Lessening the difference is more - The relationship between diversity management and the perceived organizational climate for gays and lesbians

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Introduction

At the end of 2011, Europe’s largest insurance company Allianz officially invited the board members for human resources of all the companies listed in the German stock index (DAX) to a roundtable discussion in Munich to investigate how to further develop and promote the topic of “sexual orientation” in human resource management in the most effective way. Germany’s highest-circulation daily newspaper with a special emphasis on business and economic news, Handelsblatt, made this its front-page story using the headline “Germany’s economy is turning pink”, questioning whether there are not more important things on which Allianz should concentrate (Prange and Schuhmacher 2011). This media response illustrates and exemplifies certain defense mechanisms and reservations that in Western societies still exist when putting “sexual orientation” on the organizational agenda. These mechanisms are often based on the assumption that productive workplaces are asexual (Burrell 1984; Fleming 2007; Giuffre et al. 2008; Maas 1996), and that sexual orientation is separable from professional life, and only matters in private spheres. This view ignores the hetero-normative (Galloway 2012) and often heterosexual structures of average workplaces (Herek 2010; Lewis and Ng 2013; Smith and Ingram 2004; Swim et al. 2007; Willis 2012) that work as unique stressors (Lewis et al. 2001; Waldo 1999) and “silencing” mechanisms of exclusion (Bell et al. 2011; Bowen and Blackmon 2003; Colgan and McKearney 2012; Creed 2003) for non-heterosexual employees (Parnell et al. 2012). The initiative of Allianz itself shows that more and more companies in Europe are developing an awareness of these mechanisms, and starting to integrate the dimension of “sexual orientation” into their corporate diversity programs (Süß and Kleiner 2008). The initiative also shows, however, that there is considerable uncertainty about what to do in concrete terms. This is also due to a lack of research on this issue (Antebay and Anderson 2014; McFadden 2015).

Up until now, only a handful of studies have analyzed the impact of sexual orientation diversity management, and in most cases, research on this issue focuses on single organizational actions and their various outcomes (e.g. Colgan and McKearney 2012; Friedman and Holtom 2002; Tejeda 2006). Only two studies have analyzed cohesive bundles of practices or comprehensive diversity programs addressing sexual orientation (i.e. Button 2001; Ragins and Cornwell 2001). Both studies have aggregated single organizational practices and analyzed the relationship between their aggregated value and the perceived treatment discrimination. Thus, neither result allows comparison of the relationship between single practices and the perceived discrimination. Furthermore, in solely focusing on the presence or absence of discriminatory aspects in the workplace as potential outcomes, neither study considers that a potential outcome of organizational practices could also be a proactively supportive work environment for lesbian and gay employees.

Addressing the need for a comprehensive evaluation of sexual orientation diversity management on the level of single practices as well as on the level of diversity programs, a two-part design for this
study was conceptualized. Furthermore a list of diversity management practices was chosen (Köllen 2007) that reflects more accurately the actual situation in the European Union, and thus adds a new perspective to the predominantly US-centered view on sexual orientation diversity management. The issue of broadening the spectrum of sexual orientation-related everyday experiences beyond discriminatory issues is addressed by referring to the construct of “workplace climate” and utilizing the “Lesbian, Gay, Bisexual and Transgender Climate Inventory (LGBTCI)” from Liddle et al. (2004). Besides the experience of discriminatory aspects at work the LGBTCI also addresses affirmative aspects, such as support, respect, belonging and comfort. As a contribution to further developing the theoretical framing of organizational climate, this article proposes a climate-approach based on Heidegger (1927) for explaining the relationship between single diversity management practices and the psychological climate for gay and lesbian employees.

This paper reports the results of 2 studies. In addition to the aforementioned reasons, this paper treads two paths of analysis due to the fact that diversity management on sexual orientation is a relatively recent new and hitherto not uniquely-defined management strategy (Kramar 2012; Olsen and Martins 2012). Study 1 compares the organizational climate of two of the German pioneers on that issue (Köllen 2007) to a comparative sample of companies in the German banking industry, not having such a high organizational commitment on this issue. Study 2 analyzes the relationship between the most common sexual orientation diversity management practices and the organizational climate for gays and lesbians. In doing so, these practices are evaluated separately, regardless of whether or not they are a part of a broader diversity management approach. As such, this article contributes to existing knowledge in the field of sexual orientation diversity management, and offers empirical evidence to support diversity managers and HR managers conceptualizing implementation patterns, and improving the organizational climate for gays and lesbians.

The remainder of this paper is structured as follows. In the next section, an overview will be given of the actual directions of research on “sexual orientation” in workplace settings and the central position of the “organizational climate”. Related to this, the general concept of “organizational climates” will be framed theoretically. From this, hypotheses will be deduced predicting the relationship between “sexual orientation” diversity management and the organizational climate perceived by lesbian and gay employees. In the next section, the research design, including measures and samples, will be described and explained. Then, the results of this study are outlined and critically discussed. Finally a summary of the study’s main theoretical and practical contributions, its limitations, and implications for further research are given, and a conclusion will end the paper.

“Sexual Orientation” as a workplace issue

In research as well as in organizational practice the phenomena “sexual orientation” and “gender identity” are often addressed conjointly. The target group of diversity practices, then is often labelled
as LGBT(I), i.e. lesbian, gay male, bisexual, and transsexual employees, and (if adding an I) intersex employees (Ng et al. 2012). However, transsexuality and intersexuality are not directly linked to sexuality or sexual preferences (Dietert and Dentece 2009), and heterosexuality is usually excluded in organizational diversity practices, although policies protecting employees on the basis of sexual orientation protect heterosexual employees as well. Whatever the terms and definitions used in this dimension(s) of diversity, by far the most frequently addressed groups in diversity research and practice are gay and lesbian employees, a focus that this paper also has.

Lesbians and gays often face various stereotypes, discriminations and demotions in the workplace (Kite and Deaux 1987; Ryan and Wessel 2012; Willis 2012) that, together with the tendency towards silencing them within organizations (Bell et al. 2011; Bowen and Blackmon 2003) significantly narrows their general vocational scope. Stereotype-based mechanisms of exclusion can range from incivility to physical aggression in the workplace (see e.g. Bilgehan Ozturk 2011; Cavalier 2011; Eliason et al. 2011; Frohn 2007; Parnell et al. 2012). The attributed inferiority that frequently leads to specific discriminations (e.g. Hauer and Paul 2006; Swim et al. 2007; Walls 2008) is often termed “homophobia” in literature (e.g. Madureira 2007; Meyer 2012; Wickberg 2000). Anticipating these potential negative consequences, lesbians and gays always have to decide how to deal with their homosexuality in everyday work (Ragins et al. 2007). Because of its invisibility and because of the fact that colleagues usually assume heterosexuality as a given (Losert 2008), individuals apply different degrees and types of openness to it (Clair, Beatty, & MacLean, 2005). However, a potential “coming out” is a modifiable process that has to be accomplished time and again, especially when new colleagues or customers appear (Ward and Winstanley 2005). The “outing levels” can range from actively pretending to be heterosexual, to the avoidance of being identified as gay or lesbian, up to an implicit or explicit openness about one’s homosexuality (Clair et al. 2005; Griffin 1992).

Being more open about one’s homosexuality can have a positive impact on the individual’s career development (Friskopp and Silverstein 1995), on employees’ “organizational citizenship behavior” (Brenner et al. 2010), and their loyalty and job satisfaction (Day and Schoenrade 1997; Hebl et al. 2002). Coming out at work can also have significant negative consequences for individuals that work in very homophobic environments. These consequences can extend to losing one’s job, especially in countries where gays and lesbians are not legally protected from discrimination at the workplace (King et al. 2008). It can also reduce the probability of being considered for foreign assignments (McPhail et al. 2014). Pretending to be heterosexual can negatively affect the individual’s vocational self-consciousness and performance (Barreto et al. 2006; Madera 2010). Furthermore it can cause self-alienation, isolation and ego-depletion. It intensifies cognitive dissonance, and the huge amount of energy that is spent on the consistent maintenance of a false image leads to a shrinking of one’s mental capacities and workplace performance (DeJordy 2008).

An individual’s demographic, as well as personal characteristics, can partially be taken as an explanatory factor for the way gays and lesbians handle their homosexuality (Clair et al. 2005;
McDermott 2006; Ragins et al. 2003). The form, and the outcome, of an employee’s coming out depends on situational and contextual factors; the latter can be condensed into a supportive or even non-supportive work environment or organizational climate (King et al. 2008). As has already been indicated by some studies (e.g. Button 2001), and as this paper aims to show in a more comprehensive way, this climate can be associated with organizational practices, such as sexual orientation diversity management.

Sexual Orientation Diversity Management

Up until the turn of the millennium, European companies did not perceive sexual orientation diversity as a relevant field of organizational action (Klarsfeld 2011; Point and Singh 2003; Süß and Kleiner 2008). Around the year 2000, several European states legalized same-sex unions, e.g. France in 1999, Germany and the Netherlands in 2001, and Great Britain and Spain in 2005 (Böle-Wölki 2008; Wilson 2007). Several companies used that as an opportunity to adjust their in-house guidelines and processes to equate homosexual and heterosexual legal partnerships, but the whole topic received greater attention through the emergence of diversity management in Western European companies. The diversity dimension of “sexual orientation” benefits from the fact that almost all companies refer to the schematization of Loden and Rosener (1991) in their internal and external communication about their diversity strategies, or to its further development by Gardenswartz and Rowe (1998). Both pairs of authors define “sexual orientation” as one core dimension of diversity out of six diversity dimensions. Thus they range the dimension of “sexual orientation” on the same level as the dimensions of gender, age, physical abilities, ethnicity/nationality, and race. Most of the companies in Europe, no matter whether isolated or as part of a broader diversity approach, take actions in the field of “gender”, “ethnicity/nationality”, “age” and “mental and physical abilities”; the latter is primarily due to the specific national legislations in most of the European countries (Klarsfeld et al. 2012; Priestley 2007; Waldschmidt 2009). Companies that start to redefine these practices as part of a diversity-concept are automatically confronted with the dimension of “sexual orientation” because of the predominance of the aforementioned schematization. Nevertheless, compared to the other “core dimensions” of diversity, “sexual orientation” remains the most overlooked diversity dimension when it comes to the implementation of specific diversity programs. That said, the number of organizations from both the private and the public sector, that include this dimension into their variously shaped, broader diversity management approaches, is rapidly growing (Rofes 2000). In Germany, as well in the rest of Western Europe, the most common actions are the establishing of LGBT employee networks, different kinds of thematization and organizational uncovering of homosexuality and transsexuality to remove the taboos attached to it (e.g. articles in the intranet or in the company magazine), lesbian and gay marketing, management training, mentoring, and equalization policies for homosexual and heterosexual unions (Köllen 2007). Although, due to EU legislation, in the whole of the EU direct or indirect discrimination of lesbian and gay employees is forbidden (de Búrca 2012), Germany (as well as
several other European states) legally allows an unequal treatment of same sex and opposite sex unions, e.g. in terms of corporate partner-benefits or special leave policies. This is due to the special protection of marriages by the German constitution. Other European states have similar laws (Repetto 2014) that leave it open for employers to integrate general practices to equalize homosexual and heterosexual unions into their diversity management programs.

In terms of analyzing the impact sexual orientation diversity management might have, only a handful of studies have currently been conducted, and the majority of these focus on single organizational practices. LGBT networks can help to retain employees (Friedman and Holtom 2002), and contribute to increasing the self-esteem of homosexual employees (Colgan and McKearney 2011; Frable et al. 1998). Lesbian or gay mentors can ameliorate the psychosocial situation for homosexual employees, such as their perceived job satisfaction (Hebl et al. 2012). Homosexual mentors and organizational antidiscrimination guidelines in terms of “sexual orientation” can positively enhance the job satisfaction of homosexual employees (Day and Schoenrade 2000; Hebl et al. 2012). Moreover such antidiscrimination guidelines can positively affect an individual’s loyalty and devotedness to the organization (Tejeda 2006). In contrast to the USA, in Germany (and indeed throughout the European Union), any direct or indirect discrimination based on religion or belief, disability, age or sexual orientation as regards employment and occupation has been prohibited legally since 2006 (de Büreca 2012). This is due to directive 2000/78/EC of the European Council, and makes antidiscrimination guidelines on sexual orientation largely irrelevant for European diversity management practice, as they are, in any case, obligatory, at least in terms of regulating everyday interaction between employees or between employees and supervisors. More generally, it was shown that the feeling of being supported by the employing organization in issues that are related to homosexuality in the workplace (Griffith and Hebl 2002), and especially the experienced support of direct supervisors (Huffman et al. 2008), positively affects individuals’ job satisfaction. The perception of general compatibility between employee and organization seems to be more relevant for homosexual employees than for heterosexuals (Lyons et al. 2005).

Furthermore, until now only two studies have analyzed cohesive bundles of practices or comprehensive diversity programs addressing sexual orientation. Based on an US-sample of 534 lesbian and gay employees, Ragins and Cornwell (2001) analyzed the impact of having a greater proportion of gay coworkers, having a gay or lesbian supervisor, and the effect of an aggregated bundle of six organizational policies and practices on perceived workplace discrimination. They found that all three factors were associated with a lower level of reported workplace discrimination, but organizational policies and practices had the strongest effect. Based on a sample of 537 gay and lesbian employees in the USA, Button (2001) showed that affirmative action programs on sexual orientation contribute to reduce the level of discrimination experienced in the workplace. Both studies have in common certain limitations, and this study wants to contribute towards overcoming them. Just as Ragins & Cornwell (2001), Button (2001) aggregated single organizational initiatives and he
analyzed the relationship between the aggregated value and the perceived treatment discrimination. Thus neither result allows evaluation of the impact of single practices. Furthermore both studies focus only on the presence or absence of negative conditions as potential outcomes. Button additionally narrows down these outcomes by exclusively focusing on discriminatory issues that directly derive from the organization or the management itself. In doing so, everyday encounters with colleagues, as an important constitutive element of the perception of everyday work, remain unconsidered. A third aspect is that both studies reflect the US-American background from the turn of the millennium. Both studies refer to a broad spectrum of potential affirmative policies. However, since their publication, the emergence of gay marriage legislation all over Europe and the Americas has necessitated an adaptation of the list of initiatives, as this legislation opens up new starting points for organizational equalization policies in terms of equally granting corporate benefits to same-sex and to opposite-sex legal partners.

In whatever way organizations shape their sexual orientation diversity management approaches, it can be assumed that they are associated with the organizational climate for gay and lesbian employees.

Organizational Climate for Gays and Lesbians

Several studies have already been conducted that in different ways addressed the construct of “organizational climates” for gays and lesbians. In a non-supportive climate the general perception of discrimination and hostility in the workplace significantly impacts job satisfaction in a negative way (Ragins and Cornwell 2001). The organizational climate, at least as a psychological climate, can be seen, in the perception of the gay or lesbian employee, as the representation of the prevalent intensity of perceived barriers, discriminations or supporting factors at his or her everyday work in his or her specific workplace. Thus the organizational climate works as a mediating variable between an individual’s workplace behavior, organizational performance, individual perceptions and human resource management practices, such as diversity management (Button 2004; Griffith and Hebl 2002; Waldo 1999). “Employees have thousands, if not millions, of seemingly isolated experiences as they go about their work. But these experiences do not remain isolated. The experiences are clustered according to the meaning employees give them. These clusters of events and experiences result in climate perceptions” (Schneider et al. 1994, p. 25). The work environment provides a variety of climates that focus on different aspects. Research on other dimensions of diversity has analyzed the relationship between diversity management and perceived organizational climates, for example the climate for female employees (Hicks-Clarke and Iles 2000; Kossek and Zonia 1993), the climate for ethnic minorities (McKay et al. 2008; McKay et al. 2007) and climates in terms of geographical origin, age, accent (Vijayakumar 2007) and languages (Lauring and Selmer 2012). However, until now, no research has been done on analyzing the relationship between diversity management and the
perceived organizational climate for gays and lesbians that exceeds isolated practices or that does not solely focus on the discriminatory aspects of climate perceptions.

Organizational climate and sexual orientation diversity management

A lot of research has been done on organizational climate – and different partial organizational climates – that show that there is not a shared consensus on its definition and operationalization (e.g. Burke et al. 1992; Burke et al. 2002; Koys and Decotiis 1991; Rousseau 1988). Moran and Volkwein (1992) define a very broad approach to the phenomenon of the organizational climate:

“Organizational climate is a relatively enduring characteristic of an organization which distinguishes it from other organizations: and (a) embodies members’ collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation, and fairness; (b) is produced by member interaction; (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms values and attitudes of the organization's culture; and (e) acts as a source of influence for shaping behavior” (Moran & Volkwein, 1992, p. 20).

Their definition combines the structural (Pheysey et al. 1971), the perceptual (James et al. 1978), and the interactive climate approach and offers, in addition, a cultural approach. It shows that the constructs of culture and climate are strongly connected in organizational settings, as organizational culture “provides the context in which organizational climate is nested” (Kopelman et al. 1990p. 288). Compared to culture, climates are the more modifiable and malleable levels of organizations (Reichers and Schneider 1990; Rentsch 1990). Interventions that aim at initiating organizational change processes, e.g. in terms of “sexual orientation”, should therefore focus on climates, but in order to be effective, they have to acknowledge the specific organizational culture (Schneider et al. 1994).

Kopelman et al (1990) state that “organizational climate can change following the implementation of human resource management practices, and change in specific dimensions is determined by the nature of [these] practices implemented” (Kopelman et al. 1990). Thus, it can be assumed that diversity management practices, as one type of human resource management practices, are related to the organizational climate. The key elements in describing different organizational climates are the individual perceptions of the organizational members, as climate “refers to meaningful interpretations of a work environment by the people in it” (Kopelman et al. 1990, p. 290). Research on organizational climate in most cases therefore focuses on cumulative data of perceptual clusters to analyze its relationship with influencing factors or with individual or organizational outcomes (Schneider and Reichers 1983). One of these cumulative perceptual clusters can be the perception by gays and lesbians in specific organizations or even branches of organizations.
al. (2008) distinguish between the organizational climate and the psychological climate. The psychological climate is the meaning that each individual attaches to a certain attribute of his or her work environment. The organizational climate is the aggregated, average meaning that the members of an organization or branch attach to it (James et al. 2008; Jones and James 1979), although a mere aggregation does not perforce mean consensual perceptions, across individuals, about the climate referent of interest (Glick 1985; Schneider et al. 2013). The organizational attribute this paper focuses on is the everyday handling of homosexuality within the organization that is condensed in the construct of organizational climate. The climate that is examined in this study is at the individual level and not an aggregate measure of climate.

In terms of general diversity management, McKay et al. (2008) propose as a possible positive outcome a “diversity climate [that] is conceptualized as the degree to which a firm advocates fair human resource policies and socially integrates underrepresented employees” (McKay et al. 2008, p. 352). For gays and lesbians this advocacy will be perceived as even higher the more the organization defines “sexual orientation” as an important and equal core-dimension of its diversity program. A better alignment of the specificity of the intervention (sexual orientation diversity management policies) with the target group (LGBT employees) may strengthen the effects (Schneider et al. 2013). This is in line with Kopelman et al. (1990) who state that climate perceptions derive from “organizational policies, practices and procedures that indicate – through rewards, support, and expectations – the kind of goals important in the organization and the means by which they are accomplished” (Kopelman et al. 1990, p. 295) Thus it can be assumed that the perceived organizational climate for gays and lesbians (i.e. the aggregated average perception) working in organizations that follow a diversity strategy that explicitly includes the dimension of “sexual orientation” is better than for employees that work in organizations that have implemented single practices unrelated to a general diversity approach of that do not do anything on that issue. This leads to the following hypothesis.

Hypothesis 1: Having an explicit sexual orientation diversity management policy is associated with a better organizational climate for gays and lesbians in organizations.

The relationship between single diversity management actions and the perceived organizational climate

In order to analyze in what way different actions might be associated with the organizational climate, the processes of organizationally attaching meaning to organizational interventions have to be considered more deeply. These climate-generating processes, in which organizational actors develop a commonly shared perception of their setting can be theoretically framed with an interactive approach to organizational climate (Moran and Volkwein 1992). The interactive approach regards the
interaction and communication of the organizational members as the way of socially attaching meaning to workplace settings, and thus as constitutive for workplace climates. Theoretically, this approach can be based on Husserl’s (1973) phenomenological concept of intersubjectivity, or Mead’s (1934) and Blumer’s (1986) symbolic interactionism. Both concepts have in common that the awareness of others and the interaction with them leads to an internalization or incorporation of them (or their views and opinions) into one’s “self”, and to a shared meaning of, for example, organizational policies (Moran and Volkwein 1992). While both concepts allow an understanding of how a certain degree of consensus emerges in terms of interpreting organizational settings in general, they both lack the capacity to explain why certain organizational initiatives have more (or a different) impact than others. Here the phenomenological concept of Heidegger can help to develop further the theoretical framework of interactional climate approaches. Heidegger, who builds on Husserl and has dedicated his work “Being and Time” to Husserl, conceptualizes “being-with-one-another” as one state of being [Dasein], that can be assumed to be relevant for employees’ workplace climate. A major concern and motivation for action that one has in this state is about differing from others and about one’s own distantiality [Abständigkeit] to them. Thus, “being-with-one-another” means, as it were, a permanent “comparing-with-one-another”. In order to estimate the “distance” between oneself and the others, this leads to a permanent evaluation of one’s individual standing, and the standing of others, e.g. within the organization,

“[...] whether that difference is merely one that is to be evened out, whether one’s own Dasein has lagged behind the Others and wants to catch up in relationship to them, or whether one’s Dasein already has some priority over them and sets out to keep them suppressed. [...] Being-with-one-another has the character of distantiality. The more inconspicuous this kind of Being is to everyday Dasein itself, all the more stubbornly and primordially does it work itself out. [...] this distantiality which belongs to Being-with, is such that Dasein, as everyday Being-with-one-another, stands in subjection [Botmäßigkeit] to Others. It itself is not; its Being has been taken away by the Others (Heidegger 1962, p. 164).

In order to “manage” one’s concern about one’s distantiality, this subjection to others motivates the individual to keep the others down or to “upgrade” him- or herself.

Like Mead, who conceptualizes the “Self” as processual constituted by an individual “I” and an interactional internalization of an external “Me”, the latter as of some kind of “publicness [Öffentlichkeit]” or “public opinion”, Heidegger also sees “Being” as constituted by individual, “authentic [eigentlich]” aspects and the absorption of some kind of “publicness” in the state of being-with-one-another. This absorption includes the absorption of the concern over one’s distantiality. It is this concern that is the basic mechanism which shapes the opinion of the “publicness” (or public opinion) In an interactional perspective these “publicnesses” can be interpreted as climates. What makes Heidegger’s approach more fruitful for theoretically framing an interactional climate approach
is that, contrary to Mead, Heidegger describes the modus operandi of this “publicness” that he terms “the they” [das Man] more specifically.

“This being-with-one-another dissolves one's own Dasein completely into the kind of being of "the others" in such a way, indeed, that the others, as distinguishable and explicit, vanish more and more. In this inconspicuousness and unascertainability, the real dictatorship of the “they” is unfolded. We take pleasure and enjoy ourselves as they [man] take pleasure. We read, see, and judge […] as they see and judge; […] we find "shocking" what they find shocking. The “they”, which is nothing definite and which all are, though not as a sum, prescribes the kind of Being of everydayness. […] Averageness is an existential characteristic of the they” (Heidegger 1962, p. 164). “Thus, the they maintains itself radically in the averageness of what is proper, what is allowed, and what is not. Of what is granted success and what is not. This averageness which prescribes what can and may be ventured watches over every exception which thrusts itself to the fore. […] The care of averageness reveals […] an essential tendency of Dasein which we call the “leveling down” of all possibilities of Being (Heidegger 1996, p. 119).

For organizations this public, or this “they”, can be seen as specific organizational publics that consist of the organizational members. This non-personified public permanently attaches meaning to every workplace issue, such as implemented diversity management actions, that employees then in turn absorb as climate perception. As this public has the modus of levelling down to averageness as modus operandi, this must also apply to newly implemented organizational policies and practises, that might change inner-organizational distanciabilities between the organizational members. These processes need categories, alongside which levelling down processes can work and produce an “average” that make deviations have less of an impact. Thus, organizational practises that aim at dissolving such categories might provoke less “levelling down” processes, because, if a category is not identified as relevant, there is also no relevant “averageness” around this category. Applying Heidegger’s words, since these categories do not then produce different relevant manifestations, distanciality cannot police over any “exception, which thrusts itself to the fore” (Heidegger, 1996, p. 119).

In terms of sexual orientation it can be assumed that the more an organizational practice helps to de-categorize sexual orientation as a relevant factor of organizational status, the more positively it is related to the perceived organizational climate for gay and lesbian employees. De-categorizing in this context means that the organizational practice does not attach to (or also detaches from) certain manifestations of sexual orientations, such as homo- or bisexuality, the status of being an “exception” from an organizational averageness, e.g. heterosexuality. Thus, these practices can weaken the tendency of organizational processes towards leveling down.

An organizational practice that tends to de-categorize sexual orientation is the equalization of opposite-sex and same-sex partnerships in terms of corporate benefits, health-care, or corporate
pension-plans. By coupling it to the status of “partnership”, this practice uncouples the granting of any kind of corporate benefit from the dimension of “sexual orientation”. Thus, there is no one sexual orientation made an exception of, which could become the object of organizational processes of leveling down to averageness. In not making a difference between homosexual and heterosexual employees, the category of sexual orientation loses its polarizing potential. In most companies homosexuality is still a strong taboo, whereas heterosexuality is an omnipresent phenomenon, e.g. in the form of wedding rings, conversations about holidays or other shared experiences with one’s partner, or even the photograph of one’s partner on the desk or as wallpaper. In this context, organizational practices that aim to contrast this situation by explicitly putting the topic of homosexuality on a par with the predominant heterosexuality can be interpreted as practices that weaken the polarizing potential of sexual orientation, and contribute to its de-categorization. If images of, for example, lesbian couples are portrayed in the staff magazine with the same naturalness as the images of heterosexual couples are portrayed, the status of being an “exception” is taken away from lesbian partnerships. The same result can also be achieved through articles in the intranet or in the company magazine, or through elements in speeches that show that not every employee is assumed to be heterosexual. Thus, if being framed positively or at least inclusively and neutrally, the thematization of homosexuality within the organization is also an organizational practice that de-categorizes sexual orientation, and contributes to ensuring that homosexuality is not depicted as a possible “exception” and does not become an object of organizational processes of leveling down. The same effect can emerge from organizational practices that show that lesbian and gay customers are welcomed and valued in the same way that heterosexual customers are. If, amongst their various potential target groups, organizations choose to define the customer target group of lesbians and gay men as worthy of being addressed with a specific marketing mix, this, too, removes their potential status as “exceptions”. As, organizations identify target groups pertaining to other dimensions of diversity as a matter of course (such as age, gender, or nationality), doing the same in terms of the dimension of “sexual orientation contributes to making sexual orientation less of a prominent category on the scale of inner-organizational distantiality. Thus, these practices might be associated with a better organizational climate for gay and lesbian employees.

By contrast, practices that stabilize different sexualities and sexual orientations as relevant organizational categories might be, in fact, not, or indeed negatively correlated with the organizational climate. One practice that accentuates the difference between different sexual orientations is the establishing of LGBT employee networks. These networks, no matter whether heterosexual employees are officially excluded or not, signal to the workforce that there is some kind of “resource” that is exclusively available for lesbian, gay, and transgender employees. For employees concerned about their distantiality to one another, this means that there is something that, as a privilege, is an “exception which thrusts itself to the fore”, that is not available for most of the employees. Thus it bears the danger of triggering organizational processes that aim at leveling down the advantage that
might be seen as inherent to these networks. This could, for example, be done through gossip, or through disrespectful behavior, which aims at depreciating those who might benefit from these networks, or at depreciating the networks themselves. The same processes can be triggered by mentoring programs for lesbian or gay employees. Here, just as in the case of the networks, a resource is specifically provided for a few employees, which might change their positioning within the organizational distantly-structure, and thus might cause processes aiming at leveling down these advantages. Thus, both sexual orientation-related organizational practices, networks and mentoring, might cause these processes of leveling down, which would hardly engender an amelioration of the organizational climate for lesbian and gay employees.

A more ambivalent organizational practice on sexual orientation is management training on lesbian and gay issues; this practice essentially occupies a middle-ground between these tendencies of accentuating and eradicating the differences. Management training makes homosexuality a topic where previously heterosexuality was usually the predominant assumption about employees or customers. This can lead to a contribution to its de-categorization but, depending on its concrete manifestations, can also stabilize existing stereotypes and related hierarchies.

Summing up, in terms of the concrete actions taken, it is to be expected that practices that accentuate a certain sexual orientation affect the perceived organizational climate on the individual’s level (i.e. the psychological climate) less positively than practices that lessen the differences between the various orientations, because then the process of interactively constituting meaning cannot vacillate between its different manifestations of sexual orientations, and thus marginalize some of them, for example, homosexuality. This leads to hypothesis two:

Hypothesis 2: Those specific organizational diversity practices that contribute to lessen the difference between homosexuality and heterosexuality are related more positively to the psychological climate for gay and lesbian employees than those practices that accentuate the difference.

Methodology

Two studies were conducted to test both hypotheses. Because of the small number of German companies that have implemented a comprehensive diversity management on sexual orientation that exceeds single practices, the multiple case study approach (Herriott and Firestone 1983; Yin 2009) was chosen to test the first hypothesis. This approach can be categorized as self-declarative because of the lack of a commonly shared consensus as to how exactly to specify the parameters of “sexual orientation” diversity management, and what specific practices it should contain. Thus two German companies were chosen which specify “sexual orientation” as a relevant field of action within their diversity programs in their external communication, and which have already established a LGBT-network group. The importance of that network group is due to sampling difficulties in LGBT research: first of all, clarification is necessary as to when a person can be categorized as gay or lesbian.
Furthermore, in many areas of life, homosexuality continues to have a stigmatizing effect that complicates access to the field; for fear of discrimination individuals may refuse to self-identify as homosexual, and thus decline to take part in a survey (Sullivan and Losberg 2003). The networks make it easier to access the field within the companies. Against this background the two companies with the biggest LGBT-networks in Germany were chosen: Commerzbank and Deutsche Bank. As these banks are the only German credit institutes that officially integrate “sexual orientation” in to their diversity management approach, these two cases from the financial sector were aggregated and contrasted by a cross-sectional sample of LGBT employees working in companies in the banking industry in Germany. This sample consists of those lesbian and gay employees working who (1.) were working in the German financial sector, (2.) whose companies had more than 1000 employees, and (3.) whose companies were headquartered in Germany.

The respondents of Deutsche Bank and Commerzbank were informed that a Germany-wide survey would also shortly begin. They were asked not to participate in it, in order to avoid having respondents appearing in both samples. Both surveys were conducted using the online questionnaire software “unipark”. After both online questionnaires had closed, the data sets for both surveys were merged to apply the testing tools of this software, in order to ensure that no respondent from study 1 also participated in study 2. No evidence was found that respondents in the two respective studies overlapped. Since, in 2008 Deutsche Bank and Commerzbank were the only German Credit Institutes that had established a comprehensive diversity management approach that explicitly includes the dimension of “sexual orientation” (Köppel 2010; Schadendorf 2014) (and since they remain so at the time of writing), it can be taken as read that the respondents of the equivalent sample do not work for German credit institutes that also have sexual orientation diversity management policies.

To test the second hypothesis, Study 2 proposes and compares 4 regression models based on a cross-sectional sample of gay and lesbian employees working throughout Germany. There are numerous companies that have implemented single practices on “sexual orientation” and do not label it as part of a broader diversity strategy. Thus, for evaluating specific practices, a cross-sectional sample appears to be an adequate empirical basis.

Survey questionnaire

For both Studies the questionnaires employed were almost identical. The only difference was that study 2 had additional questions on characteristics of the current employer. Separate online questionnaires were used for each credit institute and for the nationwide cross-sectional sample.
Organizational climate for gays and lesbians

The organizational climate was measured by employing the twenty items contained in the LGBTCI (Lesbian, Gay, Bisexual and Transgender Climate Inventory) from Liddle, Luzzo, Hauenstein, & Schuck (2004). The LGBTCI measures formal and informal aspects of the workplace climate and it can have a value between twenty and eighty that corresponds to a perceived organizational climate for gays and lesbians ranging from “hostile” to “supportive”. Using the translation-back-translation method (Harkness 2003) the measurement scale was transferred into German. A Cronbach's alpha value of 0.96 indicates a high internal consistency of the German scale. This study measures the perception of this specific climate on the individual level. Thus it has to be pointed out that this analysis is referring to psychological climate, as a true organizational climate measure requires the demonstration that consensual perceptions exist across individuals (Glick 1985; Schneider et al. 2013). However, as most studies (and especially those in the field of different diversity climates) refer to perceptual clusters within organizations as organizational climates, this paper will also use that term for study 1. Study 2, then, will put an emphasis on the individual perception, utilizing the term “psychological climate”.

Organizational practices on sexual orientation

For measuring the prevalence of diversity management practices related to sexual orientation the study refers to a list from Köllen (2007). In terms of organizational equalization practices, respondents were asked about three practices; firstly, the existence of an organizational equalization policy for same-sex life-partnerships and marriages in general; secondly, an equalization policy in terms of the company pension plan; and, thirdly, an equalization policy in terms of extended benefits of the health insurance plan. These three items were aggregated, and their mean value was taken for further analyses, representing the diversity practice equalization. Furthermore, those responding were asked whether an official or non-official gay and lesbian resource group or network existed within their organization, and the mean value of both items was taken to represent the diversity practice network. Additionally, lesbian and gay marketing activities were looked for, as well as special mentoring programs for lesbian and gay employees, the integration of lesbian and gay issues into management trainings, and organizational activities that make homosexuality a topic within the organization (e.g. articles in the intranet or in magazines, etc.), labelled as thematization. The participants were asked to indicate values for all diversity practices ranging from 1 (certainly does not exist) to 4 (certainly exists). The 5-coded value (I do not know) has been defined as missing value.

In addition, demographic data were collected. The question of categorizing the sexuality and gender of the participants was solved by a self-declaratory approach. The analysis contains only data from participants that define themselves as gay or lesbian. In order to estimate the migratory background of participants, the nationality of their parents was asked for. This could be responded to
with 1 = “both parents are German”, 2 = “one of them is German”, or 3 = “none of them is German”. Participants were asked about their age through 6 intervals ranging from 1 = “20 years or younger to” 6 = “60 years or older”. For indicating the size of the organization the employees were working for, 11 categories were offered, ranging from 1 = “1 to 5 employees” to 11 = “more than 10,000 employees”. The size of the city respondents are working in was measured by 8 answer options ranging from 1 = “less than 1000 inhabitants” to 8 = “more than one million inhabitants”. Employees’ management levels were assessed by 4 answer options ranging from 1 = “upper or top management” to 4 = “I do not have managerial responsibilities”.

Pilot study and Pretest

In the beginning a pilot study was conducted with the LGBT network group “homoSAPIens” of the software-company SAP. In 2008, the network had 120 members who were invited to fill out the questionnaire via email; 36 of them opened the online questionnaire and nineteen completed it and additionally made useful comments on it. After discussing the suggestions for improvements with the three heads of the network, the wording of the questionnaire was modified in some respects; for example, because the question focused on gays and lesbians and did not reflect the situation of transsexual employees, the “T” was deleted from LGBT. Thereafter a pre-test was conducted for study 2 with the revised questionnaire. The research project was presented to the participants of an event of the German lesbian and gay association LSVD in Frankfurt-am-Main, and they were invited to fill out and to appraise the online questionnaire. The online address of the questionnaire was distributed among the audience, and within 48 hours, 34 gays and lesbians had completed and commented upon the questionnaire, and, once again, some small adjustments were made.

Study 1

Procedure and participants

Employees of Deutsche Bank and Commerzbank were recruited for participation in the online questionnaire via an e-mail invitation that was sent out in March 2008 from the heads of each of the LGBT network groups to their respective members. Each credit institute had a separate link that the participants could click on to open the web-page questionnaire. After two weeks an email reminder was sent out, and another followed after four weeks. 64 of the 260 members of Deutsche Bank’s Rainbow Group Germany have completed the questionnaire as well as 44 members out of 220 members of Commerzbank’s Arco network. This means a response rate of about 25% for Deutsche Bank, and 20% for Commerzbank.

Hypothesis one proposed that companies that do have sexual orientation diversity management have a better organizational climate for gays and lesbians than companies that do not have it. This can be verified by comparing the mean climate values of the two credit institutes, and an equivalent partial
sample from the cross-sectional study, containing the gay and lesbians employees of the German financial sector working for companies headquartered in Germany and having more than 1000 employees. This sample comprised 55 participants and as Deutsche Bank and Commerzbank are the only bigger German banks, that have a comprehensive diversity policy on sexual orientation, this represents an adequate equivalent for a comparison of companies who have a comprehensive diversity management strategy on sexual orientation and companies who have not.

Results

As a first step the organizational climate mean values of Commerzbank and Deutsche Bank were compared. The t-test reveals (see table 1) that their climate mean values do not differ significantly ($t = 0.114$, $p = 0.909$). Therefore, as a next step, both banks were taken together and compared with the contrasting equivalent sample. It was revealed that the aggregate composed of those two banks has an organizational climate mean value that is significantly higher than the one of the equivalent sample.

(Insert Table 1 about here)

The t-Test of the comparison of mean values, in combination with a Levene-Test (table 1), proves the significance of the difference of the organizational climates between the two banks and the contrasting equivalent ($t = -2.363$, $p = 0.021$). Thus, the two banks which follow diversity management with regard to sexual orientation have a significantly better organizational climate mean value than the comparative sample from the German financial sector. The effect size of the mean difference between the two groups is $d = 0.52$, indicating a medium effect (Cohen 1988). This supports hypothesis 1, which assumed that companies with sexual orientation diversity management have a better organizational climate for gays and lesbians than companies that do not follow such an approach.

Study 2

Procedure and Participants

To reach a large number of gays and lesbians, and to avoid a regional bias within Germany (by over-representing the bigger cities or certain federal states), five experts from different regions of Germany were asked to list lesbian and gay web forums, associations, and representations of interest. Furthermore, individual-related contact data of all German regional and nationwide lesbian and gay journals, newspapers, radio shows and their websites were selected. Letters of inquiry containing the link to the online questionnaire and a short presentation of the study background were sent to 71
representatives. They were asked for a broad distribution of the call and most of them supported the study by integrating the call into their newsletters, websites or printed journals. The online-questionnaire was activated in February and March 2008 and, by the end of March, 2322 gays and lesbians had taken part in the survey, and 1412 participants completed the questionnaire from first to last page. 63% of the participants identified themselves as lesbian, and 37% as gay. About one third of the respondents were aged 30 years or younger, 36% were between 31 and 40 years old, 24% were aged between 41 and 50 years. About 6% of the participants were older than 50. In terms of the length of time they had already been working at their current workplace, 30% indicated they had worked there for two years or less, 25% between 2 and 5 years, 21% between 5 and 10 years, and about 24% for more than 10 years. About half of the participants had managerial responsibilities, and of that half, 14% have worked in upper management positions. The size of the companies the lesbian and gay employees have worked for, as well as the size of the city they have worked in, can be categorized as equally divided between the different size groups.

Results

Hypothesis 2 proposed that those specific diversity management practices that play down or lessen the difference between homosexual and heterosexual employees are more positively related to the psychological climate for gays and lesbians than those practices that instead accentuate the difference. As an initial step, in order to test this hypothesis, (see table 3, model 1) the organizational climate has been regressed on those practices that are supposed to lessen or obviate the differences between homosexual and heterosexual employees (i.e. equalization, thematization, and marketing). As a second step (table 3, model 2), the organizational climate has been regressed on those practices that are supposed to accentuate the differences between homosexual and heterosexual employees (i.e. networks and mentoring). All independent variables were entered at once into each regression model. The explanatory value of both models was then compared. In order to test the significance of their difference in R-values, a one-sided Williams-Test was applied (Dunn and Clark 1971). Thereby, as multiple R-value, the inter-correlation of both regressions was calculated though their predicted climate-values (Tabachnick and Fidell 2001, p. 145). Besides being applied to the R values of the models proposed, the Williams test was also conducted for the square-roots of their adjusted \( R^2 \) values to find evidence whether the differences in explanatory power might be due to an unequal number of potential predictors.

In order to control the models for other variables beside these diversity management practices, as a second step, six control variables (gender, age, migratory background, management level, size of the company, size of the city) were additionally entered into each model as predicting variables (model 3 and model 4) for comparing them again. Table 2 contains the descriptive data and correlations for all principal variables. The summaries of the regression analysis are outlined in Table 3 and Table 4.
Model 1 indicates that all those diversity practices outlined above that aim towards lessening, obviating or playing down difference are positively related with a supportive organizational climate for lesbians and gay men in a highly significant way: i.e. equalization ($\beta = 0.35, p < 0.001$), thematization ($\beta = 0.12, p < 0.001$), and marketing ($\beta = 0.12, p < 0.001$). The $\beta$-value of 0.35 indicates that the equalization of lesbian and gay unions with heterosexual unions has the strongest positive relationship with the psychological climate, but also thematization-activities and lesbian and gay marketing are positively associated with it. Model 2 reveals that on side of those diversity practices that accentuate the difference between homosexuality and heterosexuality only mentoring ($\beta = 0.13, p < 0.001$) is positively related with a supportive organizational climate. However, the adjusted $R^2$-values of model 1 ($R^2_1 = 0.21$) and model 2 ($R^2_2 = 0.02$) indicate that the “lessening” practices are stronger related to a positive climate than the accentuating practices, as model 1 explains 21% of the individual variances of climate perceptions compared to only 2% of model 2 (Table 3). The Williams-test indicates that the difference between their $R$ values ($R_1 = 0.46$, $R_2 = 0.13$, see Table 3) as well as between the square-roots of their adjusted $R^2$-values are highly significant ($R_{12} = 0.38$, $N = 897$, $p < 0.001$). Thus, it also can be ruled out, that the difference in explanatory power is due to an unequal number of potential predictors.

Model 1 and model 2 have been extended by 6 control variables as predictors and represent model 3 and model 4 (see Table 4). Just as model 1, model 3 indicates that equalization ($\beta = 0.36, p < 0.001$), thematization ($\beta = 0.12, p < 0.01$), and marketing ($\beta = 0.12, p < 0.01$) are positively related with a supportive organizational climate for gays and lesbians, and model 4 indicates this relationship only with mentoring ($\beta = 0.13, p < 0.001$). Comparing those two extended models with model 1 and 2 as the only difference it turns out that the size of the organization has a significant and negative relationship with the perceived organizational climate ($\beta = -0.13, p = 0.000$). Nevertheless, compared to model 1 and model 2, the $\beta$-values of the diversity management practices and their significance, as well as the explanatory power of the models remain nearly unchanged.
The Williams-test applied to model 3 and model 4, just as for model 1 and model 2, shows that the difference between their R values ($R_3 = 0.48$, $R_4 = 0.21$, see Table 4) as well as between the square-roots of their adjusted R2-values remain highly significant ($R_{3,4} = 0.38$, $N = 659$, $p < 0.001$).

For all models the variance inflation factors (VIF) and tolerance values of the independent variables are both of acceptable levels, as all tolerance levels are higher than .10 and all VIF values are far below 10, the critical values for a serious problem of multicollinearity (Kutner et al. 2004).

Thus, the analysis of study 2 is in line with hypothesis 2 and shows that those practices that lessen the difference between homosexuality and heterosexuality are more positively related with the perceived organizational climate for gays and lesbians than those practices that accentuate this difference.

Discussion

Study 1

Results show that, as human resource management practices (Kopelman et al. 1990), comprehensive diversity management approaches, that explicitly include the dimension of “sexual orientation”, are positively correlated with an organizational climate for gay and lesbian employees that is perceived by them as supportive. Such comprehensive approaches can be exemplified by those companies that were the objects of this study: Deutsche Bank and Commerzbank (see appendix for a summary of their sexual orientation diversity management practices). These two examples of comprehensive diversity management practices with regard to sexual orientation might help other companies to model themselves in their likeness, or to adapt certain constituent elements of these programs, and transfer them to other national and cultural working contexts. However, organizations can also start with single initiatives and here the results of study 2 offer insights about adequate starting points for organizational practices.

Study 2 and general discussion

Regardless of whether or not they are a part of broader diversity management approaches, single practices addressing diversity management with the dimension of sexual orientation can be positively related to the perception of a supportive organizational climate by gay and lesbian employees. These practices, as human resource management practices (Kopelman et al. 1990), can be associated with a positive or supportive specific organizational climate. Against the background of a general scarcity of research evaluating the effectiveness of diversity management (Groeneveld and Van de Walle 2010; Groeneveld and Verbeek 2012; Scott et al. 2011), this (as well as the results of study 1) is an important
contribution for management practice as well as for future research that might build on these results to
develop them further, or transfer them to other dimensions of diversity.

As the experience of discrimination is an important factor of the perceived organizational climate
(Liddle et al. 2004; Waldo 1999), these findings are consistent with the results from Button (2001) and
Ragins & Cornwell (2001). However, instead of solely analyzing bundled practices, the results of
study 2 additionally allow the evaluation of single practices. Furthermore, organizational climate is
measured more comprehensively, by focusing not only on the presence or absence of negative
conditions, but integrating affirmative aspects.

Besides these concrete organizational aspects there are more organizational, individual-
psychological, biographic and cultural factors (Link and Phelan 2001; McDermott 2006; Meyer 2003)
that influence the personal estimation of the organizational climate for gays and lesbians (i.e. the
psychological climate). However, as this study shows, organizational diversity management practices
are also significantly related to positive psychological climate perceptions.

On the level of single practices, regardless of whether implemented as part of a diversity
management approach or separately, the results are in line with the Heideggerian theoretical
framework: The more an organizational practice contributes towards reducing, lessening or playing
down the differences between homosexuality and heterosexuality, and in this way helps to de-
categorize sexual orientation as a relevant factor of organizational status (and thus of organizational
processes of leveling), the stronger it is positively correlated with the psychological climate for gay
and lesbian employees. This approach is connected to queer theoretical approaches putting an
emphasis on the processes of constructing homosexuality and heterosexuality in everyday life. In this
context, explicitly targeting concrete manifestations of “sexual orientation” always involves the danger
of reproducing its hierarchies within organizations (Bendl et al. 2008; Tatli 2011). The equalization of
opposite-sex and same-sex partnerships in terms of corporate benefits (Cordes 2012), health-care, or
corporate pension-plans has by far the strongest correlation with the psychological climate. By not
making a difference between homosexual and heterosexual employees, the category of sexual
orientation loses its polarizing potential in everyday working-life.

Furthermore, results show that the thematization of homosexuality, accompanied by an
organizational de-tabooing of homosexuality (Tebble 2011), is associated with a an organizational
climate being perceived as more positive and supportive. This can be explained by its weakening
impact on the polarizing potential of sexual orientation as it contributes to its de-categorization in
terms of the allocation of organizational status. Articles in staff magazines or in the intranet can be
examples of such thematizations that imply that homosexuality belongs to the workplace-reality as
well as heterosexuality. Gay and lesbian marketing also represents a diversity practice that can be
associated with a supportive psychological climate for gay and lesbian employees. The knowledge of
the existence of an external gay marketing strategy by one’s organization is therefore related to the
perception of a positive internal climate. Apparently, a practice that primarily targets and appreciates
lesbians and gays as customers simultaneously brings with it a perceived appreciation of gay and
lesbian employees.

LGBT-networks (or employee resource groups) would seem not to be related to the psychological
climate for gays and lesbians. This finding seems to contrast the findings of Bell et al. (2011) who
consider these networks as an adequate instrument “to give voice to GLBT individuals at work and
thus create a culture of inclusion” (Bell et al., 2011, p. 142). This seeming contradiction can be
resolved by taking into account that networks are very often the starting point for companies that
implement sexual orientation-related diversity strategies. These networks, as the examples of Deutsche
Bank’s network Rainbow Group and Commerzbank’s network Arco show, very often jumpstart
equalization policies and marketing activities, and in doing so, make their voices heard. Thus their
value for enhancing organizational climate for homosexual employees can be described as meaningful,
as long as they have the ability to actively initiate organizational change processes. Networks that do
not have such competences and room for manoeuvre are of less importance for the psychological
climate of lesbian and gay employees.

Practical Implications

This study opens up a European perspective of measuring diversity management and reflects the actual
situation in the European Union, thus adding a new perspective to the predominantly US-centered
view of sexual orientation diversity management. For organizations that are just starting to implement
diversity management and companies that, up until now, have left aside the dimension of sexual
orientation in their diversity strategy, the organizational equalization of same-sex unions with
opposite-sex unions is a useful first step towards an integration of this dimension. Some countries have
a legal institution of same-sex unions that can be equalized with marriages; in countries that do not
have such same-sex unions, the organizations have to define that by themselves. There are two areas
of equalization: every kind of corporate benefit that is also granted to the partner as well, and special
rights that are related to the partner, for example, special leave such as compassionate leave (Cordes
2012). It is important that the organizational commitment to this equalization is openly communicated
to the whole workforce, so that an image emerges where “sexual orientation” ceases to be a point of
unequal treatment. Lufthansa, for example, allows its employees to name one person that is allowed to
fly with the same favorable conditions as the employee him or herself. In doing so Lufthansa
uncouples the corporate benefit from gender- and legal partnership-constraints. In Europe there is a
specific additional pressure to start with such a diversity management action, which comes from the
antidiscrimination law of the European Union, which increasingly affects the national legislations of
the member states in this regard, especially in countries that have legalized same-sex unions.
Equalizations born of seeming “free will” certainly have a much more positive effect on the climate
than does any mere capitulation to the law. In addition, putting the general topic of “sexual
orientation” on the agenda of internal communication is recommended, thereby benefitting from the
positive effects on the organizational climate by generally addressing it and removing the taboos from it.

Where it is considered suitable for the products or services being offered, organizations should think about a potential lesbian and gay marketing strategy to put into operation. At least part of the positive effect of such campaigns is down merely to being the first to occupy that market niche in a certain service or product category. The more companies that start lesbian and gay marketing initiatives, the less probable it is find a “free” niche. Thus such decisions should be made sooner rather than later.

Another point that organizations – and especially larger ones – should take into consideration is that of communicating the willingness to officially support an employee resource group on “sexual orientation”, and to allow this network to at least give advice on the further development of that topic in the organization.

**Limitations and future research**

Although important implications for managerial practice and future research could be derived from this article, several limitations have to be considered. The first limitation is due to the fact that the data was collected via a questionnaire as self-reports. Thus one cannot rule out the possibility of common-method variance between the different constructs that were assumed to be surveyed independently from each other. Reasons for that could be found in the motivation to respond consistently or in a socially desirable way, or in external factors that are not directly related to the survey. This could be an issue especially for the construct of “organizational climate”, whereas the diversity management actions can be taken as more factual characteristics of the organizations (Podsakoff and Organ 1986).

Another limitation is linked to the representativeness of the samples. For the credit institutes, only the LGBT network members were invited to participate in the survey. It is safe to assume that there are many more gays and lesbians working for Deutsche Bank and Commerzbank than the 260 and 220 members of each respective network. It might be that certain groups of homosexual employees are excluded from the survey, e.g. less open, or older gays and lesbians.

For the Germany-wide cross-sectional sample the way the participants were invited to take part was primarily chosen in order to address gays and lesbians from all over Germany, and not solely in the bigger cities. However, by using an online-questionnaire, lesbians and gays that are less familiar with the internet are systematically excluded; this especially might concern older employees and partially explains why they are under-represented in the sample. The distribution of the invitation to take part in the survey was mainly done via gay and lesbian communication channels and therefore might not have reached gays and lesbians that tend not to identify themselves with the lesbian and gay “community”, or generally absent themselves from it. Another limitation is due to a possible omitting of relevant control variables in testing hypothesis 2. It might be that certain practices focusing on sexual orientation are correlated with other human resource management practices or other aspects of the
organization, that are then associated with a positive climate instead of the practices on sexual orientation. For example, it might be that the organizational level of benefits and payments provided to its employees is correlated with organizations’ equalization policies. This could result in this level being associated with the climate instead of the equalization policy.

An additional limitation is due to the fact that for testing hypothesis 1, a comparison is involved between data from two organizations (i.e., nested data) and data from many different organizations. Although an equivalent sample is chosen in terms of national background, size, and sector of operation, one cannot totally rule out that the observed differences might not exclusively be attributed to the specific diversity management policies. Related to this is another limitation: The results of study 1 are based on inferring firm-level characteristics from individual-level responses. In case of inferring organizational-level climates from individual-level responses, it cannot be ruled out that the sample of employees having participated at the survey was sharing a certain motivation for doing so. It might be that a certain level of dissatisfaction with workplace conditions has motivated them to respond, or, conceivably, a certain level of satisfaction or even gratefulness instead. Whatever the motivation might have been, it is possible that it makes the response patterns unrepresentative of a firm-level characteristic. Furthermore, and as already outlined before, to really assume an aggregated climate-perception to be an organizational climate, it would have to be shown that there is a certain level of consensus about the climate within the workforce.

As the samples are German samples the results have to be contextualized by the situation of a Western European country, where, much the same as in North America, societal changes in terms of a growing public acceptance of gays and lesbians are observable over the last decade (Keleher and Smith 2012). One example of this changing societal picture is to be found in the four biggest political parties in Germany, including the Christian Democrats (CDU), which all now have openly gay politicians (Seidman 2002). However, individual Western European and North American countries differ in several aspects, for example in language, legislation, and specific historical context. Therefore, further studies are needed to examine the ability to generalize from the results in other countries. Furthermore, there are countries having a smaller degree of public acceptance of homosexuality, making it even harder for organizations thinking openly about making sexual orientation an issue for their human resource management (Connell 2012; Hainmueller and Hiscox 2010). Against this background, future research could put an emphasis on whether alternative practices are thinkable, which would be more of a fit for these contexts, but still ameliorate the workplace situation for gays and lesbians. As one part of this study has focused on the financial sector, future research could contrast these results with findings from other sectors, for example engineering, the hospitality industry, the theatre sector or the military. In addition, future research could focus on different aspects of intersectionality in terms of sexual orientation (Özbilgin et al. 2011; Tatli and Özbilgin 2012). Future contributions could compare workplace situations of gays and lesbians of different ages or nationalities. In terms of sexual orientation, this article concentrates on gays and
lesbians, but fundamental research is also needed to better understand the workplace situation for bisexual and transsexual employees.

Another connecting point for future research derives from the Heideggerian theoretical framework that is proposed in this article. This framework refers to the mechanisms of “leveling down to averageness” that occur in everyday life and thus also in everyday workplace-life, and that partially constitute the organizational climate. This framework could be applied, tested, and developed further by analyzing other dimensions of workforce diversity, as well as being used for evaluating other human resource management practices. As these mechanisms work interactionally, it might be fruitful to embed this approach into the discourse of organizational communication (Allen 1995; Morton et al. 2012; Mumby and Stohl 1996), to better understand their mode of operation.

Conclusion

Building on previously conducted research on the perceived organizational climate for lesbian and gay employees and its impact on individuals’ workplace behavior (Bell et al. 2011; Bowen and Blackmon 2003; Driscoll et al. 1996; Griffith and Hebl 2002; Lyons et al. 2005; Ng et al. 2012; Ragins and Joseph 2004; Waldo 1999) this article demonstrates for the first time in a comprehensive way the relationship between concrete organizational diversity practices and psychological climate perceptions, regardless of whether as part of a diversity management strategy or as isolated practices. Therefore, organizations that are thinking about putting the topic of sexual orientation on their agenda can draw on these results, and use them as decision support for their implementation-pattern. As research indicates that a supportive organizational climate and the related tendency to be more open about ones homosexuality at the workplace (Brenner et al. 2010; Chrobot-Mason et al. 2001) may lead to positive effects in economic terms (Barreto et al. 2006; Day and Greene 2008; DeJordy 2008; Johnston and Malina 2008; Wang and Schwarz 2010), in the near future an increasing number of organizations may be confronted with the decision as to which step to take first in addressing sexual orientation.

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Table 1. Unpaired t-tests for climate mean values and effect sizes of the differences (Cohen’s d)

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>N</th>
<th>t-value</th>
<th>p</th>
<th>Cohen’s d</th>
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<td>9.80</td>
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<tr>
<td>Commerzbank</td>
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<td>0.114</td>
<td>0.909</td>
<td>0.022</td>
</tr>
<tr>
<td>Deutsche Bank and Commerzbank</td>
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<td>10.00</td>
<td>108</td>
<td></td>
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<tr>
<td>Equivalent sample</td>
<td>59.95</td>
<td>14.10</td>
<td>55</td>
<td>-2.363*</td>
<td>0.021</td>
<td>0.520</td>
</tr>
</tbody>
</table>

Note: * p < .05.
Table 2. Descriptive statistics and intercorrelations of study variables

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<td>0.06</td>
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<td>0.49**</td>
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<td>0.00</td>
<td>-0.10**</td>
<td>-0.01</td>
<td>0.12**</td>
<td>0.23**</td>
<td>0.31**</td>
<td>0.36**</td>
<td>0.54**</td>
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</table>

Note: N varies between 805 and 1308.

* p < .05; ** p < .01
Table 3. Summary of regression analyses with climate as dependent variable (without control variables)

<table>
<thead>
<tr>
<th>Model 1: Lessening practices</th>
<th>B</th>
<th>SE B</th>
<th>β</th>
<th>p</th>
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<tr>
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<tr>
<td>Adjusted $R^2_2$</td>
<td>0.21**</td>
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<table>
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<td>$R^2_2$</td>
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<tr>
<td>Adjusted $R^2_2$</td>
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Note: $N = 897$.
* $p < .05$; ** $p < .001$. 
Table 4. Summary of regression analyses with climate as dependent variable (with control variables)

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<td>0.735</td>
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<td>0.000</td>
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<td>R₃²</td>
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<td>Adjusted R²</td>
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<table>
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<th>p</th>
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<td>Adjusted R²</td>
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Note: N = 659.
* p < .05; ** p < .001.
Appendix

“Sexual Orientation” Diversity Management at Deutsche Bank and Commerzbank

Deutsche Bank AG is the biggest German credit institute. In 2000 the LGBT employee-network “Rainbow Group” (today renamed “db Pride”) was founded in Germany. In 2008 the network had grown to around 260 members. Within Germany the network mainly gains visibility through its participation at several gay-pride marches and events. Inside the bank the network is visible on the diversity platform in the intranet, on the corporate internet pages, on internal flyers and in the in-house journal. Employees can subscribe to the mailing list of the network in order to receive information about its activities, such as regional monthly table meetings in bars, summer barbecues, or Germany-wide social events or coordination meetings. Every year the network has to propose a budget plan for its projected activities to the Diversity Team that has to give its permission for it. A crucial criterion for the Diversity Team is the primary function of the network to help to position and to stabilize Deutsche Bank as the employer of choice for LGBTs in Germany. There is no direct monetary compensation for an engagement in the network, but the bonus system explicitly includes contributions to achieve corporate diversity goals. Deutsche Bank fully equates gay and lesbian life-partnerships and heterosexual marriages in terms of all corporate benefits. In 2008 the bank ran full-page advertisements in local gay and lesbian journals. As sponsor, Deutsche Bank supports conferences on workplace issues of gays and lesbians, the AIDS Gala in Cologne, and the HIV benefit-run in Frankfurt. As a special type of recruitment marketing, Deutsche Bank has developed a flyer to inform applicants about its LGB activities. A corporate employment agreement tries to forbid any kind of sexual orientation-based discrimination and mobbing, and it defines the normal corporate channel for potential victims of discrimination. Case studies about diversity management are part of an obligatory training for all employees with managerial responsibilities.

Commerzbank AG is the second biggest German credit institute. Its LBGT network is called “Arco”, and it was established in 2001. In 2008 the network had 220 members, almost all of them working in Germany, and 40% of them in the city of Frankfurt. On the regional level, Arco mainly organizes regulars’ tables, events or parties; its priority is socializing and the establishing of contacts. One annual supra-regional event is the meeting of all Arco members. In 2006 Arco joined the gay pride parade in Frankfurt for the first time. Arco’s budget is provided from “Diversity”, a subdivision of the personnel division. The money is approved on a project-by-project basis, and therefore Arco does not have a fund of money at its own disposal. For its members, working for and with Arco is unremunerated and voluntary. Within the intranet of Commerzbank, every employee can find out how to become a member of the network. By subscribing to the newsletter, an employee can join an anonymous mailing list that distributes, for example, invitations to network events. Alternatively, the network has established the website www.arco-coba.de that can be reached from inside and outside the
company. In order to access the material here, employees have to be registered, anonymously or by name. As one element of their personal marketing strategy, the bank presents and distributes a flyer at recruiting and job fairs and on their webpage that describes and explains the corporation’s diversity activities on sexual orientation. The corporate equalization policy guarantees a total equalization of registered partnerships and marriages. Furthermore, there is a company agreement on “fairness and cooperative behavior in the workplace” that explicitly includes “sexual orientation”.