular, HR practices which aim to improve communication and empower employees to develop skills and supportive relationships within their working environment are proposed to affect the climate of trust experienced in an organization (Tzafrir, Harel, Baruch, & Dolan, 2004). Research also suggests that feelings of trust and comfort at work are impacted by cues regarding how an organization manages diversity (Purdie-Vaughns et al., 2008). Diversity practices highlight that the organization demonstrates support for employees from all backgrounds and they provide them with powerful cues for developing positive working relationships. In this study we anticipate that positive perceptions of diversity practices will create a high trust climate.

Previous research examining interpersonal relationships as a climate variable suggests that interpersonal treatment from supervisors and coworkers has implications for job satisfaction and employee withdrawal behaviors (Donovan, Drasgow, & Munson, 1998). More specifically, it has been demonstrated that a trusting climate acts a mediator in the relationship between positive HR practices and relevant outcomes for organizations (e.g. Collins & Smith, 2006). However, thus far, the emphasis in the organizational literature has been on identifying ways to increase performance and sales with little attention given to the importance of the impact of HR practices on employee well-being (Gould-Williams, 2007). It is clear from the literature that a link exists between trust and employee well-being. Researchers have argued that trust in colleagues allows employees to become fully dedicated to and absorbed in their work by reducing the need to monitor or worry about colleagues' unfavorable actions (Mayer & Gavin, 2005). This experience of dedication to work increases employees' perceptions of well-being including engagement (Chughtai & Buckley, 2009). Accordingly, we predict that the positive impact of diversity practices on employee well-being will be partially mediated by the creation of a high trust climate in which employees experience a reduced sense of vulnerability and uncertainty and an increased sense of engagement.

Hypothesis 2: A positive trust climate will partially mediate the relationship between diversity practices and engagement.

Inclusion

Although progressive HR practices are typically considered to have a positive impact on employee and organizational outcomes, some theorists have questioned whether this is the case in all instances (Gould-Williams, 2007). In fact, oftentimes organizations that attempt to increase workplace diversity find their efforts have backfired leading to tension among employees and

impairing overall performance (Thomas & Ely, 1996). However, inclusion has been identified as a way for organizations to fulfill claims made in diversity statements.

Inclusion is defined as the degree to which employees feel part of essential organizational processes including influence over the decision-making process, involvement in critical work groups, and access to information and resources (Mor Barak, 2008; Roberson, 2006). Employee perceptions of inclusion have been found to strongly predict commitment and job performance (Cho & Mor Barak, 2008; Mor Barak & Levin, 2002; Mor Barak, Findler, & Wind, 2001) and higher levels of employee participation are related to better organizational performance (Denison, 1990). When employees, specifically women and minorities, report feeling excluded, they also report lower job commitment (Findler, Wind, & Mor Barak, 2007).

In this paper, we propose that perceptions of inclusion will enhance the effects of diversity practices on the overall trust climate. Inclusion can be thought of as a measure of the degree to which a person feels they are a part of the organization's in-group. According to self-categorization theory (Turner & Reynolds, 2012), which explains the process of internalizing in-group and out-group membership, individuals place value on their in-group membership, which helps facilitate positive and cooperative relationships with other members in the group (For a comprehensive review of the literature on social identity theory see Hogg, 2006). Acceptance into the in-group is associated with many positive outcomes (Turner, 1975), such as increased loyalty, cooperation and trustworthiness (Brewer & Kramer, 1986; Brewer, 2007).

Kalev, Dobbin, and Kelly (2006) have explored the interaction of various types of diversity practices. They found that the efficacy of diversity practices that seek to reduce social isolation (e.g. mentoring programs) and reduce hiring managers' biases (e.g. training programs) was strengthened when practices that establish organizational responsibility (e.g. diversity staffs

and task forces) were also in place (Kalev et al., 2006). Therefore, this highlights the importance of examining the interactive effects of perceptions of practices aimed at supporting diversity on organizational outcomes. The current study seeks to determine the interaction between diversity practices that establish responsibility and more specific practices that promote employee inclusion.

We expect to find that when individuals have positive perceptions of overall diversity practices and have high perceptions of inclusion, it will enhance their perception that they are a valuable member of the organizational in-group. Subsequently, this would enhance the trusting climate among coworkers. Formally stated, we predict that:

Hypothesis 3: Perceptions of inclusion will moderate the relationship between diversity practices and trust.

Methods

Sample

The data used for this study were obtained through an anonymous online “diversity climate assessment.” Employees were members of a large healthcare organization. Of the 4,597¹ respondents (49% response rate), 79.2% were female, 79.2% were White, and 21% were identified as ethnic Minority. This mirrored organizational demographics whereby 79% are female and 21% are ethnic Minority. Items reported in this paper were part of a larger study that gathered data on 74 items developed to assess 7 concepts; 4 of these are included for this paper².

¹ Data were drawn from a larger sample of participants $n = 4915$, as reported in previous research (Plaut et al., 2009). Participants with missing responses on all of the variables of interest in this study were excluded from the analysis.

²The three other dimensions included on the survey were perceptions of organizational communication, diversity ideology, and fairness.

Participants responded to all items using a 5-point Likert scale where 1 represents strongly disagree and 5 represents strongly agree.

Measures

Engagement. Seven items³ adapted from Schmader, Major, and Gramzow (2001) and Mowday, Steers, and Porter (1979) were used to assess employees' levels of engagement. Sample items include: "Doing well in my job tasks and duties is very important to me," "Doing well in my job is an important part of who I am," and "I am willing to go beyond what is expected to help [the organization] be successful." The coefficient alpha is .84 indicating acceptable levels of internal consistency.

Diversity Practices. Fifteen items were developed by the researchers as a part of the Center for Research and Engagement in Diversity. To create a measure that was relevant to the organizational context, items were developed based on extensive interviews with subject matter experts from diversity experts and staff at the hospital. They were developed to assess perceptions of diversity practices, including the extent to which one's organization and leader supports diversity related efforts and adheres to the organization's recruitment and equal employment opportunity policies. Sample items include "Recruitment of diverse job candidates is a priority at [the organization]," "There is organizational support for diversity-related events," "Diversity is a priority for leadership," "I am aware of [the organization's] procedures to follow if I am harassed or believe that I have been discriminated against," and "Diverse job candidates are

³ Previous research (Plaut et al, 2009) reported 5 engagement items, based on a factor analysis of all items included in the climate survey, but because deleting items only showed incremental increases in alpha we chose to report all seven items in this paper.

actively recruited when an opening exists at [the organization].” The scale demonstrated acceptable levels of reliability, with a coefficient alpha of .87.

Inclusion. Ten items were used to evaluate the employee’s perceptions of inclusion. Items on this scale were developed based on Roberson (2006). Example items include: “I believe that I play an important role in helping to shape the policies, procedures, and practices of [the organization],” “All viewpoints, including those that differ from the majority opinion, are considered before decisions are made by [the organization],” “My co-workers show their appreciation for the contributions I make to our department,” “At [the organization], everyone works closely together to accomplish the goals of the medical center,” and “Everyone at [the organization], regardless of background and perspective, is encouraged to share their ideas openly.” The scale was reliable with a coefficient alpha of .86.

Trust Climate. Fourteen items adapted from Donovan et al. (1998) were used to assess the extent to which employees felt the work climate was high in trust. Sample items include: “Co-workers treat each other with respect,” “Employees are trusted,” “I trust my supervisor,” “Employees are treated with respect,” “Employees’ questions and problems are responded to quickly,” “Co-workers help each other out,” and “I trust [the organization].” The reliability coefficient for this scale was .93.

Results

Confirmatory Factor Analysis and Descriptive Statistics

Before testing our hypotheses, we assessed the discriminant validity of our measurement model using confirmatory factor analysis. We compared our hypothesized four factor model to a three factor model where the diversity practices and inclusion variables were collapsed (3 Factor

Model A), a three factor model where the inclusion and trusting climate variables were collapsed (3 Factor Model B) and a single latent factor model. Models were compared using the chi squared difference test (Bentler & Bonett, 1980), results are displayed in Table 1. The fit of each model was assessed using four goodness of fit indices: a) the chi-square test, b) the comparative fit index (CFI; Bentler, 1990), c) the root mean square error of approximation (RMSEA; Steiger, 1990), and d) the standardized root mean square residual (SRMR; Bentler, 1995). Adequate model fit was indicated by CFI indices above .90 (Kline, 2011), SRMR indices of less than .08 and RMSEA indices of less than .06 (Hu & Bentler, 1999; Lance & Vandenberg, 2002). Overall, the results indicated that our hypothesized measurement model provided an acceptable fit to the data, confirming the conceptual distinctiveness of our chosen scales. The means, standard deviations and bivariate correlations of independent, mediator, moderator and dependent variables are reported in Table 2.

Moderated Mediation Analysis

Hypotheses were tested using moderated mediation analysis via the Edwards and Lambert (2007) framework. This approach uses ordinary least squared regression equations and represents the relationships among variables as path models. The current model represents a first stage moderated mediation model with inclusion hypothesized to moderate the relationship between the independent variable, diversity practices, and the mediator, trust climate. The independent variable and the moderator variable were grandmean centered prior to running the analysis following recommendations from Aiken and West (1991).

Model fit was assessed according to the same goodness of fit criteria outlined above. In this case, the hypothesized model provided a reasonable fit for the data ($\chi^2(2) = 191.82^{**}$, CFI=.90, RMSEA=.14, SRMR=.04). Further analysis was conducted to assess the pattern of

results among ethnic minority and majority groups. The results of this analysis demonstrated that parameter estimates and model fit for both groups were consistent with each other and the overall pattern of results. The results for the combined group are presented.

Hypothesis 1 proposed a positive relationship between diversity practices and employee engagement at work. There was a statistically significant relationship between the two variables, thus supporting Hypothesis 1 ($b = .32, SE = .01, p < .001$). Respondents' perceptions of the diversity practices in their organization were directly related to their levels of engagement at work. Hypothesis 2 proposed that trust climate acts as a mediator of the relationship between diversity practices and engagement. There was a statistically significant path coefficient from diversity practices to trust climate ($b = .22, SE = .04, p < .001$) and from trust climate to engagement ($b = .06, SE = .01, p < .001$), thus supporting Hypothesis 2. Taken together these results suggest that trust climate partially mediates the effect of diversity practices on engagement.

To test Hypothesis 3 we examined the relationship between the diversity practices and trust climate at different levels of inclusion. Results of the moderated mediation model indicate that the indirect effect of diversity practices on engagement is statistically significant only at high levels of inclusion (one standard deviation above the mean; $b = 0.03, SE = .004, p < .001$). The difference between this effect at high and low levels (one standard deviation below the mean) of inclusion was also statistically significant ($\Delta b = 0.02, SE = .003, p < .001$), thus supporting Hypothesis 3. In this context, the mediating role of trust climate in the relationship between diversity practices and engagement varied significantly across different levels of inclusion. A summary of the direct and indirect effects for Hypothesis 3 is depicted in Table 3. Interestingly,

our findings also suggest that there is a strong direct relationship between inclusion and trust climate ($b = .734$, $SE = .04$, $p < .001$).

Finally, we analyzed the simple slopes (Aiken & West, 1991) for the first stage moderated paths and plotted the results for high and low levels of inclusion (see Figure 2). Where simple slopes are significantly different from each other, moderation is implied. The statistical significance of the difference between slopes can be obtained from the significance of the interaction effect (i.e. diversity practices x inclusion as a predictor of trust climate; Preacher, Curran, & Bauer, 2006). Again results supported the existence of a moderator as the simple slopes were significantly different from one another ($b = 0.27$, $SE = .03$, $p < .001$). This analysis indicates that the association of diversity practices with employee perceptions of trust climate varies at different levels of inclusion perceptions. Figure 3 depicts the hypothesized moderated mediation model with unstandardized regression coefficients.

Discussion

This study tested a moderated mediation model of the relationships between diversity practices, employee perceptions of inclusion, trust climate at work and well-being. Specifically, we investigated employee inclusion as a moderator of the relationship between diversity practices and engagement as mediated by trust climate. The results indicated that an organization's diversity practices have a direct relationship with employee engagement. To our knowledge this is the first paper that has linked diversity practices to the engagement construct. Prior researchers have discovered that diversity ideology, specifically multiculturalism, is related to engagement for minority individuals (Plaut, Thomas, & Goren, 2009). However, the implications of this research go beyond that of Plaut and colleagues (2009) in two distinct ways. Firstly, it includes the perceptions of actual policies and practices that make up the

organization's diversity practices, not just the operating ideology. Secondly, this research has demonstrated that diversity practices not only have a positive relationship with engagement for minority groups, but that this relationship exists across all employees. Therefore, despite previous reports of employee backlash and negativity towards diversity initiatives (Mobley & Payne, 1992; Cocchiara, Connerley, & Bell, 2010), this research suggests that employees' well-being is improved rather than impaired by perceptions of diversity practices.

Furthermore, this study demonstrates that a trusting climate provides an underlying mechanism through which diversity practices transmits its positive effects on engagement. Our research represents the first study to empirically demonstrate this partial mediation relationship. In doing this we both extend and add considerable support to the literature which has positioned trust as a mediator of the relationship between more general HR practices and positive outcomes such as performance (e.g. Collins & Smith, 2006; Tzafrir & Gur, 2007). Additionally, in line with previous calls to shed light on the black box (Gould-Williams & Mohamed, 2010; Castanheira & Chambel, 2010), we have begun to examine what intervening variables can link HR practices to important outcomes.

One potentially interesting relationship that was not hypothesized in our original model is the strong direct relationship between inclusion and trust climate. It is commonly accepted in the trust literature that increased contact and repeated interaction amongst individuals increases trust in social exchange relationships (Lewicki & Bunker, 1996). More specifically, this effect has been demonstrated experimentally with intergroup trust amongst diverse groups (Turner, Hewstone, & Voci, 2007). In the context of our study, it may be that perceptions of high levels of inclusion are accompanied by increased opportunity for contact and interaction with colleagues thus, increasing individual perceptions of the trust climate at work.

As expected, we found support for inclusion as a moderator of the diversity practices and trust relationship. More specifically, our results indicate that positive perceptions of diversity practices will be positively related to a trusting climate only when employees perceive high levels of inclusion. This further supports the research that suggests inclusion and diversity practices are distinct constructs (Roberson, 2006). Furthermore, it demonstrates that inclusionary practices go above and beyond traditional recruitment and equal opportunity employment practices in fostering trusting relationships in organizations (Thomas & Ely, 1996). This has implications for both theory and practice. Indeed, our study points to the importance of promoting inclusion in organizations as a potential means of increasing employee trust and engagement. Diversity is no longer only about recruitment and retention of individuals from minority groups, it is about including employees by changing entire business processes to incorporate all employees' perspectives into the main goals of the organization (Nishii, Rich, & Woods, 2006; Thomas & Ely, 1996). Promoting higher levels of inclusion is important for practitioners as our research suggests that it goes above and beyond diversity practices, and in fact may be a critical condition for organizations to realize the benefits of effective diversity practices. These findings help to solidify inclusion as an important variable for practitioners to emphasize within their organizations. However, we encourage researchers to elucidate further the construct of inclusion in order to expand its nomological network. To date, almost no research has been conducted on the antecedents of inclusion and thus it offers an attractive area for future research.

Limitations and Directions for Future Research

One limitation of this research is the reliance on self-report measures of the constructs in

our model, which could result in problems of common method variance and socially desirable responding. However, many researchers have suggested that these downfalls are often overstated by researchers (e.g. Chan, 2001). In fact some theorists have argued that when the constructs concerned are self-perceptual, as in our study, self-report measures represent the most appropriate and valid method for assessing a variable that cannot be accurately judged or observed by others (Chan, 2009). For example, if employees don't report feelings of inclusion then the intended inclusion practices set in place may not be working.

Further, with self-report measures there is a potential for responses to be biased due to the limited response options provided by a Likert type of scale. Of most concern, the engagement scale exhibits a mean of 4.45, which points to the possible presence of a ceiling effect. A ceiling effect may exist when a large concentration of responses are clustered around the highest points of the measure. To examine this issue further we tested the skewness of the engagement scale using the skew index (SI; Klein, 2011). With a SI value of -2.521, our data exhibits a negative skew, although this value meets the $> \pm 3.0$ cutoff (Klein, 2011). Additionally, with such a large N , the number of responses who rated, on average, 3 or below ($N=152$) is a sufficient enough sample size to detect the relationships between our predictors and engagement at low levels.

Our data are cross-sectional in nature, which significantly limits the ability to infer causality. While we feel that SET provides a strong theoretical basis for directionality of the hypothesized relationships, reverse causality cannot be ruled out on the basis of our results. We recommend that future research in this area employ a longitudinal or experimental design to provide further support for the direction of causality in these relationships. Another limitation is the use of adapted scales for the measurement of key constructs. However, the internal consistency of all scales used in this research was above the commonly accepted thresholds

(Nunnally, 1978) and tests of the measurement model confirm the discriminant validity of our measures.

It is important to note that this study does not directly account for other sources of influence that may impact the findings, thus representing another limitation of this study. For example, employees' personalities, attribution style, or employees' racial identity stage (e.g. Helms, 1995) might contribute to perceptions of diversity practices, inclusion, and trust (i.e. optimistic employees will have a more positive perception of their organization). Future research should consider such individual factors in order to provide conclusive evidence for the study's findings. In line with the positive psychology movement, one fruitful avenue might be to consider how psychological capital and positive emotions affect employees' perceptions of diversity practices and trust. Finally, as previous research suggests, diversity practices are sensitive to organizational context (Jayne & Dipoye, 2004), thus the findings of our research may be difficult to generalize to other unique contexts. Our research was conducted in a healthcare setting with an organization that has made a commitment to enhancing diversity. Although this is a critical context to study diversity, it would be beneficial to test this model in different contexts and in organizations where diversity issues are less valued or salient. Future research should consider conducting a multilevel analysis to assess how diversity practices operate in different types of organizations.

Additionally, future research in this area might look more closely at which types of trust are more important in mediating the relationship between diversity practices and well-being. In particular, future studies should examine trust in specific referents and investigate which levels of trust (e.g. trust in supervisor, team trust, trust in organization) are more important in acting as a mechanism through which HR practices can exert an influence on employee well-being.

Previous research has suggested differences in the impact of trust depending on whether trust has an affective or cognitive basis (McAllister, 1995). It may be that one of these trust referents or bases have a more significant mediating effect than others.

Conclusion

In conclusion, we have developed a model to conceptualize how diversity practices and inclusion interact to foster a trusting climate and employee engagement. Importantly, based on these findings, diversity practices appear to have a very small relationship with trusting climate but this relationship is significantly strengthened when employees feel that they are included. Organizations who actively seek to promote employee inclusion can thus hope to reap the well-established benefits of a high trust workplace including effective working relationships and increased employee performance and well-being.

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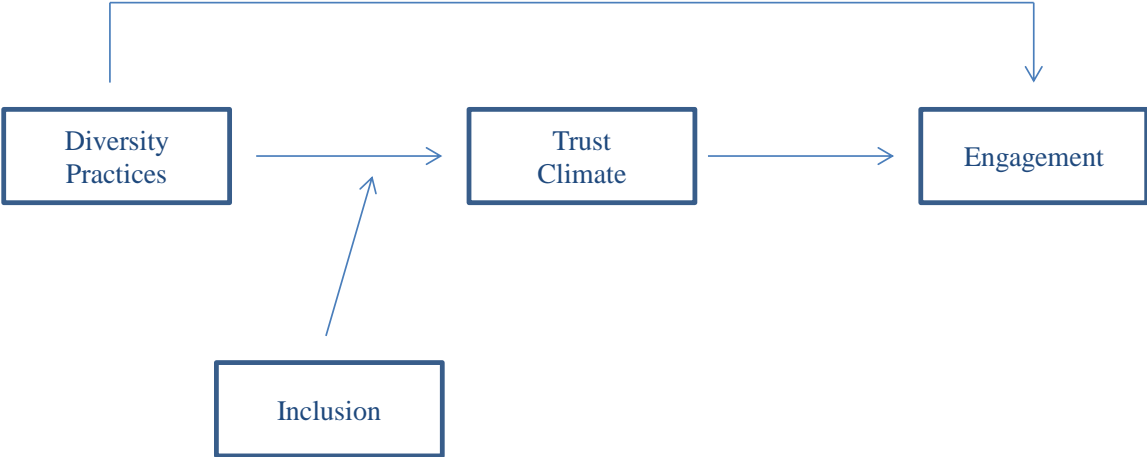


Figure 1. Proposed Moderated Mediation Model

Model	c^2	df	CFI	TLI	RMSEA	SRMR	Δc^2	Δdf
4 Factor Target Model	10600.12*	951	.91	.90	.05	.06	-	-
3 Factor Model A	11502.45*	954	.90	.89	.05	.06	902.33*	3
3 Factor Model B	12133.64*	954	.90	.89	.05	.06	1533.52*	3
1 Factor Model	17731.34*	957	.84	.83	.06	.07	7131.22*	6

Table 1. Confirmatory Factor Analysis and Model Comparison. * $p < .001$.

	<i>M</i>	<i>SD</i>	1	2	3	4
1. Diveristy Practices	3.67	0.72	(.87)			
2. Inclusion	3.58	0.71	.72**	(.86)		
3. Trust Climate	3.73	0.72	.59**	.75**	(.93)	
4. Engagment	4.45	0.61	.44**	.46**	.48**	(.84)

N = 4597, ** p < .01

Table 2. Descriptive Statistics and Correlations of Study Variables. Alpha coefficients are reported on the diagonal.

Variable	Stages		Effects	
	First <i>b</i> (SE)	Second <i>b</i> (SE)	Direct <i>b</i> (SE)	Indirect <i>b</i> (SE)
Inclusion				
Low	0.03 (.04)	0.06* (.01)	0.32* (.01)	.002 (.003)
High	0.41* (.05)	0.06* (.01)	0.35* (.01)	0.03* (.004)
Differences	0.37* (.04)	0.00 (.00)	0.03* (.003)	0.02* (.003)

Table 3. Direct and Indirect Effects of Diversity Practices on Engagement Mediated by Trust Climate with Inclusion as a First Stage Moderator. The unstandardized beta values followed by the standard errors are reported for each pathway. * $p < .001$.

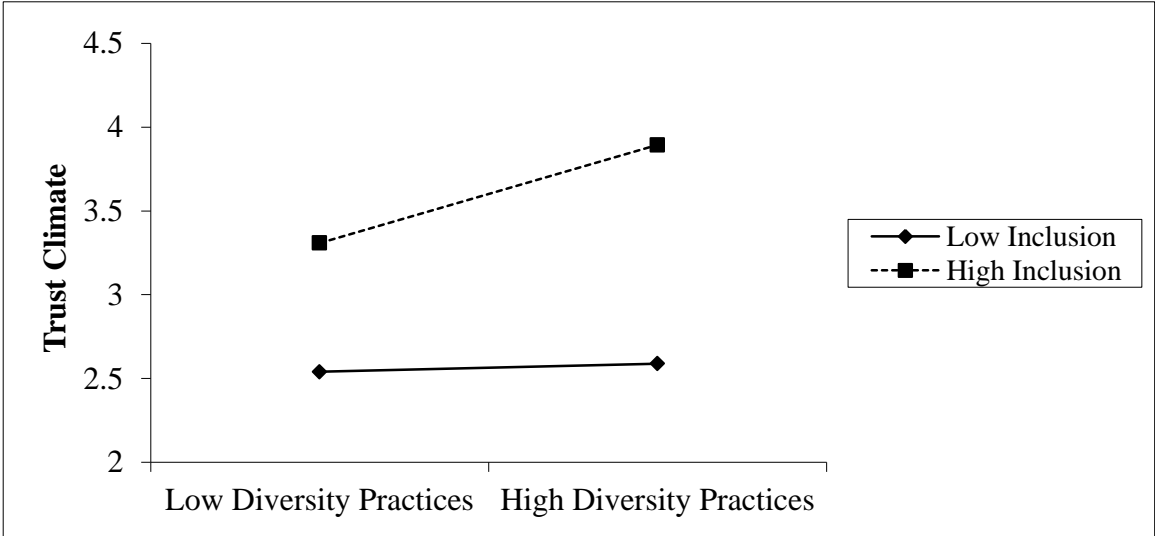


Figure 2. First Stage Effect of Diversity Practices on Engagement Moderated by Inclusion.

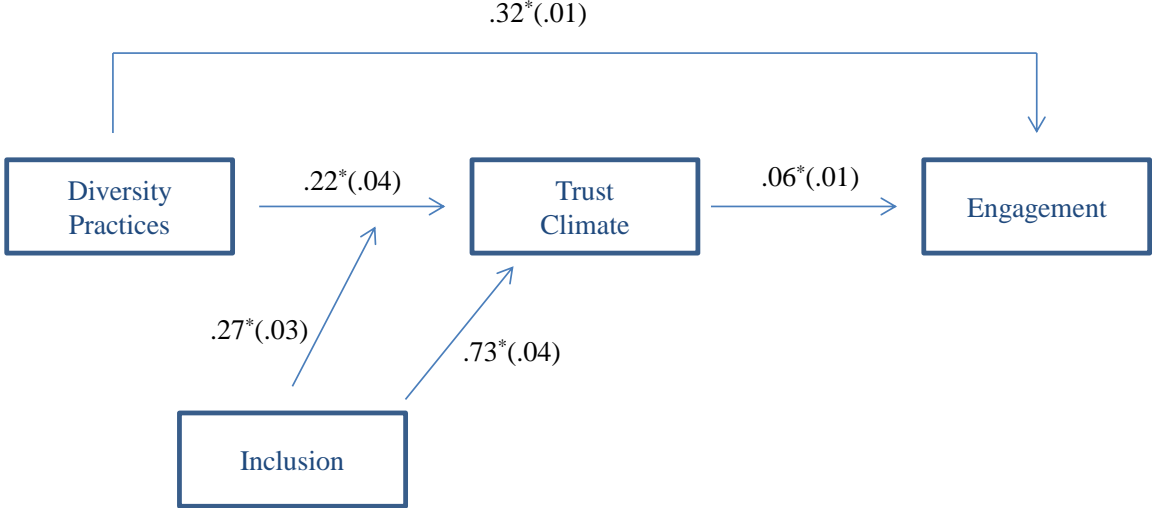


Figure 3. Moderated Mediation Model. The unstandardized beta values followed by the standard errors are reported for each pathway. * $p < .001$.