

Appendix A. Firm Demographics of the Initial and Final Samples

Industry (%)	2006		2007		2008		2009		2010		Total		
	Initial	Final	Initial	Final	Initial	Final	Initial	Final	Initial	Final	Initial	Final	
Advertising/marketing	0.50	1.19	0.52	1.30	0.57	0.00	0.00	0.00	1.23	1.72	0.56	0.85	
Aerospace	2.00	2.38	1.03	1.30	1.14	2.78	0.00	0.00	0.00	0.00	0.90	1.41	
Agriculture	0.50	1.19	0.52	1.30	1.14	1.39	0.63	1.59	1.23	1.72	0.78	1.41	
Biotechnology/ pharmaceuticals	4.00	8.33	3.61	6.49	4.55	4.17	3.13	3.17	3.07	1.72	3.70	5.08	
Construction/real estate	5.50	8.33	7.22	7.79	7.95	8.33	5.00	3.17	6.75	3.45	6.49	6.50	
Education and training	1.00	2.38	1.55	1.30	1.14	0.00	0.63	0.00	0.61	0.00	1.01	0.85	
Electronics	0.50	0.00	1.03	2.60	0.57	1.39	1.25	3.17	1.23	1.72	0.90	1.69	
Financial services/insurance	17.00	13.10	14.95	11.69	12.50	11.11	11.25	9.52	14.11	12.07	14.11	11.58	
Health care	3.00	1.19	2.06	1.30	3.98	2.78	5.00	0.00	4.91	1.72	3.70	1.41	
Hospitality	8.00	5.95	7.73	6.49	7.95	6.94	5.63	4.76	5.52	3.45	7.05	5.65	
Industrial services	0.50	1.19	0.00	0.00	0.57	0.00	0.63	1.59	1.23	3.45	0.56	1.13	
Information technology	8.00	10.71	9.79	10.39	11.93	12.50	11.25	17.46	9.82	13.79	10.08	12.71	
Manufacturing/production	15.00	16.67	18.56	27.27	15.91	25.00	20.63	28.57	18.40	29.31	17.58	24.86	
Media	2.50	4.76	2.06	3.90	1.70	4.17	2.50	4.76	1.84	3.45	2.13	4.24	
Mining and quarrying	0.50	1.19	0.52	1.30	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.56	
Professional services	11.50	2.38	12.89	3.90	11.93	2.78	14.38	4.76	12.27	5.17	12.54	3.67	
Retail	16.00	14.29	12.37	9.09	12.50	12.50	14.38	12.70	13.50	12.07	13.77	12.15	
Telecommunications	2.00	2.38	2.06	1.30	2.27	1.39	1.88	1.59	3.07	3.45	2.24	1.98	
Transportation	1.50	2.38	1.55	1.30	1.70	2.78	1.88	3.17	1.23	1.72	1.57	2.26	
Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	
Firm age	Mean	71.05	66.11	73.29	71.75	64.65	60.07	67.57	63.78	69.32	70.52	69.34	64.42
	SD	40.00	40.47	43.00	47.00	37.30	38.02	42.69	49.56	43.44	50.11	41.31	44.80
Total employees	Mean	15,954.05	19,703.58	15,478.12	20,474.92	14,884.77	24,127.07	14,987.94	21,231.9	14,668.18	20,482.28	15,230.83	21,170.62
	SD	27,257.03	36,142.49	27,223.83	36,092.30	30,661.13	43,893.97	31,800.64	44,588.8	28,542.61	40,513.90	28,968.43	39,897.77
Racial diversity	Mean	0.42	0.44	0.43	0.45	0.44	0.47	0.44	0.44	0.45	0.45	0.44	0.45
	SD	0.15	0.14	0.16	0.13	0.18	0.17	0.16	0.14	0.16	0.14	0.16	0.14

Appendix B. First-Stage Regression Results

	2SLS model predicting operating ROA		2SLS model predicting voluntary turnover		2SLS model predicting individual commitment	
	First-stage DV: BSO	First-stage DV: racial diversity × BSO	First-stage DV: BSO	First-stage DV: racial diversity × BSO	First-stage DV: BSO	First-stage DV: racial diversity × BSO
Constant	.17*	-.01	.16*	-.01	.15*	-.02*
Operating ROA (<i>t</i>)	.20	.05	.18	.05	.14*	.05*
Voluntary turnover (<i>t</i>)	-.01	-.01	-.01	-.01	.04*	-.01*
Organization age	-.09	.01	-.10*	.01	-.12*	.01*
Organization size	.10*	.00	.10*	.00	.09*	.003*
“100 Best” dummy	.05	-.01	.07	.00	.00	-.01*
Annual pay level	.00	-.02*	.00	-.02*	.06*	-.02*
Training	-.02	.00	-.02	.00	-.01*	.002*
Benefit	-.12	.02	-.14	.02	.09*	.01*
Empowering climate	.14	.01	.19	-.01	-.02	-.01*
Equal treatment	.26	.02	.22	.02	-.03	.07*
Racial diversity	-.31	.29*	-.34	.31*	-.34*	.18*
Year dummies	Included	Included	Included	Included	Included	Included
Industry dummies	Included	Included	Included	Included	Included	Included
Individual-level controls	n/a	n/a	n/a	n/a	Included	Included
Location dummy 1	.32*	.01	.31*	.01	.49*	.02*
Location dummy 2	.84*	.03	.85*	.02	.79*	.04*
Location dummy 3	-.21*	.00	-.24*	.00	.22*	-.01
Location dummy 4	.28*	-.03	.27*	-.03*	.26*	-.01*
Location dummy 5	2.17*	.02	2.34*	-.04	-.21	.09*
Location dummy 6	-.10	-.01	-.11	-.02	-.16*	.00
Location dummy 7	-.36*	-.02	-.37*	-.02*	-.32*	-.02*
Racial diversity × location dummy 1	.43	.33*	.61	.35*	.42*	.28*
Racial diversity × location dummy 2	-.53	.59*	-.78	.60*	.00	.66*
Racial diversity × location dummy 3	4.94*	.54*	5.15*	.46*	.37*	.81*
Racial diversity × location dummy 4	-.56	.57*	-.34	.53*	-1.16*	1.01*
Racial diversity × location dummy 5	-8.51	.86	-9.51	1.15	6.18*	.52*
Racial diversity × location dummy 6	1.82*	-.47*	1.90*	-.48*	.29*	-.18*
Racial diversity × location dummy 7	-.86	-.32*	-.92	-.34*	-.56*	-.32*

Wald chi-square	3,860*	13,045*	5,899*	17,600*	17,208*	37,393*
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Note. *BSO* refers to broad-based stock options; *ROA* refers to return on assets; *2SLS* refers to two-stage least squares; *DV* refers to dependent variable. Location dummies 1 to 7 indicate California, Nevada, Washington, Tennessee, North Carolina, Ohio, and Minnesota, respectively. Year and industry dummies and individual-level control variables (for the model predicting individual affective commitment) were included but are not shown because of a general lack of significance. * $p < .05$.

Appendix C. Mean Comparison between the Adopters and Non-Adopters of Broad-Based Stock Options in the Matched Sample ($N = 194$)

	Mean		<i>t</i> -test (sig)	<i>p</i> -value
	Adopters	Non-Adopters		
Operating ROA (<i>t</i>)	.06	.06	-.01	.99
Voluntary turnover (<i>t</i>)	-2.34	-2.26	-.77	.44
Organization age	3.75	3.74	.12	.91
Organization size	9.20	9.13	.35	.73
“100 Best” dummy	.59	.54	.72	.47
Annual pay level	11.34	11.37	-.61	.54
Training	.57	.47	.99	.33
Benefit	.54	.56	-.41	.68
Empowering climate	4.15	4.12	1.10	.27
Equal treatment	4.61	4.60	.11	.91
Industry dummies				
Advertising/marketing	.01	.01	.00	1.00
Aerospace	.02	.00	1.42	.16
Agriculture	.01	.00	1.00	.32
Biotechnology/ pharmaceuticals	.06	.05	.31	.76
Construction/real estate	.04	.08	-1.19	.24
Education and training	.00	.00	n/a	n/a
Electronics	.02	.04	-.83	.41
Financial services/insurance	.09	.05	1.11	.27
Health care	.03	.01	1.01	.32
Hospitality	.08	.07	.27	.79
Industrial services	.00	.03	-1.75	.08
Information technology	.16	.16	.00	1.00
Manufacturing/production	.18	.22	-0.72	.47
Media	.02	.05	-1.15	.25
Mining and quarrying	.01	.00	1.00	.32
Professional services	.00	.07	-2.73*	.01
Retail	.16	.13	.60	.55
Telecommunications	.06	.00	2.52*	.01
Transportation	.03	.01	1.01	.32

Note. * $p < .05$.

Appendix D. Supplementary Analysis Results Using the Workplace and Employee Survey Data

TABLE D1.

Descriptive Statistics and Bivariate Correlations in the Supplementary Study

Variables	Mean	SD	1	2	3	4	5	6	7	8
1. Organization age	13.53	14.45								
2. Organization size	1.87	1.12	.15*							
3. Base pay level	10.06	.69	.04*	.14*						
4. Training	.09	.14	.09*	.47*	.15*					
5. Benefit	.18	.23	.11*	.47*	.37*	.44*				
6. Racial diversity	.11	.19	-.00	.26*	.09*	.08*	.10*			
7. Employee stock plans	.06	.24	.01	.10*	.05*	.15*	.15*	.01		
8. Labor productivity (t)	11.59	.92	.08*	-.01	.54*	.08*	.28*	.04*	.04*	
9. Labor productivity ($t + 1$)	11.63	.91	.06*	.03*	.50*	.08*	.27*	.06*	.04*	.88*

Note. $N = 17,630$ (company-year observations); $N = 7,370$ (companies). * $p < .05$.

TABLE D2.

Random-Effects Specification Results in the Supplementary Study

DV = Labor productivity ($t + 1$)	Full sample ($N = 17,630$)			Matched sample ($N = 1,710$)		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Constant	4.70*	4.70*	4.70*	3.04*	2.93*	2.93*
Labor productivity (t)	.57*	.57*	.57*	.60*	.61*	.61*
Voluntary turnover (t)	-.01	-.01	-.01	-.17*	-.17*	-.19*
Organization age	-.00	-.00	-.00	-.00	.00	-.00
Organization size	.05*	.05*	.05*	-.01	-.00	-.01
Base pay level	.01	.02	.02	.17*	.17*	.17*
Training	.09*	.09*	.09*	-.03	-.02	-.05
Benefit	.14*	.14*	.14*	.28*	.27*	.27*
Racial diversity		.05*	.04*		.02	-.13*
Employee stock plans		.01	-.02		.07	.00
Racial diversity \times Employee stock plans			.23*			.42*
-2 LL	12,775	12,767	12,757	330	325	305
AIC	12,827	12,823	12,815	382	381	363
Δ AIC		4.43	8.00		.11	18.62

Note. Because the Workplace and Employee Survey dataset did not provide any information about the companies' geographic location or alternative variables that could be considered exogenous, we were unable to use the instrumental variable method as we did with the Great Place to Work dataset in the main study. Year and industry dummies were included but are not shown to save space. * $p < .05$.

FIGURE D1.

Interactive Effects of Racial Diversity and Employee Stock Plans on Labor Productivity in the Supplementary Study

