Diversity Climate as a Key to Employee Retention: The Moderating Role of Perceived Cultural Difference

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Abstract

This study examined the contribution of diversity climate to perspective taking, task conflict, and turnover intention of Thai employees hiring by international companies in the service industry and working among racially diverse workforces. Moreover, this study explored the moderating effect of the perceived cultural distance on the relationship between diversity climate and perspective taking. The social exchange theory was employed to explain the relationships. Data were obtained from 389 Thai employees and analyzed by Partial Least Squares Structural Equation Modeling. The results showed that diversity climate was negatively associated with task conflict and turnover intention while positively associated with perspective taking. The perceived cultural distance was found to positively moderate the effect of diversity climate on perspective taking. The study also provided some guidelines for international companies in the service industry that hire racially diverse workforces.
Keywords: Diversity Climate, Perspective Taking, Task Conflict, Turnover Intention, Perceived Cultural Distance

Introduction

Globalization shapes the borderless world which facilitates more movement, interaction, and integration among countries worldwide (Scott & Storper, 2003). The globalized world tends to challenge not only how the businesses can be maintained in the market but also how they can be broadened (Hecklau et al., 2016). Numbers of businesses have been internationalized to enter the global markets. They should not only be ready to attract diverse customers but also well prepared to compete with diverse competitors. Various global business strategies, including marketing, production, financing, and human resources are implemented in order to gain more business opportunities. However, the excellent strategies could become ineffective and inefficient if they are not well implemented. Employees play a vital role in business performance as each strategy is driven when they carry out the business activities (Hecklau et al., 2016).

When the companies participate in the global market, racially diverse workforce was found to promote the business competitive advantage (Schaffer & Riordan, 2013). Their diversities would provide companies with different perspectives (Hoever, Van Knippenberg, Van Ginkel, & Barkema, 2012) that allow companies to develop various strategies which suitably serve the global market. However, cooperative interaction among racially diverse workforce could become difficult. Diversity is a two-side on the same coin (Dwertmann et al., 2016). Their differences tend to promote creativity (Shachaf, 2008) but, in the meantime, the conflict between them could be easily formed (Vodosek, 2007). Conflict in the workplace was found to influence the negative outcomes, for example, workplace bullying (Perez et al., 2015), job

stress (Baka & Bazińska, 2016), team member acceptance (Pearson et al., 2002). Perspective taking among employees helps to induce the positive working environment. The previous research found that when the level of perspective taking is high, the level of conflict tends to be low (Sessa, 1996). The company could enhance the perspective taking among racially diverse workforce by fostering the supportive diversity climate (Hoever et al., 2012). Social exchange theory was employed to explain the relationship.

This study aims to explore the contribution of the supportive diversity climate in the companies, whether or not it will play an important role in promoting the employees' perspective taking while diminishing task conflict and the employees' turnover intentions. This study focuses on Thai employees hired by the international company in the service industry and working among racially diverse workforce. Thai people are hospitable by their nature and culture. They provide passionate and exceptional service hence Thai hospitality services are outstanding and well-known. Travelers around the world are impressed and fascinated by their services (Altinay & Poudel, 2015). That could be a reason why Thai people are recruited by many companies in the services industry around the world General Labour Section Royal Thai Consulate, 2019; Thairath, 2020). The service industry is labor-intensive; hence, turnover could have a detrimental effect on the companies. Moreover, the result of the previous research showed that racial diversity in teams positively related to performance in the service industry (Joshi & Roh, 2009); hence, a supportive diversity climate should play a vital role in this study group.

Literature Review
Turnover Intention
Turnover intention refers to the degree to which employees wish to quit their job (Belete, 2018) and it could reflect the actual employee turnover (Buttner & Lowe, 2017). Employees' turnover tends to affect the efficiency, effectiveness, and performance of the company, including productivity, quality of products and services, as well as profitability (Alkahtani, 2015; Belete, 2018); therefore, the companies would do their best to keep the employee turnover at a reasonable level (Belete, 2018). The previous research have shown that psychological stress (Labrague et al., 2020), organizational commitment and job satisfaction (Ekhsan, 2019), perceived organizational support (Maertz Jr et al., 2007), team trust (Moye & Henkin, 2006), internal pay equity (Buttner & Lowe, 2017), workload satisfaction (Cohen et al., 2016), pay satisfaction (Cohen et al., 2016) could influence the employees' turnover intention. Employees' knowledge and skills tend to be developed according to their working experience. In addition, some companies have provided many training courses for their employees with the notion that once their employees are well equipped with the knowledge and skills needed, their outcomes will be outstanding, which in turn, enhance the company's performance. Hence, when an employee resigns, the company does not only lose the manpower but also the human capital invested (Alkahtani, 2015). Moreover, the company must absorb the cost of work interruptions (Buttner & Lowe, 2017) as well as the acquisition of a new employee (Belete, 2018). The previous research showed that employee's turnover influences organizational citizenship behavior and counterproductive work behavior (Xiong & Wen, 2020), as well as job burnout (Guo et al., 2019).

Diversity Climate
Diversity climate is the extent to which the employees are aware of the equity of treatment and the cohesiveness in the workplace regardless of their social status (McKay et al., 2008; Phungsoonthorn & Charoensukmongkol, 2020). The supportive diversity climate is likely encouraged by policies from the management level (Holmes IV et al., 2021; Phungsoonthorn & Charoensukmongkol, 2020). Dwertmann et al. (2016) pointed out that employees will perceive that their companies value the diversity climate when the empirical evidence can be observed in the companies' formal and informal structure. For instance, top managers show

the appreciation and encouragement of employees' diversity as well as openness and acceptance of their different opinions (McKay et al., 2007), nondiscrimination in the recruitment process (Dwertmann et al., 2016), the equal career advancement opportunity for all employees (Dwertmann et al., 2016; Ely & Thomas, 2001), and equity in access to the training and rewards (Dwertmann et al., 2016).

A supportive diversity climate tends to enhance employees' positive work attitudes and behaviors; which in turn, benefit the individual-, interpersonal-, group-, and organizational level performances. (Dwertmann & Boehm, 2016; Holmes IV et al., 2021). Holmes IV et al. (2021) posited that diversity climate tends to influence performance through mentality perception. The results from previous research revealed that supportive diversity climate promoted organizational commitment (Buttner et al., 2010; McKay et al., 2007; O'Reilly III et al., 1991), work engagement (Sliter, Boyd, Sinclair, Cheung, & McFadden, 2014), while lower employees' turnover intention (Griffeth et al., 2000), interpersonal conflict (Sliter et al., 2014). A supportive diversity climate not only helps to reduce the negative perception of employees from different backgrounds (Buttner & Lowe, 2017; Tsui & Gutek, 1999), but also tends to enhance the feeling of being an organizational member. Previous research found that support diversity climate positively related to sense of place (Phungsoonthorn & Charoensukmongkol, 2020). On the other hand, when employees perceive the unfavorable climate; for example, lack of company support, absence of recognition, unfairness, they are more intended to leave the company (Alkahtani, 2015; Buttner & Lowe, 2017). Based on this, the following hypothesis is proposed:

Hypothesis 1: Diversity climate is negatively related to turnover intention.

Perspective Taking

Perspective taking refers to the extent to which an individual is trying to non-prejudicially understand others' perspectives on how and why they are thinking and behaving that way (Hoever et al., 2012; Parker et al., 2008). According to Parker & Axtell (2001: 1085), perspective taking is "adopting another person's viewpoint". Some pointed out that perspective taking involves empathizing with others who are different (Chopik et al., 2017; Martingano & Konrath, 2022). Under racially diverse workplaces, employees tend to favor colleagues from the same background while discriminating against others who have different backgrounds (Chen & Li, 2009). Hence, perspective taking could be problematic among racially diverse workforce. Perspective taking was widely studied in many areas and it was found to influence the cooperative behaviors (Parker & Axtell, 2001), kind and helpful behavior (Gino & Galinsky, 2012), the stereotype suppression (Galinsky & Moskowitz, 2000; Todd et al., 2012), customer satisfaction (Homburg et al., 2009), environmental concern (Schultz, 2000).

Cognitive-affective is one of the approaches that forms perspective taking; accordingly, individuals could be engaged in perspective taking when they are urged by the environment or situations (Parker & Axtell, 2001). A supportive diversity climate could then be a factor that develops the employees' perspective taking by encouraging the practices that the company expects their employees to conduct in the same manner toward their colleagues (Parker & Axtell, 2001). Social exchange theory, introduced by Blau (1964), could explain the contribution of diversity climate on perspective taking. This theory suggested that people tend to reciprocate when they get favored by others (Liangding et al., 2007). The exchange relationships are formed by economic and social resources. While economic resources deal with financial factors such as compensations or benefits, social resources deal with socially emotional factors such as appreciation or acceptance (Blau, 1964). The latter resources tend to generate sustainable outcomes, for instance, obligation or gratefulness (Phungsoonthorn, 2018). In terms of organizational management, this theory posits that employees are likely to exhibit extraordinary behaviors reciprocating to the organization's support (Meira & Hancer, 2021). Social exchange theory was applied in previous research to explain the exchange

relationship between organizations and their employees. Meira & Hancer (2021) found out that employees reciprocated with their work engagement and service-oriented organizational citizenship behavior when they perceived organizational support. The study of Yin (2018) showed that employees reciprocated with higher job engagement which in turn enhanced the organizational citizenship behavior; when they perceived organizational justice. In this study, the company's supportive diversity climate serves as a social resource tending to convey the message to their employees that their organization expects them to behave in the same manner toward their colleagues with different backgrounds (Boehm et al., 2014). When employees perceived that the company supports a diversity-favorable work environment by understanding, respecting, and fairly treating them, as well as valuing their differences; they are likely to reciprocate with a diversity-friendly work attitude (Alkahtani, 2015; Holmes IV et al., 2021). They tend to avoid discrimination and prejudice toward their colleagues with different backgrounds. Furthermore, they try to understand their colleagues' points of view (Ku et al., 2015). This is in line with the previous research which found that favorable work attitudes and better performance were reported when the employees perceive supportive diversity climate in the workplace (McKay et al., 2011; McKay et al., 2008). Therefore, the following hypothesis is proposed:

Hypothesis 2: Diversity climate is positively related to perspective taking.

Hoever et al. (2012); (Ku et al., 2015) pointed out that perspective taking tends to promote workplace interaction. When employees engage in perspective taking, they are not only trying to understand but also helping to find out the solutions that fit their colleagues who have different backgrounds (Grant & Berry, 2011). This helpful behavior among racially diverse workforce forms a favorable working climate that enhances their intention to stay (Alkahtani, 2015). Therefore, the following hypothesis is proposed:

Hypothesis 3: Perspective taking mediates a negative relationship between diversity climate and turnover intention.

Perceived Cultural Distance

The cultural diversity in a team tends to generate various inputs that could advance the team output (Hoever et al., 2012). Cultural distance refers to the extent to which the cultures of two countries differ; it could be in terms of beliefs, norms, attitudes, languages, lifestyle, etc. (Charoensukmongkol, 2021). In previous research, the level of distance was measured in terms of perception (Beugelsdijk et al., 2018). The more distance the individuals perceive that their cultures are different from another, the higher the cultural distance is (Charoensukmongkol & Pandey, 2021). When the cultural distance is high, individuals tend to have inadequate knowledge about other cultures; hence, it is difficult to predict and understand others' behaviors (Beugelsdijk et al., 2018). Moreover, individuals are likely to resist the adjustment (Hemmasi & Downes, 2013). This study proposed that the degree of cultural distance between employees and their colleagues that employees perceive might vary the quality effect of supportive diversity climate on perspective taking. Employees who perceived low cultural distance are prone to believe that their cultures are similar making them feel familiar with each other. Their opinions and behaviors tend to be in the same direction; hence they are likely to easily understand each other (Gavrila & Brandt, 2013). A supportive diversity climate might have less effect on perspective taking when employees perceive the low cultural distance between them and their colleagues. While employees who perceived a high cultural distance between themselves and their colleagues tend to feel that they are much different. Without effort and motivation, they might not be interested in understanding their colleagues' thoughts and behaviors (Charoensukmongkol & Pandey, 2021). Hence, a company's supportive diversity climate might have more effect on perspective taking when employees perceive that their cultures are much different from their colleagues' cultures. Based on this, the following hypothesis is proposed:

Hypothesis 4*:* Perceived cultural distance positively moderates the relationship between diversity climate and perspective taking.

Task Conflict

According to Jehn (1995: 258), "Task conflict exists when there are disagreements among group members about the content of the tasks being performed, including differences in viewpoints, ideas, and opinions" and it always takes place in the working environment (Demirbag et al., 2016). Task conflict was found to have both advantages and disadvantages in the workplace. Previous research showed that task conflict positively affects task performance (Yousaf et al., 2020); while some researchers have found that task conflict negatively affects group performance (De Dreu & Weingart, 2003; Vodosek, 2007), satisfaction with group (Vodosek, 2007), and group value consensus (Jehn & Mannix, 2001). Racially diverse workgroups tended to have different working knowledge, experience, and opinions; which, in turn, easily promote task conflict (Moon & Christensen, 2020). Moreover, an unsupportive diversity climate tends to foster social categorization which in turn impairs the task process and outcomes (Hoever et al., 2012). Employees also tend to discriminate against their colleagues from different backgrounds (Holmes IV et al., 2021). A company's supportive diversity climate is likely to enhance the feeling of cohesiveness and nondiscrimination among employees with different backgrounds (Ku et al., 2015). In addition, when the company showed that the employees' differences are valued and appreciated, employees tend to conform to the company by accepting the different opinions from colleagues when performing their tasks. which in turn, hinder the task conflict. Disagreement and negative relationships between employees tended to be one of the factors that influence employees' turnover intention (Lambert et al., 2001). Employees who are facing the conflict tend to have negative physical and emotional feelings in the workplace (Hwang et al., 2014), hence they tend to disengage from their work settings and finally leave the company. Based on this, the following hypotheses are proposed:

Hypothesis 5*:* Diversity climate is negatively related to task conflict.

Hypothesis 6*:* Task conflict mediates a negative relationship between diversity climate and turnover intention.

This study also proposed that diversity climate tends to affect task conflict through perspective taking. Once the different viewpoints from racially diverse employees are not taken part, it may lead to negative outcomes (Goncalo et al., 2015). Parker & Axtell (2001) pointed out that perspective taking tends to promote collaborative practice within racial diversity teams. Employees who engage in perspective taking are mostly reasonable (Parker & Axtell, 2001). Moreover, they tend to thoroughly understand their colleagues' perspectives, hence they should be able to compromise the unfavorable behaviors. Contrary, employees without perspective taking tend to think only about themselves. They don't pay attention to others or may mistakenly interpret others; therefore, they tend to exhibit negative behaviors toward others, which in turn could easily lead to conflict. Based on this, the following hypothesis is proposed:

Hypothesis 7*:* Perspective taking mediates a negative relationship between diversity climate and task conflict.

Methodology

Participants and Procedure

The sample of this study is Thai employees who are working under racial diversity climate. Total 389 questionnaires were included in the analysis. The respondents' characteristics are presented in Table 1.

A self-evaluation survey questionnaire was used in this study. Snowball sampling was employed in the data collection process. Complying with ethical consideration for justice, the samples who can be accessed were invited to voluntarily participate in the survey. The

participant information sheet was first introduced to conform with ethical consideration of respect for the person. All participants have been informed of the detailed information of this study including the context, purposes, procedures, contributions, as well as the confidential and anonymous of the collected data. The informed consent statement was shown afterward. The participants could either agree or disagree to participate in the survey. They can leave any questions blank if they don't feel to answer. They can withdraw from a survey at any time and their data will not be analyzed in the study. The collected data will be deleted after 3 years. The data collection process and tool of this study have been approved by the Research Ethics Committees.

Table 1 Respondents' characteristics.

Demographic factors	Descriptive statistics	Demographic factors	Descriptive statistics
Gender	Female: 343 (88.17%) Male: 46 (11.83%)	Marital Status	Single: 326 (83.80%) Married: 63 (16.20%)
Age (years)	Min: 21 Max: 51 Mean: 33.227 SD: 6.816	Job tenure (years)	Min: 1 Max: 26 Mean: 7.793 SD: 6.172
Working experience in host country	Min: 0 Max: 5 Mean: 0.057 SD: 0.409	Host country language proficiency	Very poor: 111 (28.53%) Poor: 143 (36.76%) Fair: 93 (23.91%) Good: 34 (8.74%) Very good: 8 (2.06%)

Measurements

The questionnaire is comprised of two parts. The first part obtained the data regarding the personal- and work-related. The second part, the participants were asked to evaluate the main variables. The diversity climate was measured by adopting the scale developed by McKay et al. (2008). It consists of 4 items and is measured on a five-point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). The perspective taking measurement consists of 4 items and is measured on a five-point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). Task conflict was measured by adopting the scale developed by Jehn (1995). It consists of 4 items and is measured on a five-point Likert scale ranging from 1 (Never) to 5 (Always) Turnover intention was measured by adopting the scale developed by Wayne et al. (1997). It consists of 4 items and is measured on a five-point Likert scale ranging from 1 (None) to 5 (A lot). The perception of cultural distance, the moderator, was measured by the degree to which how much the respondent feels that their culture is different from their colleagues. The higher the score, the higher the cultural distance they perceived.

Control Variables

Some personal and job characteristics were included as control variables in the model: age, gender, job tenure, as well as education and work experience in the company's host country. Gender was measured as a dummy variable (female = 0; male = 1). Age, job tenure, as well as education and work experience in the company's host country were measured by a number of years.

Statistical Analysis
This study used partial least squares structural equation modeling (PLS-SEM) regression for analyzing the proposed hypotheses. PLS-SEM was designed to analyze multiple hypotheses at the same time and handle non-normally distributed data (Gefen et al., 2000). The test of normal data distribution of the data was performed before the data analysis, the result showed that none of the variables were normally distributed which tended to support that PLS-SEM is proper for this study. WarpPLS version 7.0 was used to perform the data estimation in this study.

Results
Prior to the analysis, all multi-item constructs were tested for validity and reliability. Two validity tests were employed. First, convergence validity was performed using factor loadings and the results showed that all factor loadings were greater than 0.5, which met the minimum threshold recommended by Joseph et al. (2009) The results are presented in table 2. Second, the discriminant validity was performed by comparing the square root of the average variance extracted (AVE) and its correlations with other variables. The result showed that the square root of AVE was higher than its correlations with other variables, which was satisfactory, suggested by Fornell & Larcker (1981). Cronbach's alpha and composite reliability coefficient were performed to test the reliability. The results indicated that all scores were greater than .893 which met the minimum requirement of 0.7 (Nunnally, 1978). The results are shown in Table 3.

Table 2 Factor Loadings

Variables	DIVC	PERSPEC	TCONFL	TURNINT
DIVC1	**(0.860)**	-0.072	-0.003	0.069
DIVC2	**(0.922)**	0.005	-0.033	0.041
DIVC3	**(0.891)**	0.011	0.039	-0.080
DIVC4	**(0.912)**	0.052	-0.001	-0.028
PERSPEC1	-0.030	**(0.915)**	-0.039	-0.016
PERSPEC2	0.064	**(0.936)**	0.042	-0.023
PERSPEC3	0.012	**(0.873)**	-0.007	0.061
PERSPEC4	-0.046	**(0.934)**	0.003	-0.018
TCONFL1	-0.021	-0.032	**(0.874)**	-0.086
TCONFL2	0.010	-0.044	**(0.877)**	0.024
TCONFL3	-0.029	0.018	**(0.888)**	0.068
TCONFL4	0.041	0.057	**(0.873)**	-0.007
TURNINT1	-0.017	-0.030	-0.021	**(0.864)**
TURNINT2	-0.013	0.060	-0.013	**(0.921)**
TURNINT3	0.076	-0.017	0.045	**(0.792)**
TURNINT4	-0.037	-0.018	-0.007	**(0.905)**

Notes: DIVC = Supportive Diversity Climate, PERSPEC = Perspective Taking, TCONFL = Task Conflict, TURNINT = Turnover Intention

Table 3 The correlations and square root of average variance extracted of variables

Variables	Cronbach's Alpha coefficient	Composite Reliability coefficient	DIVC	PER SPEC	TCON FL	TURN INT	PERC CD	Age	Gender	Tenure	Exp Edu	Exp Work
DIVC	.918	.942	(0.896)									
PERSPEC	.935	.953	0.325***	(0.915)								
TCONFL	.901	.931	-0.424***	-0.216***	(0.878)							
TURNINT	.893	.927	-0.285***	-0.221***	0.258***	(0.872)						
PERCCD	n/a	n/a	0.114*	0.071	0.129*	0.031	(1.000)					
Age	n/a	n/a	-0.130**	-0.119*	0.005	0.163***	0.002	(1.000)				
Gender	n/a	n/a	0.021	-0.038	0.086	-0.005	-0.011	0.193***	(1.000)			
Tenure	n/a	n/a	-0.189***	-0.118*	0.044	0.162***	-0.024	0.883***	0.157**	(1.000)		
EduExp	n/a	n/a	-0.007	0.008	0.035	0.042	0.025	0.037	-0.061	0.025	(1.000)	
WorkExp	n/a	n/a	0.056	-0.065*	0.014	-0.030*	0.001	-0.006	-0.056	-0.026	0.367***	(1.000)

Notes: - ***$p < .001$, **$p < .01$, *$p < .05$
- Square roots of average variance extracted of latent variables are shown in parentheses.
- DIVC = Supportive Diversity Climate, PERSPEC = Perspective Taking, TCONFL = Task Conflict, TURNINT = Turnover Intention, PERCCD = Perceived Cultural Distance, EduExp = Education experience in company host country, WorkExp = Work experience in company host country

Moreover, a full collinearity variance inflation factor (VIF) was conducted to confirm that a multicollinearity problem was not a serious issue. The results indicated that the VIF value of all main variables was between 1.065 and 1.446, which was not greater than the maximum threshold of 3.3 recommended by Kock (2017). The data distribution was tested, and the Jarque-Bera test result showed that none of the variables was normalized. These results supported that PLS is suitable for this study. Furthermore, the results in ten-model-fit indices, in table 4, showed that the quality of this research model is satisfactory (Kock, 2017). Figure 1 has showed the results from the PLS analysis.

Table 4 Model fit indices

Model fit indices	Coefficient	Result
Average path coefficient (APC)	0.130***	Significant
Average R-square (ARS)	0.148***	Significant
Average adjusted R-squared (AARS)	0.138***	Significant
Average variance inflation factor (AVIF)	1.677	Ideal
Average full variance inflation factor (AFVIF)	1.843	Ideal
Tenenhaus GoF index (GoF)	0.370	Large
Sympson's paradox ratio (SPR)	0.923	Acceptable
R-squared contribution ratio (RSCR)	0.995	Acceptable
Statistical suppression ratio (SSR)	0.846	Acceptable
Nonlinear bivariate causality direction ratio (NLBCDR)	0.885	Acceptable

Note: ***p < 0.001
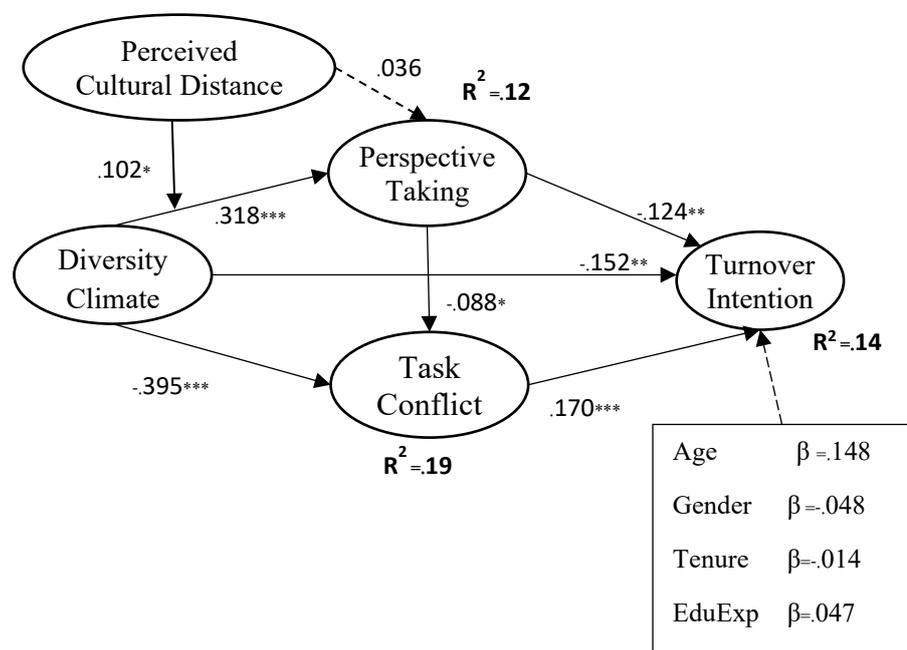
Notes: ***p<.001, ** p<.01, * p<.05; Standardized coefficients are reported.; Solid line represents a relationship that is statistically.
Figure 1 PLS results

Hypothesis 1 proposed that diversity climate is negatively related to turnover intention. The results significantly supported the negative relationship between these two variables (β = -.152; p < .01). Thus, hypothesis 1 was supported.
Hypothesis 2 proposed that diversity climate is positively related to perspective taking. The results significantly supported the positive relationship between these two variables (β = .318; p < .001). Thus, hypothesis 2 was supported.
Hypothesis 3 proposed that perspective taking mediated a negative relationship between diversity climate and turnover intention. The Sobel test was used to determine the mediating effect. The results supported that perspective taking significantly mediates the effect of diversity climate on turnover intention (t = -2.304; p < .05). Thus, hypothesis 3 was supported.
Hypothesis 4 proposed that perceived cultural distance is positively moderated the relationship between diversity climate and perspective taking. The results supported the positive moderation of perceived cultural distance (β = .102; p < .05). Figure 2 presented the regression

lines showing the comparison between low and high perceived cultural distance. Thus, hypothesis 4 was supported.

Hypothesis 5 proposed that diversity climate is negatively related to task conflict. The results significantly supported the negative relationship between these two variables ($\beta = -.395$; $p < .001$). Thus, hypothesis 5 was supported.

Hypothesis 6 proposed that task conflict mediated a negative relationship between diversity climate and turnover intention. The Sobel test was used to determine the mediating effect. The results supported that task conflict significantly mediates the effect of diversity climate on turnover intention ($t = -3.107$; $p < .001$). Thus, hypothesis 6 was supported.

Hypothesis 7 proposed that perspective taking mediates a negative relationship between diversity climate and task conflict. The Sobel test was used to determine the mediating effect. The results showed that perspective taking insignificantly mediates the effect of diversity climate on task conflict ($t = -1.678$; $p > .05$). Hence, hypothesis 7 was not supported.
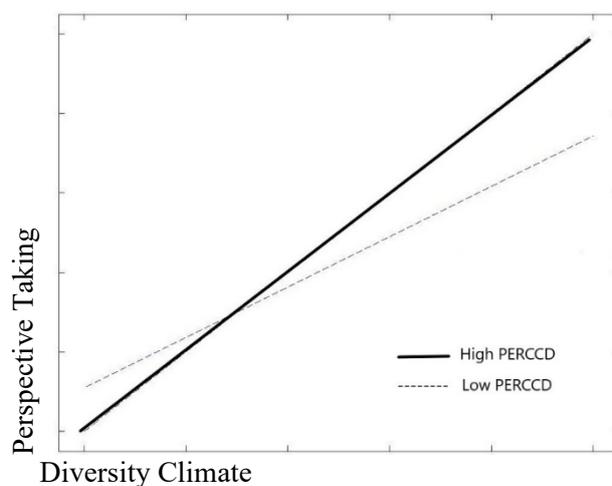

Figure 2 Moderating Effect

Regarding the effect of control variables, turnover intention was positively related to age ($\beta = .148$; $p => .05$), education experience in the company host country ($\beta = .047$; $p > .05$) and work experience in the company host country ($\beta = .052$; $p > .05$) but negatively related to gender ($\beta = -.048$; $p > .05$) and job tenure ($\beta = -.014$; $p > .05$). However, none of them is significant.

Discussion and Conclusion
Discussion
This study investigated the relationship between the diversity climate that Thai employees perceived when working among racially diverse workforce and their turnover intentions. The result of the direct relationship between diversity climate and turnover intentions showed that Thai employees who perceived the high level of the company's supportive diversity climate tended to have a lower level of turnover intentions. This finding is in line with the previous research which found that supportive diversity climate leads to lower turnover intentions (Buttner et al., 2010; Kaplan et al., 2011; McKay et al., 2007) In addition, this study examined the effect of diversity climate on perspective taking. The result found that Thai employees who perceived the high level of the company's supportive diversity climate tended to engage in a higher level of perspective taking. This finding corresponds with the previous studies which found that favorable work attitudes and better performance were reported when the employees perceive supportive diversity climate in the workplace (McKay et al., 2011; McKay et al., 2008). From a theoretical perspective, the finding of this study is consistent with social

exchange theory as the result sheds light on the organizational supportive diversity climate among racially diverse workforce which was found to influence the Thai employees' perspective taking on their colleagues with different backgrounds. Because the companies' supportive diversity climate tends to promote fairness as well as accept, enhance, and value the differences between their employees, hence employees also accept and try to understand their colleagues from different backgrounds.

This study also explored the moderating effect of perceived cultural distance. The result showed that the impact of diversity climate on perspective taking varied by the level of cultural distance between colleagues that Thai employees perceived. The findings suggested that the effect of diversity climate on perspective taking tends to be stronger for Thai employees who perceived high cultural distance. As Thai employees who perceived high cultural distance from their colleagues tend to presume that they have different beliefs, opinions, and values, that signals the difficulty in understanding each other. Hence the company's supportive diversity climate that presents the environment of fairness and cohesiveness regardless of employee's differences would be more matter for this group of Thai employees to inspire their perspective-taking engagement on their colleagues. Moreover, this study examined whether or not the diversity climate is related to task conflict. The result showed that Thai employees who perceived the high level of the company's supportive diversity climate tend to experience a lower level of task conflict with their colleagues from different backgrounds. The finding is consistent with the study of Sliter et al. (2014) who found that nurses tended to experience less conflict when they perceived a supportive diversity climate. Furthermore, this study explored the mediating effect of perspective taking and task conflict. The analysis of the mediating effect showed that both perspective taking and task conflict partially mediated the negative effect of diversity climate on turnover intention. The overall results supported the contribution of diversity climate that weaken the intention to leave of employees who work among racially diverse workforces. The mediation role of task conflict is corresponding with the previous research which found that individuals facing conflict often wish to quit their job (Chi & Yang, 2015).

Research Contributions

Regarding the theoretical perspective, the results of the study confirmed the social exchange theory under the context of differences among racial diversity workforces. This study focuses on the supportive diversity climate as a resource that could motivate Thai employees to understand the viewpoints of their colleagues from different backgrounds. Supportive diversity climate, in which the company values the differences hence it treats the employees fairly no matter who they are or where they are from, tends to induce Thai employees to understand the different viewpoints and develop empathy between them and colleagues from different backgrounds. Hence, Thai employees who perceive a high supportive diversity climate tend to engage in higher perspective taking and experience less task conflict when working with colleagues from different backgrounds and consequently weaken their turnover intention.

Furthermore, as the perceived cultural distance tends to influence the level of effort that Thai employees will dedicate in order to understand their colleagues from different backgrounds, it supported why supportive diversity climate was matter more when Thai employees perceived high cultural distance. Supportive diversity climate in this study help to strongly motivate Thai employees who perceived high cultural distance to put more effort to understand their colleagues from different background. On the other hand, perceived low cultural distance could make a supportive diversity climate less important because feelings of indifferences tend to make them feel having equal status in the company and understand others. They knew how and why their colleagues are thinking and behaving that way therefore they don't need any effort in taking the colleagues' perspectives.

The results from this study extend the contribution to the previous diversity climate research. The results broaden the contribution of diversity climate by exploring the perspective of Thai employees hired by the international company in the services industry and working among racially diverse workforce. More importantly, the results advance the prior research by revealing that the influence of diversity climate on perspective taking could be varied by the level of perception of cultural distance. The moderating effect of perceived cultural distance could hinder the effect of diversity climate on perspective taking among racially diverse workforce.

Practical Contribution

The results from this study also provide guidelines for management in service businesses hiring a racially diverse workforce. As human resources are a crucial factor for the servicing company, their turnover could disrupt the company's operations. The company may not be able to satisfy customers' needs or cannot meet their expectations. Therefore, it is important for management to enhance the employees' intention to stay. This study suggests that the top management must pay attention to promoting and maintaining the supportive diversity climate. It could be brought to the management's attention during their orientation and other training programs such as leadership, motivation, etc. It should also be included in the company's values, norms, and policies. More importantly, it should become a common practice in the company. The management may initiate the diversity management programs and assign teams who will be responsible for planning, implementing, monitoring, and maintaining the continuity of programs. The programs should be objective and observable. Moreover, they should cover all dimensions as much as possible. For instance, in terms of human resources management, the company should be fair in recruitment, promotion, training, benefits, rewards, recognition, assessment, etc. Each employee shall have an equal opportunity along with these processes regardless of their racial background. The increasing number of racial diversities in each management level would be a good signal sending to employees on how much the company values and supports the diversity climate. Finally, as the supportive diversity climate is the degree that is aware by employees, the evaluation process should be taken place. The assessment procedure should be applied systematically. This will allow the company to measure the employees' perception of the company's supportive diversity climate and could be attentive accordingly.

Limitations and Future Research

There are several limitations in this study. First, the data were collected from Thai employees working among racially diverse workforce in the service industry. The samples may not represent the total population hence the findings could be limited the generalizability. Therefore, this study suggests that future studies may extend the samples to support whether or not the findings of this study would be generalized to other nationalities working among racially diverse workforce in the service industry or Thai employees working in other industries. Second, as the questionnaire data in this study was collected on cross-sectional data basis, the characteristics of data could limit the variables' causation. Hence, future studies may apply longitudinal data basis which will help to verify their causes and effects relationship.

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