ABSTRACT OF THE THESIS

Overcoming Group Disparities in Performance and Turnover Among Women and Minorities: The Effects of Relative Human Capital, Diversity Climate, Perceived Voice

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The present study explored mechanisms which may be responsible for overcoming group disparities in performance and turnover among women and minorities by examining the moderating role of relative human capital and diversity climate perceptions, as well as the mediating role of voice at the individual level. Key findings from this investigation include evidence that (a) sex differences in voice favoring women, were significantly larger for personnel with high relative organizational tenure, (b) for personnel who are low in relative organizational tenure, Asian-White differences in performance favor Whites, while for personnel who are high in relative organizational tenure, Asian-White differences in performance favor Asians, (c) White-Black differences in turnover likelihood (higher for Whites) are larger for personnel with high relative organizational tenure, and (d) sex differences in performance favoring women were significantly larger for personnel with high relative organizational tenure.
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INTRODUCTION

Workforce diversity holds the promise of facilitating workgroup performance by increasing the pool of knowledge, resources and perspectives brought to bear on work-related tasks. Diversity in social categories among group members, such as race and gender, is assumed to reflect deeper diversity in experiences, perspectives, expertise, norms, etc. (Cox, Lobel & McLeod, 1991; Jehn, Northcraft, & Neale, 1999; Van Knippenberg, Dreu & Homan, 2004). Diversity in experiences and perspectives can be a source of competitive advantage in today’s dynamic business environment, where organizations must adapt quickly in order to survive (Motowidlo & Schmit, 1999; Richard, 2000). Despite these purported benefits, companies are failing to fully benefit from the contributions of a diverse workforce, as can be evidenced from disproportionately high turnover rates and lower performance among women and minorities in comparison to their White male counterparts (Hom, Roberson, & Ellis, 2008; McKay & McDaniel, 2006; Roberson & Block, 2001). A recent example of this phenomenon in action is Intel, a technology company that has invested $300 million in an initiative to bring their workforce to full racial and gender representation (Fastcompany, 2015). While Intel achieved success in attracting women and minorities to join the organization, retaining employees belonging to these groups has been particularly difficult. In 2015, for example, Intel hired 209 African Americans, while losing 201 African Americans (not necessarily the same individuals) (Fastcompany, 2015). This challenge is not unique to Intel alone, and calls for an investigation of means of overcoming disparities in performance and turnover among women and minorities.
In contemporary U.S. society, men and Whites have a higher status than women and people of color, respectively (Cuddy, Fiske, Glick, 2007; Fiske et al. 2000; Ridgeway & Smith-Lovin, 1999), which leads them to experience differential treatment in organizations. Women are grossly underrepresented at the highest levels in organizations (Catalyst, 2015), and receive significantly lower pay and promotions than men (Blau & Kahn, 2007; Catalyst, 2015). Differences in salary increases persist after controlling for performance evaluations (Castilla, 2012). Despite recent gains in education, women face barriers in translating human capital gains into greater rewards at work (Joshi, Son, & Roh, 2014). Women are given less challenging developmental experiences than men, in spite of equally expressed desire for challenging work experiences (King, Botsford, Hebl, Kazama, Dawson & Perkins, 2010). In comparison to their male counterparts, women are stereotyped as being less competent, less assertive, and possessing lower leadership potential (Heilman, 2001; Ridgeway, 2001). Similarly, racial minorities consistently receive lower performance ratings than Whites (McKay & McDaniel, 2006; Roberson & Block, 2001), even after controlling for job, work unit, and supervisor effects (Castilla, 2012). The positive effects of performance ratings on pay increases are lower for minorities (Castilla, 2012). Minorities are seen as deficient in attributes seen as critical to leadership success (Chung-Herrera & Lankau, 2005) and are underrepresented in managerial roles relative to workforce participation; for example, African Americans represented 12% of the workforce in 2013, but only 6.5% of managers (Bureau of Labor Statistics, 2013). Negative bias and differential treatment experienced by women and racial-ethnic minorities challenge their
contributions to organizations, which is a concern that warrants investigation of ways to overcome obstacles to women’s and minorities’ contributions to firms.

While much is known about negative consequences associated with disparaged status, few studies seek to determine the processes responsible for these relationships (for exceptions see Ely, 1994; Ely & Thomas, 2001). Voice, defined as a vehicle for “making innovative suggestions for change and recommending modifications to standard procedures,” (Van Dyne & LePine, 1998), can be one such mechanism. Voice is imperative because organizations can only capture the benefits of unique knowledge, resources and perspectives when individuals from various backgrounds are able and willing to communicate them. Voice can have a positive effect on the evaluation of individual performance by increasing perceptions of competence (Stamper & Van Dyne, 2001). There is a positive relationship between voice and performance, and positive attitudes towards one’s job and organization (Ng & Feldman, 2012), as well as a negative relationship between voice and work-related stress and turnover (Hirschman, 1970; Ng & Feldman, 2012). This study will examine the mitigating effects of voice as a means of achieving positive organizational outcomes.

The propensity of employees to engage in individual behaviors is influenced by the organizational context in which they are embedded. This is most applicable to voluntary behaviors that are not directly reinforced by organizational rewards and HR practices. This study will investigate diversity climate perceptions and an individual’s human capital relative to the mean of the retail store unit which they are a part of, as contextual variables which can influence voice, the discretionary
contributory behavior of interest in the study. A friendly diversity climate as well as possession of high relative human capital can moderate the negative relationship between low status and performance, as well as the positive relationship between voice and turnover; by increasing an individual’s propensity to engage in voice, both contextual variables can mitigate the negative consequences of disparaged status by violating stereotypes of low competence and establishing an inclusive environment for all team members, respectively.

Human capital, defined as the extent that one holds job-relevant knowledge, skills, abilities and/or education (Becker, 1964), and frequently operationalized in term of experience or tenure (Capmbell, 2013; Ployhart, Nyberg, Reilly, & Maltarich, 2014), has the potential to influence how individuals are treated (Groysberg, Lee & Nanda, 2008), and impact their subsequent attitudes and behaviors. Individuals who are disproportionately high in human capital are considered imperative to the firm’s success (Coff & Kryscynski, 2011; Paruchuri, 2010) and thus are privy to the esteem, deference, social status and power (French & Raven, 1959; Tzabbar, 2009) that comes with being valued. Specifically, my interest is in relative levels of individual organizational tenure compared to average organizational tenure in the work context, as the value of an individual’s human capital can be construed only within the context of other workgroup members’ (Bunderson, 2003). For women and minorities, who are subject to stereotypes of low competence based on their group membership, exceptionally high levels of human capital can be particularly consequential; women and minorities who possess exceptionally high human capital are likely to be evaluated and treated much more favorably than their counterparts.
who do not (Bunderson, 2003), which could have an influence on their subsequent actions and motivation to contribute.

Organizational climate refers to the shared perceptions of and the meaning attached to the policies, practices, and procedures employees experience (Schneider, Ehrhart, & Macey, 2013). Diversity climate refers to “employees’ shared perceptions that an employer utilizes fair personnel practices and socially integrates underrepresented employees into the work environment,” (McKay, Avery, & Morris, 2008). With its emphasis on fairness and integration, diversity climate provides an environment where the input of low status individuals may be valued and evaluated fairly, offering a comfortable environment for disparaged individuals to contribute. Diversity climate has already been shown to mitigate negative group differences in work performance (McKay, Avery & Morris, 2008), turnover intentions (Chrobot-Mason & Aramovich, 2013; Gonzalez & Denisi, 2009; Kaplan, Wiley, Maertz, 2011; McKay, Avery, Tonidandel, Morris, Hernandez, Hebl, 2007) absenteeism (Avery, McKay, Wilson, Tonidandel, 2007), and perceptions of workplace discrimination (Triana & Garcia, 2009), yet few studies have sought to explore the means by which diversity climate influences these outcomes (McKay & Avery, 2015).

This study makes several contributions to existing literature. While previous studies have examined factors moderating the negative relationship between disparaged status and propensity to contribute (Chrobot-Mason & Aramovich, 2013; Gonzalez & Denisi, 2009; McKay et al, 2008), the mechanisms through which these moderators operate are not well understood (Avery & McKay, 2010; McKay & Avery, 2015). For example, while McKay et al., (2008) showed that diversity climate
moderated the mean racial-ethnic differences in sales performance, the authors cited as a limitation the need to understand the mediating mechanisms involved in this process. This study addresses a number of calls for a better understanding of the intervening mechanisms that link demographic characteristics to subsequent outcomes (Homan, Hollenbeck, Humphrey, Van Knippenberg, Ilgen, & Van Kleef, 2008; Lawrence, 1997; McKay & Avery, 2015; Reskin, 2003). In consideration of the earlier stated relationships between discretionary contribution behaviors and performance and turnover, this study proposes voice as a black box mechanism responsible for these group differences among women and minorities. Climate for diversity, which provides low status individuals with an environment where their input is valued and evaluated fairly (McKay et al, 2008), is proposed as a contextual boundary condition. Relative levels of individual to unit levels of human capital, with its potential ability to mitigate negative evaluations and treatment of low-status individuals (Bunderson, 2003), is proposed as an individual level boundary condition. Furthermore, my investigation makes a contribution by delving beyond group membership to examine outcomes based on the interaction between status and human capital. The field’s focus on the impact of single demographic attributes on individual and group outcomes has been cited as a shortcoming for ignoring the influence of other individual attributes that impact social processes within group contexts (Jackson, Joshi, & Erhardt, 2003). By examining an individual’s relative human capital in addition to status, this study challenges the current literature’s assumption of uniform outcomes for all members of given group, as well as irrevocably negative outcomes for all members of disparaged status. Additionally,
this study makes a contribution by taking a status lens to examine the dynamics
associated with racial and gender diversity in a literature that has been criticized for
failing to make novel contribution to extant theory beyond the examination of social
identity theory (DiTomaso, Post, & Parks, 2007; Jackson et al., 2003; McKay & Avery,
2015).

In the sections that follow, I establish implications of status differences
based on race and sex, propose voice as a moderator mitigating status-based group
differences in performance and turnover, and examine individual and contextual
moderators that influence voice.
LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

1.1 Status Characteristics and Expectation- States Theory

Status characteristics and expectation-states theory sheds light on the status dynamics of individuals within groups, which has important consequences for their behavior, including individuals’ propensity to contribute. Expectation states theory describes how individuals in a group working towards a common goal use each other’s differing attributes to form status-related expectations for one another during group interactions (Berger et al, 1977). When working towards a goal, individuals look to simplify their social environments by anticipating the knowledge, behavior and beliefs of other members within the group, in order to evaluate the ability of other members to contribute to the group (Phillips, Northcraft, & Neale, 2006; Phinney, 1996). These quick predictions serve as a guide in deciding how to act in a situation, deciding whether to speak up, and who to listen to and agree with when choices and conflicts emerge (Ridgeway, 1983).

Status serves as a guide to making these types of decisions and is defined as an “entity’s standing in a social category as determined by the respect, deference, or social influence accorded by others,” (Ridgeway & Walker, 1995). Status attributions in groups are adapted from societal expectations about social categories or types of people that are ranked as being more esteemed or respected as compared to others, and provide a cognitive frame through which people interpret characteristics and behaviors of others (Berger et al, 1974). In contemporary U.S. society, men and Whites have a higher status than women and people of color, respectively (Cuddy, Fiske, Glick, 2007; Fiske et al. 2000; Ridgeway...
Cultural status at the macro level in turn shapes everyday social interactions at the micro level of individuals working in groups (Ridgeway, 2014). The cumulative result is a systematic placement of individuals belonging to more privileged status groups into positions of greater power and resources relative to other, lower-status groups. As a case in point, recent reports have shown that women and minorities are still considerably underrepresented at the highest levels in organizations (Bureau of Labor Statistics, 2013; Catalyst, 2015). Already occupying positions of high power and resources, high status individuals come across as more competent, deserving of jobs, promotions, money and power. The presumption of greater competence legitimizes status by implying that higher status individuals have fairly earned better jobs and higher incomes on the basis of superior merit (Ridgeway, 2014). Thus, status characteristics become strong predictors of competence expectations in an organizational setting (Driskell & Mullen, 1990), shaping the contribution and performance expectations set for both low-status and high-status team members (Ridgeway, 1991), and impacting the subsequent behaviors of these individuals.

Biases regarding competence expectations lead women and minorities to experience differential treatment at work, particularly as evidenced by differences in performance and turnover among women and racial minorities in relation to white men. Women receive lower performance rating than men, even after controlling for cognitive ability, psychomotor ability, and differences in experience (Sackett, DuBois, & Noe, 1991). Similarly, racial minorities receive lower performance ratings than Whites (McKay & McDaniel, 2006; Roberson & Block,
even after controlling for job, work unit, and supervisor fixed effects (Castilla, 2012). In replication of previous work, I hypothesize that:

**Hypothesis 1:** (a) Women and (b) racial-ethnic minorities receive lower performance ratings than their White male counterparts.

Possessing limited resources and power at work, and experiencing unwelcoming environments that set low expectations about their abilities, women and minorities are more likely to turnover. Studies show that women turnover at a 36.34% higher rate than their male counterparts (Hom, Roberson, Ellis, 2008). Likewise, racial minorities have been shown to have higher intentions to turnover (McKay et al., 2007) as well as actually turnover over than their White counterparts at rates 22.14% higher than Whites (Hom et al., 2008). In replication of previous work, I hypothesize that:

**Hypothesis 2:** (a) Women and (b) racial-ethnic minorities will turn over at higher rates than their male and White counterparts, respectively.

**Group Differences in Contribution**

In this section, I build theory on the impact of status differentials on group differences in propensity to engage in the contributory behaviors, and specifically, in exhibiting voice. Individuals who have attained high status, and the presumptions of competence that it entails, are privy to a host of organizational benefits that facilitate their propensity to contribute. High status members, such as males and Whites, are given more opportunities than low-status members (Berger, et al 1980; King et al., 2010) and knowledge is evaluated more positively when communicated by group members of a high status (Menon & Blount, 2003). High-
status individuals stand in a position to form relationships with other high status individuals (Blau, 1977; McPherson & Smith-Lovin, 1987), have more access to power and resources (Huberman et al, 2004), and have higher self-esteem overall (Adler, Epel, Castellazzo, & Ickovics, 2000).

While status is often not explicitly stated, people tend to figure out where they stand in the status hierarchy and tend to behave according to the expectations set by the relative status values of their demographic characteristics (Anderson, Srivastava, Beer, Spataro & Chatman, 2006; Henrich & Gil-White, 2001). This leads to self-fulfilling effects of the set expectations. People with high status perceive themselves as more capable (Ridgeway, 1991), and as a result, have the confidence to offer suggestions and engage in participatory behaviors (Ridgeway, 2014). Given more opportunities to participate and a higher likelihood of a positive evaluation of suggestions, high status individuals are more influential in group decisions and are less influenced by the opinions of others than low-status group members (Berger et al, 1974; Ridgeway et al, 1985). Alternatively, low expectations set for low-status members are likely to affect the confidence and energy with which low-status members offer suggestions (Ridgeway, 2014). Knowing that their suggestions will be given less attention and evaluated less positively than those of high status members, individuals of low status, such as women and minorities, are less likely to participate and make contributions (Ridgeway, 2014). Voice, defined as “making innovative suggestions for change and recommending modifications to standard procedures,” (Van Dyne & LePine, 1998) is a contribution behavior that women and
minorities may be discouraged from engaging in by the dynamics associated with status.

1.2 Stereotype Threat

People are motivated to protect their egos and maintain a positive self-image, and thus employ a variety of cognitive mechanisms to avoid, distort, and/or discount information that hurts their self-image (Baumeister, 1999). Being aware of and subject to stereotypes, women and minorities encounter negative information that has the potential to damage their self-image. Stereotypes are “widespread beliefs about social groups” (Jost & Banaji, 1994) that help people make sense of their environment and simplify decision-making by presenting assumptions of shared characteristics among members of a certain category or group (Fiske et al., 2007; Jost & Banaji & Nosek, 2004; Jost & Banaji, 1994). Social groups can include gender (Kanter, 1977; Shinar, 1975), race (Devine & Elliot, 1995; Harper, 2007), age (Cuddy, Norton, & Fiske, 2005), occupation (Walker, 1958) and others. Stigmatized individuals may refrain from engaging in certain behaviors, such as exhibiting voice, in order to avoid stereotype threat (Roberson, Deitch, Brief & Block, 2003), which is the fear of confirming a negative stereotype about one’s group through one’s own behavior (Steele, 1997). The fear is rooted in a belief that a person’s behavior or performance will be evaluated negatively in line with an existing negative stereotype (Steele, 1997; Steele & Aronson, 1995). Behaving in line with a stereotype is likely to result in a negative or inaccurate information about one’s abilities and performance. Stereotype threat is activated in situations where the
content of the stereotype is perceived as relevant to one’s performance and
performance evaluation (Steele & Aronson, 1995).

1.3 Voice

Voice is a vehicle for “making innovative suggestions for change and
recommending modifications to standard procedures,” (Van Dyne & LePine, 1998).
Voice is particularly important in today’s dynamic business environment, where
organizations must adapt quickly in order to survive; voice can facilitate that kind of
Racial-ethnic minorities and women, with their distinct perspectives and
experiences, have the potential to make innovative suggestions, but could be
constrained from doing so by limited perceptions of the extent to which they have
voice as influenced by the reduced competence expectations associated with their
low status.

Engaging in voice carries some degree of risk that that others will respond to
one’s suggestions poorly. Perceptions of self-competence and expectation of others’
evaluation of one’s suggestions influence an individual’s perceptions of having voice.
Holding perceptions of high self-competence (Ridgeway, 1991), high status
individuals believe that their suggestions will make a valuable contribution.
Accustomed to and expecting favorable responses their suggestions (Tangirala &
Ramanujam, 2012), high status individuals are encouraged to offer suggestions and
perceive themselves as having voice. Alternatively, having doubts about their self-
competence, and being unsure of whether their suggestions will be positively
received, low-status individuals doubt the extent to which they have voice and are less likely to engage in voice.

Stereotype threat also stands to deter stigmatized individuals from engaging in voice behavior, as it is another type of behavior where a stereotype may be perceived as it is relevant to the evaluations of one’s performance (Steele & Aronson, 1995). Considering the importance of self-competence perceptions in likelihood of engaging in voice, negative perceptions associated with their group’s ability to contribute are likely to activate stereotype threat in women and racial-ethnic minorities, potentially causing them to refrain from engaging in voice.

Hypothesis 3a: Women will report lower levels of perceived voice than men.

Hypothesis 3b: Racial-ethnic minorities will report lower levels of perceived voice than Whites.

Subtyping

To reiterate an earlier point, status is allocated to group members based on their perceived ability to contribute to a group’s goals (Cuddy et al, 2008; Ridgeway, 1991). While group members may initially rely on demographic attributes in deciding who can be expected to contribute to the group (Berger et al, 1972), evaluation of group members’ contributions can change as perceptions of group members’ abilities change (Anderson & Kilduff, 2009a; Bendersky & Shah, 2012). Thus, the status initially assigned to group members can change (Anderson & Kilduff, 2009a; Bendersky & Shah, 2012) and is not solely dependent upon one’s social category membership. In this section I will discuss subtyping, which is a process through which women and minorities, who initially possess low ascribed
status, stand the possibility of overcoming negative assumptions associated with their groups’ status.

Studying subgroups within categories of diversity can provide us with a more accurate and more complete understanding of mechanisms through which diversity operates, as well as its subsequent outcomes. Subgrouping refers to a process of organizing information about individuals into multiple clusters based on the individual’s similarities to and differences from other group members (Maurer et al, 1995). The assumption is that there are some people belonging to a certain social group who possess traits that are somehow distinct from those of other individuals in their primary social group by which they are being judged (Clausell & Fiske, 2005; Kunda & Oleson, 1995; Mendoza-Denton, Park, & O’Connor, 2008). Because stereotypes are stubbornly difficult to change (Allport, 1954; Goffman, 1963), subtypes allow people to account for individuals who possess attributes that are considered uncommon for their social group, while maintaining their overall understanding of the social structure in which they live (Koenig & Eagly, 2014; Kunda & Oleson, 1995).

A subgroup constitutes a smaller, narrower range of persons within the larger group. For example, “career woman” is a subgroup of the subordinate group “woman.” Beliefs associated with various demographic groups are worthwhile of consideration because attributes ascribed to members of a subgroup may differ dramatically from those ascribed to the larger group as a whole (Brewster, 1981). As a case in point, in a study on subgroups, Fiske et al., (2002) identified that ratings of perceptions of competence for “black professionals” and “poor blacks” were
polarized, with cluster analysis placing “black professionals” on the “high competence” and “poor blacks” placing on the “low competence” range of the scale. Examination of subtypes is valuable in studying individual-level outcomes associated with group membership because they point to the possibility of the possession of astereotypical attributes among certain group members. Possession of astereotypical attributes opens the possibility of differential treatment towards individuals who are seen as exceptions to the typical racial-ethnic and gender biases, influencing the subsequent behaviors of these individuals.

In the next section, I will introduce relative human capital and climate for diversity as two moderators that stand to act as boundary conditions for the propensity of women and minorities to engage in voice by changing perceptions of their competence and establishing an environment of greater acceptance of differences, respectively.

1.5 Moderators of Group Disparities in Voice

a. Relative Human Capital. Human capital is an individual’s knowledge, skills, abilities and/or education (Becker, 1964) and is considered a valuable resource that contributes to unit-level performance (Barney & Wright, 1998; Ployhart & Moliterno, 2011). Accordingly, human capital is a marker of status to the extent that group performance depends on group members’ knowledge and abilities (Liang et al., 1995; Moreland & Myaskovsky, 2000). Thus, group members who are identified as possessing expertise, a form of human capital, are awarded status within the social context (French & Raven, 1959). Because of its direct relevance to
competence, high levels of human capital can mitigate the perceptions of lower competence that are initially assigned to employees from lower-status groups. By helping overcome the negative assumptions associated with their demographic groups, human capital can enable such employees to be seen and recognized for their ability.

As skills, knowledge and experience are often difficult to gage directly, human capital is most frequently operationalized as experience or tenure and education (Capmbell, 2013; Nyberg, Moliterno, Hale & Lepak, 2014; Ployhart, Nyberg, Reilly, & Maltarich, 2014). I chose to operationalize human capital as organizational tenure in this study as it is most relevant to the setting of a retail store. High educational attainment is not necessary in a customer associate role, nor is not likely to be as directly relevant to performance in that type of a position because it stands to contribute little to the tasks of the job. Tenure, on the other hand, is directly relevant to understanding the business and the products sold, which is essential to performance in the role. Longer tenure would enable a customer service representative to achieve better performance through better knowledge of the business, products sold, as well as customer needs.

By mitigating perceptions of lower competence, human capital can also overcome negative behavioral outcomes for women and minorities. A woman or minority who has a high level of achieved status may be protected from concerns about appearing incompetent in interactions with group members (Phillips, Rothbard & Dumas, 2009). Having credibility that comes with high levels of human capital, as well as the confidence in the value of their ideas, personnel from lower
status groups would enjoy attention to and acceptance of their ideas from others. Through reinforcement of the acceptance of their ideas, these employees may view their input as valued and engage in more voice.

While it is possible for human capital to provide some insight into an individual’s competence, the value that individual-level human capital constitutes can only be understood when considered relative to the levels of human capital possessed by other members within the work unit (Firebaugh, 1980). Considering that status is derived from an individual’s enhanced ability to contribute to group level outcomes relative to the contribution of other group members, an individual’s human capital can only be considered valuable if it puts him/her above what the rest of the group has to offer. Thus, the individual-within-group is the theoretical approach appropriate for the examination of this relationship. Also known as the frog-pond model, this multi-level concept states that the meaning assigned to individual-level attributes depends not only that individual’s scores on the independent variable (organizational tenure), but also on the size of the independent variables of others in their workgroup (Klein, Dansereau, & Hall, 1994). Depending on the amounts of human capital possessed by other group members, the absolute value of an individual's human capital can be considered either relatively large, or relatively small, by group standards (Klein, Dansereau, & Hall, 1994). Considering that it is the relative, not the absolute, quantity of human capital that effects the size of the impact that human capital can provide on raising the status of an individual with low status relative to other personnel, relative human capital acts as a moderator between ascribed status and individual-level
behavioral outcomes. Thus, women and minorities who possess disproportionately large quantities of human capital relative to their group are likely to experience higher expectations and confidence in their abilities. By experiencing acceptance and positive evaluation of their suggestions, women and minorities would no longer be concerned about being subject to negative stereotypes associated with their group, and would see evidence that their behavior is not confirming negative stereotypes associated with their group membership. By mitigating perceptions of incompetence and freeing them from stereotype threat, relatively high levels of human capital among women and minorities in proportion to other personnel will extricate them of impediments that constrain them from engaging in voice. Thus, I hypothesize that:

Hypothesis 4: Relative human capital will moderate the extent of (a) sex and (b) racial-ethnic group differences in perceived voice, such that gender and racial-ethnic differences in voice will be larger (smaller) among personnel who have lower (higher) human capital relative to their colleagues.

b. Diversity Climate. Organizational climate refers to the shared perceptions of and the meaning attached to the policies, practices, and procedures employees experience (Schneider, Ehrhart, & Macey, 2013). By establishing a shared understanding of what the organization supports, expects and rewards, organizational climate acts to establish norms for workplace behavior (Reichers & Schneider, 1990; Schneider & Reichers, 1983). As a case in point, a shared understanding of safety climate has been shown to predict individual-level safety
motivation and safety behavior, resulting in a reduction of accident rates at the workgroup level (Neal & Griffin, 2006).

Diversity climate refers to “employees’ shared perceptions that an employer utilizes fair personnel practices and socially integrates underrepresented employees into the work environment,” (McKay, Avery, & Morris, 2008). In one of the first conceptualizations of diversity climate, Cox’s Interactional Model for Cultural Diversity (IMCD) (1993) proposes that congenial diversity climates can enhance worker outcomes by improving their work attitudes and behaviors. With its emphasis on fairness and integration, supportive diversity climate has been shown to mitigate negative group differences in individual worker attitudes such as affective organizational commitment (McKay et al., 2007), calculative commitment (Kaplan et al, 2011), psychological safety (Singh et al., 2013), cultural identity (Hofhuis et al., 2012), organizational identification, psychological empowerment, and identity freedom (Chrobot-Mason & Aramovich, 2013), and performance appraisal reactions (Volpone, Avery, & McKay, 2012). These effects have been more strongly positive among racial-minorities than their White counterparts (McKay et al., 2008; Singh et al., 2013; Volpone et al., 2012). While a number of studies examined the impact of diversity climate on employee attitudes, few studies have assessed the effects of diversity climate on worker behaviors directly. A few notable exceptions include studies by Avery et al., (2007), who established the role of diversity climate in moderating racial-ethnic differences in absenteeism, Singh and Selvarajan (2013), who demonstrated the mitigating impact of diversity climate on group differences in intentions to stay with the organization, and McKay et al., 2008,
who demonstrated the role of diversity climate as moderating racial-ethnic differences in sales performance. Considering that participatory behaviors are likely positively related to performance and negatively related to turnover, an investigation of the impact of diversity climate on voice can provide great insight into the mechanisms responsible for group differences in performance and turnover. Furthermore, such an investigation answers calls in the literature for a greater understanding of the processes through which diversity climate influences outcomes (McKay & Avery, 2015).

With its emphasis on fairness and integration, a supportive diversity climate can promote a workplace environment where employees feel that they are treated fairly and with respect. Perceptions of fair treatment and respect directly minimize an individual’s evaluation of status distances between individuals in a group (Tyler & Blade, 2000, 2003). By decreasing perceptions of status distance, a favorable climate for diversity can overcome barriers to voice by freeing women and minorities from the self-consciousness and doubts about self-competence associated with low status that discourage participatory behaviors. Furthermore, stereotype threat is less likely to prevail in supportive diversity climates where employees know that their suggestions will be listened to with respect and evaluated fairly; the dangers of being judged by negative stereotypes associated with one’s racial-ethnic or gender group and possibility that one’s suggestions will conform to the stereotypes of low competence associated these groups, will dissipate. With perceptions of low-competence and stereotype threat no longer an
issue, women and minorities will not be held back from exhibiting voice. Thus, I hypothesize that:

\textit{Hypothesis 5: Diversity climate will moderate the extent of (a) gender and (b) racial-ethnic group differences in perceived voice, such that gender and racial-ethnic differences in voice will be larger (smaller) among personnel in work settings that are less (more) supportive of diversity.}

\textbf{Perceived Voice–Performance/Turnover Link}

\textbf{Performance.} A number of studies have confirmed a positive relationship between voice and performance. Van Dyne and LePine (1998) found that voice accounted for an increase in supervisory ratings of performance. This is in line with research from Anderson and Kilduff (2009b) who determined that individuals who speak up and offer suggestions, and display other dominance behaviors, are perceived as more competent. Dominance behaviors act as signals of competence, with individuals who engage in dominant behaviors being perceived and rated as more competent, even after controlling for actual abilities. Individuals who engage in voice come across as more competent by the very act of speaking up, even if their suggestions are questionable in merit (Anderson & Kilduff, 2009b).

Considering the direct relationship between voice and employee performance, group differences in voice may be the key to understanding group differences in performance, shedding light on the mechanisms responsible for the lower performance among women and minorities, in comparison to Whites and males, that studies show (McKay & McDaniel, 2006; Heilman, 2001; Roberson & Block, 2001). By removing obstacles that prevent women and minorities from
engaging in voice, this may reduce gender and racial-ethnic disparities in contributory behaviors.

_Hypothesis 6: Perceived voice will be positively related to employee performance._

**Voluntary Turnover.** The decreased propensity of women and minorities to engage in voice as a result of status dynamics among members of their group likely contributes to the higher turnover rates among women and minorities (Hom et al., 2008; McKay et al., 2007). Through voice, women and minorities can communicate the reasons for their dissatisfaction with an organization as well as suggestions for improvement. Voice has been cited as an alternative to exit, with the assumption that failure to elicit voice from employees will prevent an examination and improvement of the underlying causes of employee dissatisfaction, causing them to leave (Hirschman, 1970; Withey & Cooper, 1989). An organization’s failure to address suboptimal conditions experienced by minorities and women will likely lead them to turnover.

_Hypothesis 7: Perceived voice is negatively related to turnover._

**Relative Human Capital and Diversity Climate as Moderators of the Mediated Race/Gender-Performance/Turnover Relationships**

Based on the arguments provided in the prior hypotheses, I propose that relative human capital and diversity climate moderate not only the relationship between low-status and performance and turnover, but also the mediated relationship between gender, race-ethnicity, and voice. More specifically, women and minorities, who are high in human capital relative to others in their store, are likely to report more voice, leading them to better performance and lower turnover.
Likewise, supportive diversity climates are likely to enable women and minorities to engage in more voice, leading them to perform better and be less likely to turnover.

*Hypothesis 8: Relative human capital will moderate the mediated relationships between race and (a) performance and (b) turnover.*

*Hypothesis 9: Diversity climate will moderate the mediated relationships between race and (a) performance and (b) turnover.*

*Hypothesis 10: Relative human capital will moderate the mediated relationships between gender and (a) performance and (b) turnover.*

*Hypothesis 11: Diversity climate will moderate the mediated relationships between gender and (a) performance and (b) turnover.*

In this study I don’t make a distinction between performance and performance evaluation, the subjective versus objective facets of performance. While such a distinction may be valuable, considering that different processes may be responsible for these two types of evaluations, I believe that the topic of study does not lend itself to a clear distinction between the two. With the exception of a few more objective types of performance, such as sales of products sold, as may be the case in retail or sales roles, performance lends itself to being subjective in nature, considering that researchers are typically only able to gauge it from the perspectives of organizational informants. The lines become even more blurry in instances where the evaluation of performance is notably susceptible to bias. Managers, who are typically responsible for evaluation of performance, tend to be of the dominant white majority (Ilgen & Youtz, 1986). Biases can influence both their evaluation of performance and their actions toward women and minorities, which
can result in treatment discrimination (Roberson & Block, 2001, p. 260). Treatment discrimination can result in real performance differences (Roberson & Block, 2001), such as in the instance of managers giving disparaged individuals fewer resources that may be vital to performance. In this instance, even relatively objective measures of performance, such as sales of products sold, are susceptible to bias. In further confirmation of my approach, McKay and McDaniel (2006) found similar racial-ethnic effect sizes for subjective and objective performance criteria between black and white racial groups.
METHOD

Sample

The sample consists of sales employees working for a large, national retailer with stores located throughout the United States. Participants completed a Web-based survey where gender and ethnicity were self-identified. The sample consists of 43,015 employees employed 781 retail store units. The racial composition includes 71% Caucasians, 13% African Americans, 12% Hispanics, and 3% Asians, while females comprised 87% of the sample. The average organizational tenure was 6.87 years.

Measures

Perceived Voice. Perceived voice was measured using a three-item, five-point Likert scale, with responses ranging from (1) strongly agree to (5) strongly disagree. Items include, “My ideas and opinions count,” “My supervisor takes action on my ideas and concerns,” and “I am comfortable suggesting new ways of doing things in my store.” Higher scores represent employees’ perceptions that they have greater voice within the organization.

Relative Human Capital. Relative human capital was operationalized as the deviation score of each employee’s organizational tenure from the mean organizational tenure of the store at which they worked. Positive values indicate that the employee’s tenure exceeds the store’s average whereas negative values indicate the employees’ tenure is less than the store average.

Diversity Climate Perceptions. Diversity climate perceptions were measured using a four item scale from McKay et al., 2008. Scale items included “I
trust [the Company] to treat me fairly,” “[the Company] maintains a diversity
friendly environment,” “[the Company] respects the views of people like me,” and
“Top leaders demonstrate a visible commitment to diversity.” Items were assessed
using a five-point Likert scale, with responses ranging from (1) strongly agree to (5)
strongly disagree. High scores represent associates’ individual-level perceptions
that diversity is highly valued in their organization.

To justify aggregating individual employees’ diversity climate perceptions to
the store level, I examined several aggregation statistics. These included within-
group agreement (rwg(j); (Lindell & Brandt, 1997) and intraclass correlations 1 and
2 (ICC1 and ICC2) statistics (Klein & Kozlowski, 2000). ICC1 refers to the amount of
store-unit variance in diversity climate perceptions, ICC2 refers to the reliability
climate perceptions across stores, while rwg refers to interrater agreement in
diversity climate perceptions within store units. The mean rwg(j) was .54, with a
range from .45 to .65. Kozlowski and Klein (2000) stated that there are no firm
cutoffs for within-group agreement, only rules-of-thumb. Suggested cutoffs for
within-group agreement vary from .60 (James, 1982) to .70 (Kozlowski & Klein,
2000). While my value of .54 falls slightly below the suggested values, the full range
of rwg(j) values ranges from -1 to +1, which suggests that my distribution leans
toward agreement.

The values of ICC1, indicating amount of store-unit variance in diversity
climate perceptions, was .03 (range = .01 to .36). Although ICC1 value indicates 3%
between-unit variance in diversity climate, results indicate that this portion of the
variance is significant (F = 3.857, p<.001). According to Bliese (2000), ICC(1) values
tend to be small, ranging from .05 to .12. ICC2 value, indicating reliability of diversity climate across stores, was equal to .74. ICC(2) surpassed the .70 standard, which suggests reliable variation in diversity climate perceptions between stores. In sum, I felt justified aggregating employees’ diversity climate perceptions to the store-level (Klein & Kozlowski, 2000).

**Performance Rating.** Performance rating data was assessed from HR department records. Performance was rated on a scale from 1 to 5 (1=well below expectations, 2= below expectations, 3= meets expectations, 4=above expectations, 5= well above expectations).

**Voluntary Turnover.** Turnover was assessed from the HR department records. Turnover was coded dichotomously as 0 = remained and 1 = exited.

**Employee race-ethnicity.** Employee self-ethnicity was self-identified during the hiring process and stored in an archival data set that was linked to survey responses. Race-ethnicity was coded in reference to the focal group (e.g., Black, Hispanic, Asian) coded 1 with non-focal group (Whites) coded 0.

**Employee sex.** Employee sex was coded 0=men and 1=women.

**Controls**

A number of statistical controls were included in the analysis to minimize their confounding influence on the results. Headcount was controlled for as previous research has shown a negative relationship between group size and group member attitudes, behaviors (Asch, 1956), and voice (LePine & Van Dyne, 1998). Managerial race and sex composition at the store level, measured as percentage minority and women, were controlled due to their relationship with individual
employee performance (Elvira & Cohen, 2001; Joshi et al., 2006). Store unit and region were controlled as territory is likely correlated to employee sales performance. Four region dummy codes were constructed and labeled as the region of interest (i.e., 0 = all other regions, 1 = region of interest), with Northeast serving as the hold-out region. Additionally, performance was controlled for in analyses on turnover as the two are known correlates (Griffeth, Hom, & Gaertner, 2000; Williams & Livingstone, 1994).

Analysis

Hierarchical linear modeling (HLM) will be used to examine the nested structure of our data (Raudenbush & Bryk, 2002). HLM is the appropriate technique because it allows simultaneous analysis of both individual-level and store-level effects on individual outcomes within nested data, which is not possible using conventional ordinary least squares (OLS) regression. The data present a two-level structure relating to variation between individual employees (e.g., race, gender, and relative organizational tenure; Level 1) and variation between store-level characteristics (standard deviation of store-level organizational tenure, diversity climate; Level 2). Given previous findings of a relationship between individual-level climate and outcomes (e.g., McKay et al., 2007), I included diversity climate measures at both the individual- and store-level in the analysis (McKay et al., 2008).

LISREL 8.30 (Jöreskog & Sörbom, 1993) was used to conduct confirmatory factor analysis, testing a two-factor model of diversity climate perceptions and perceived voice. To examine model fit, I used chi-square, comparative fit index (CFI), and root mean error of approximation (RMSEA). A nonsignificant chi-square, CFI
values of .90 or more, and a RMSEA of .08 or less (Bentler, 1990; Browne & Cudeck, 1989) constitute acceptable fit. The two-factor model showed robust fit with the data ($\chi^2 = 3,250.13$, $p<.001$; CFI=.984; RMSEA=.078). A one-factor model, with diversity climate perceptions and voice loaded on the same factor, fit the data marginally ($\chi^2=4,002.37$, $p<.001$; CFI=.981, RMSEA=.083), yet a chi-square difference test ($\chi^2_{\text{Model2}} - \chi^2_{\text{Model1}}/\text{df Model2} - \text{df Model1} = ((4,002.37 - 3,250.13)/(14-13))$ confirmed the superiority of the two-factor model (critical value $\chi^2=10.85$, $p<.001$; obtained value $\chi^2=752.24$).
RESULTS

Means, standard deviations, and correlations between variables at the individual level are reported in Table 1, and variables at the retail store level are reported in Table 2. I now turn to HLM results pertaining to Hypothesis 1-11.

For all analyses, all continuous variables were grand-mean centered (Hoffmann and Gavin, 1998). Gamma coefficients ($\gamma$) reported in HLM results are interpreted similarly to unstandardized beta weights in ordinary least squares regression. To assess model fit, deviance was used, with lower values indicating better model fit.

**Hypothesis 1**

Hypothesis 1 predicted mean racial-ethnic and gender differences in performance ratings, such that Whites and males would receive significantly higher performance ratings than their (H1a) female and (H1b) racial-ethnic minority counterparts. Prior to analysis, the null model was assessed for justification of the use of HLM (or two-level analysis). The null model revealed a significant store (Level 2) effect on performance ($\chi^2=3,809.81$, df=780, $p<.001$), hence justifying the use of HLM2. The main effects of race and gender on performance, as well as relevant controls, are reported in Table 3, Model 1. The main effects HLM2 Model 1 provided significantly better fit than the null model ($\Delta \chi^2=4,194.83$, df=14, $p<.001$) and accounted for significant variation in performance ($\chi^2=3,409.69$, df=772, $p<.001$). Results provide partial support only for Hypothesis 1b. Whites received significantly higher performance ratings (Mean=3.51) than Black employees ($\gamma= -0.14$, $p<.001$; Mean= 3.37). Whites received significantly higher performance ratings
(Mean=3.50) than Hispanic employees (γ = -.06, p < .001; Mean = 3.43). Asians received higher performance ratings than Whites, but the result was not significant (γ = .01, p = .63). Contrary to hypothesis 1a, women (γ = .07, p < .001; Mean = 3.50) received significantly higher performance ratings than their male counterparts (Mean = 3.43).

Psychological perceptions of a friendly diversity climate (Level 1) had a significant, positive main effect on performance ratings (γ = .044, p < .001). These findings suggest that friendly diversity climates are associated with higher attainment of performance ratings among all employees. Store-unit diversity climate (Level 2) (γ = .125, p < .01) also had a significant main effect on individual performance ratings, indicating that aggregate diversity climate perceptions at the store level exerted a significant, positive effect on individual performance ratings in addition to the effects of psychological diversity climate perceptions of individuals.

**Hypothesis 2**

Hypothesis 2 predicted mean racial-ethnic and gender differences in turnover, such that (H2a) females and (H2b) racial-ethnic minority counterpart would be significantly more likely to turnover than their White male counterparts. Prior to analysis, the null model was assessed for justification of the use of HLM (or two-level analysis). The null model revealed a significant store (Level 2) effect on turnover ($\chi^2 = 82.65$, df = 780, p < .001), hence justifying the use of HLM2. The main effects of race and gender on turnover, as well as relevant controls, are reported in Table 4, Model 1. Model 1 accounted for significant variation in turnover ($\chi^2 = 1,325.35$, df = 772, p < .001). Results did not support Hypotheses 2a and 2b.
Blacks ($\gamma = -0.20, p < 0.001; \text{Mean} = 0.78$) and Asians ($\gamma = -0.36, p < 0.001; \text{Mean} = 0.75$) were significantly less likely to turnover than their White (Mean = 0.81) counterparts. Hispanics were also less likely to turnover than Whites, but not at a significant level ($\gamma = -0.005, p = 0.09$). Women ($\gamma = -0.87, p < 0.001, \text{Mean} = 0.79$) were also significantly less likely to turnover than men (Mean = 0.90).

Psychological perceptions of a friendly psychological diversity climate (Level 1) had a significant, negative main effect on voluntary turnover ($\gamma = -0.181, p < 0.001$). These findings suggest that friendly psychological diversity climates perceptions are associated lower voluntary among all employees. In contrast, store-unit diversity climate (Level 2) ($\gamma = -0.041, p = 0.67$) was not a significant predictor of turnover at the individual level.

**Hypothesis 3**

Hypothesis 3 predicted mean racial-ethnic and gender differences in perceived voice, such that Whites and males reported higher perceptions of voice than their (H3a) female and (H3b) racial-ethnic minority counterparts. Prior to analysis, the null model was assessed for justification of the use of HLM (or two-level analysis). The null model revealed a significant store (Level 2) effect on voice ($\chi^2 = 2,492.94, \text{df} = 780, p < 0.001$), hence justifying the use of HLM2. The main effects of race and gender on voice, as well as relevant controls, are reported in Table 5, Model 1. The main effects HLM2 Model 1 provided significantly better fit than the null model ($\Delta \chi^2 = 32,323.73, \text{df} = 15, p < 0.001$) and accounted for significant variation in voice ($\chi^2 = 1,232.18, \text{df} = 772, p < 0.001$). Hypothesis 3a and 3b were not supported; Blacks ($\gamma = 0.07, p < 0.001; \text{Mean} = 3.64$), Hispanics ($\gamma = 0.07, p < 0.001; \text{Mean} = 3.57$), and
Asians ($\gamma=.09, p<.001; \text{Mean}=3.67$) reported significantly higher perceptions of voice than White personnel ($\text{Mean}=3.58$). Likewise, female employees ($\gamma=.02, p<.05; \text{Mean}=3.58$) reported significantly higher voice perceptions than male employees ($\text{Mean}=3.56$).

Psychological perceptions of a friendly diversity climate (Level 1) had a significant, positive main effect on voice perceptions ($\gamma=.744, p<.001$). These findings suggest that friendly diversity climates are associated with higher perceptions of voice among all employees. Store-unit diversity climate (Level 2) ($\gamma=.072, p<.05$) also had a significant main effect on voice perceptions, indicating that aggregate diversity climate perceptions at the store level also exerted a significant, positive effect on individual voice perceptions in addition to the effects of psychological diversity climate perceptions of individuals.

**Hypothesis 4**

Hypothesis 4 predicted that relative organizational tenure will moderate the extent of (a) sex and (b) racial-ethnic group differences in reported propensity to exhibit voice, such that gender and racial-ethnic differences in voice will be larger (smaller) among personnel who have lower (higher) organizational tenure relative to their colleagues. Results are presented in Table 5, Model 2. The two-way interactions Model 2 did not provide significantly better fit than the main effects model ($\chi^2=8.67, df=4, p=.07$), but accounted for significant variation in voice ($\chi^2=1,233.43, df=772, p<.001$). Lack of significance in Black-White, Hispanic-White, and Asian-White interactions with relative organizational tenure that were added to the model in this step was likely responsible for the two-way interaction model's
failure to account for an improvement in fit. Hypothesis 4 was not supported; as mentioned in Hypothesis 3a and 3b, women and minorities actually reported higher perceived voice than White and male counterparts. Relative organizational tenure moderated gender differences in voice perceptions, as illustrated by the significant gender x relative organizational tenure interaction terms ($\gamma = .003$, $p < .05$). Follow-up simple slopes analyses indicated that sex differences in voice favoring women, in comparison to men, were significantly larger for personnel with high relative organizational tenure ($\gamma = .51$, $p < .001$; Female Mean = 3.345, Male Mean = 3.296; Mean difference = .05) than for those with low organizational tenure ($\gamma = .06$, $p < .05$; female Mean = 3.2571; Male Mean = 3.2506, Mean difference = .01). The interaction term is depicted graphically in Figure 1.

Black-White ($\gamma = .001$, $p = .33$), Hispanic-White ($\gamma = -.002$, $p = .13$), Asian-White ($\gamma = .00$, $p = .80$) differences in voice did not vary by relative organizational tenure.
**Hypothesis 5**

Hypothesis 5 predicted that diversity climate perceptions will moderate the extent of (a) gender and (b) racial-ethnic group differences in voice perceptions, such that gender and racial-ethnic differences in voice will be larger (smaller) among personnel in work settings that are less (more) supportive of diversity. Results are presented in Table 5, Model 3. The cross-level interaction HLM2 Model 3 did not provide significantly better fit than the two-way interaction Model 2 ($\chi^2 = 2.57, df=4, p>.05$), but accounted for significant variation in voice ($\chi^2=1,239.72, df=772, p<.001$). Hypothesis 5 was not supported as women and minorities actually exhibited a higher propensity to engage in voice than males and Whites, as per Hypothesis 3a and 3b. Furthermore, as shown in Table 5, there were no significant
Hypothesis 6

Hypothesis 6 predicted that there is a positive relationship between voice and employee performance. Hypothesis 6 is supported ($\gamma = .09, p < .001$) since employees who felt they had more voice perceptions earned higher performance ratings than those who expressed lower voice perceptions.

Hypothesis 7

Hypothesis 7 predicted that there is a negative relationship between voice and turnover. Hypothesis 7 is not supported, as those who felt they had more voice were significantly more likely to turnover ($\gamma = .11, p < .01$).

Hypothesis 8 through 11

Hypothesis 8 stated that relative organizational tenure will moderate the mediated relationship between race and (a) performance and (b) turnover. To determine whether moderated mediation occurred, I checked to see if the significant interactions between the moderator and the independent variable on the outcome of interest would be attenuated in significance by the addition of the mediator (voice) to the model. Section 3 of Tables 3 and 5 present results with the addition of voice to examine the possibility of moderated mediation for the relevant interactions. The mediation model provided a significantly better fit than the two-way interaction model ($\Delta \chi^2=288.16, df=5, p<.001$) and accounted for significant variance in performance ($\chi^2=3,407.69, df=772, p<.001$). Relative organizational tenure moderated Asian-White mean differences in performance, as illustrated by
the significant Asian x relative organizational tenure ($\gamma=.013, p<.001$) interaction terms. Relative organizational tenure failed to moderate Black-White ($\gamma=.000, p=.99$) and Hispanic-White ($\gamma=.002, p=.37$) mean differences in performance as illustrated by the non-significant interaction terms. Asian-White differences in performance, as a function of relative organizational tenure, were not attenuated to non-significance with the addition of voice ($\gamma=.013, p<.001$) (Baron & Kenny, 1986), thus negating the possibility of moderated mediation. Hypothesis H8a is not supported.

Follow-up simple slopes analyses indicated that for personnel who are low in relative organizational tenure, Asian-White differences in performance disfavor Asians ($\gamma=-.05, p<.01$, White Mean=2.8369, Asian Mean=2.7849; Mean difference=.05). However, for personnel who are high in relative organizational tenure, Asian-White differences in performance favor Asians ($\gamma=.14, p<.001$; Asian Mean=3.4771, White Mean=3.3381; Mean difference=.14). The interaction term is depicted graphically in Figure 2.
Relative organizational tenure moderated Black-White differences in turnover, as illustrated by the significant Black x relative organizational tenure ($\gamma = -0.019, p < .01$) interaction terms. Relative organizational tenure failed to moderate Asian-White ($\gamma = -0.003, p = .64$) and Hispanic-White ($\gamma = -0.004, p = .70$) differences in turnover, as illustrated by the insignificant interaction terms. Black-White differences in performance, as a function of relative organizational tenure, failed to be attenuated to insignificance with the addition of voice ($\gamma = -0.019, p < .01$) to the model, thus negating the possibility of moderated mediation. Hypothesis H8b is not supported.

Follow-up simple slopes analyses indicated that White-Black differences in turnover likelihood (more likely among Whites) are significantly larger for personnel with high relative organizational tenure ($\gamma = -0.05, p < .05$, White
odds=2.228, Black odds= 1.8468; Odds difference= .3812) than for those with low relative organizational tenure (γ =-.03, p<.05. White odds=2.228, Black odds=2.1269; Odds difference =.1011). The interaction term is depicted graphically in Figure 3.

**Figure 3**
Racial-Ethnic x Relative Organizational Tenure Interaction on Turnover Likelihood (Black–White contrast)

Hypothesis 9 stated that diversity climate perceptions will moderate the mediated relationships between race and (a) performance and (b) turnover. As per discussion in Hypotheses 8a and 8b, voice failed to mediate the relationships between race and performance/turnover. Hypotheses 9a and 9b are not supported.

Hypothesis 10 stated that relative organizational tenure will moderate the mediated relationships between gender and (a) performance and (b) turnover. The significant interaction between sex and relative organizational tenure failed to be
attenuated to insignificance with the addition of voice ($\gamma = .03, p<.05$), thus negating the possibility of moderated mediation. Hypothesis 10a is not supported.

Sex disparities in performance failed to be moderated by relative human capital, thus negating the possibility of moderated mediation. Hypothesis H10b is not supported.

Follow-up analysis has also shown significant female-male disparities in performance as moderated by relative organizational tenure ($\gamma = .01, p<.001$).

Follow-up simple slopes analyses indicated that sex differences in performance favoring women were significantly larger for personnel with high relative organizational tenure ($\gamma = .10, p<.05$; Female Mean = 3.3999, Male Mean = 3.2992; Mean difference = .10) than those with low organizational tenure ($\gamma = .06, p<.05$, Female Mean = 3.002, Male Mean = 2.9454; Mean difference = .06) The interaction term is depicted graphically in Figure 4.

**Figure 4**
Sex x Relative Organizational Tenure Interaction on Performance
Hypothesis 11 stated that diversity climate perceptions will moderate the mediated relationships between gender and (a) performance and (b) turnover. Hypotheses 11a and 11b were not supported as the sex x diversity climate interactions on performance ($\gamma = .16, p = .42$) and turnover ($\gamma = -.14, p = .62$) were non-significant.

**DISCUSSION**

The present study explored mechanisms which may be responsible for overcoming group disparities in performance and turnover among women and minorities by examining the moderating role of relative human capital and diversity climate perceptions at the store level, as well as the mediating role of voice at the individual level. Key findings from this investigation include evidence that (a) sex differences in voice favoring women, in comparison to men, were significantly larger for personnel with high relative organizational tenure than those with low organizational tenure, (b) for personnel who are low in relative organizational tenure, Asian-White differences in performance favor Whites, while for personnel who are high in relative organizational tenure, Asian-White differences in performance favor Asians, (c) White-Black differences in turnover likelihood (higher for Whites) are larger for personnel with high relative organizational tenure than for those with low relative organizational tenure, and (d) sex differences in performance favoring women were significantly larger for personnel with high relative organizational tenure than those with low organizational tenure.
Research Implications

A key contribution of this study is the merging of status characteristics and expectation states theory with the literature on human capital to achieve a better understanding of overcoming status-based disparities. Delving beyond individual outcomes associated with group membership, this study answers calls in the literature for examining the influence of other individual attributes that impact social processes within group contexts (Jackson, Joshi, & Erhardt, 2003). Specifically, this study shows possession of disproportionately high human capital, embodied as relative organizational tenure, to be responsible for mitigating perceptions of incompetence. Status characteristics and expectation states theory suggests that status is allocated to group members based on their perceived ability to contribute to the group’s goals (Cuddy et al., 2008; Ridgeway, 1991). Due to biased perceptions of incompetence (Heilman, 2001; Ridgeway, 2001), women and minorities are initially assigned lower status. However, status perceptions can change as perceptions of competence change (Anderson & Kilduff, 2009a; Bendersky & Shah, 2012). I hypothesized that high relative organizational tenure, and the longer experience and better knowledge of one’s work duties and responsibilities that it entails, will mitigate perceptions of incompetence for women and minorities by increasing the perceptions of the value of their contributions. Results confirm the hypothesis by showing that women and Asians who have attained high organizational tenure are able to attain higher performance ratings, which are indicative of competence.
My study underscores that membership in a low status group need not be associated with irrevocably negative outcomes that hinder disparaged individuals from contributing; possession of high relative organizational tenure has been associated with attainment of higher performance ratings, higher perceptions of voice, and lower turnover among individuals of a lower status. These results are in line with the literature on subtyping, which suggests that people who possess traits that are somehow distinct from the social category which they are a part of are perceived and treated differently than the rest of the individuals within their social group (Clausell & Fiske, 2005; Kunda & Oleson, 1995; Mendoza-Denton, Park, & O’Connor, 2008). By increasing the status they have in their store, high levels of organizational tenure overcome perceptions of incompetence that are associated with membership in a lower status group. By overcoming perceptions of incompetence that are associated with membership in a lower-status group, high levels of organizational tenure increase the status attributed to disparaged individuals within their store. Higher accepted perceptions of competence free individuals of a disparaged group from stereotype threat (Steele, 1997), or fear of confirming negative stereotype through their actions. No longer concerned with appearing incompetence, women and minorities can make freely suggestions and contribute in the organization.

Interestingly, women in this sample received significantly higher performance ratings than men, which was contrary to my hypothesis. While women are typically stereotyped as less competent and less assertive than men (Heilman, 2001; Ridgeway, 2001), which has negative implications for performance, the
findings are not surprising for a retail setting. Retail is a profession which has been historically dominated by women (Bradley, 1989; Broadbridge, 1991) and is gendered as female (Pettinger, 2005). Considering the value of female attributes, such as warmth, social sensitivity, helpfulness, and service-orientation (Eagly & Mladinik, 1989, Fiske et al., 2007; Rudman, Moss-Racusin, Phelan, & Nauts, 2012) in these types of positions, it is plausible that women’s performance may be rated more highly in this sample.

Possession of higher relative human capital (i.e., organizational tenure) in relationship to the store’s mean consistently helped improve performance ratings and propensity to engage in voice more for women than for men. The predominantly female sample, which is comprised of 87% females, may have been responsible for these results as it more difficult to find significance in smaller sample sizes. Theories of composition and similarity attraction may also shed light on the positive outcomes for females in association with their higher representation in this work setting. Kanter’s (1977) seminal work on proportional representation theory suggests that women’s experiences at work, as well as their performance, improve as their representation increases. Similarity attraction theory suggests that individuals are attracted to and prefer to interact with similar others (Byrne, 1971), which leads women to experience their work environment more positively when they work with other women. Alternatively, being in a numerical minority in the workplace is associated with less positive workplace experiences (Kanter, 1977).

Men, who comprise a minority in this sample, are not able to interact with similar others and may experience less positive experiences overall than women in this
type of work environment. An environment that is more favorable to women in comparison to men may be responsible for the higher performance ratings and perceptions of voice, as well as the stronger influence high relative human capital is able to exert on performance ratings and perceptions of voice for women in comparison to men.

Of the three groups of minorities, Asians with higher relative human capital exhibited significantly higher organizational performance than Whites, even while comprising only 4% of the sample. These findings are in line with Asians being perceived as a “model minority,” a group that tends to do well both educationally and economically in the US society (Ho & Jackson, 2001, Wong, Lai, Nagasawa, & Lin, 1998). As a model minority, Asians are stereotyped as being intelligent, capable, ambitious, hard-working, skillful, and self-disciplined, traits which all fall in the domain of competence (Cuddy et al., 2007; Fiske et al., 2002; Lin et al., 2005). Considering that perceptions of competence, intelligence, and hard-work play into evaluations of performance, the possibility of Asians receiving higher performance ratings in comparison to White counterparts is a reasonable one.

Women and minorities were more likely to exhibit voice than their White and male counterparts, which is contrary to hypothesis. A reputation for a supportive diversity climate in the organization in which the study was conducted may have been responsible for these results. The organization in which this study was conducted has been recognized as one of the “Top 50 Companies for Diversity” by Diversity, Inc. magazine. This type of a supportive climate was likely responsible
for encouraging all employees to engage in voice as well as providing a fair
evaluation and support for the ideas expressed.

This study has established a positive main effect of voice perceptions on
performance. While earlier studies have suggested that engaging in voice leads to
higher evaluation of an individual’s performance by increasing perceptions of
competence (Stamper & Van Dyne, 2001), my study suggests that the very
perceptions by individuals that they have voice can have positive effect on their
performance. Considering that women and minorities may be more hesitant to
express voice in order to avoid stereotype threat, or fear of confirming negative
biases associated with their group (Roberson, Deitch, Brief & Block, 2003),
perceptions of voice can be particularly consequential.

Also contrary to my hypothesis, Hispanics, Asians, and women
were less likely to turnover than their White and male counterparts. Similarly,
Blacks with high organizational tenure were less likely to turnover than their White
counterparts. Being in a supportive environment is particularly valuable for
individuals of a disparaged status (McKay et al., 2008; Singh et al., 2013; Volpone et
al., 2012), who are likely to have experienced bias and less favorable treatment in
other workplaces. Cognizant of the possibility of less supportive environments
diversity climates in other organizations, and working for an organization that has a
reputation for being diversity friendly, women and minorities are not likely to be
motivated to seek employment elsewhere. The decision to turnover is based not
only on the desirability of the current position, but also on the perceptions of
alternative opportunities in the labor market (Simon & March, 1958). It is possible
that women and minorities perceive few viable alternatives in the market, and thus choose to remain with their present organization.

**Practical Contributions**

This study underscores the benefits associated with employee retention, particularly among women and minorities. Longer organizational tenure enables employees to expand their human capital by gaining organizationally relevant knowledge, skills and abilities. Organizational tenure is associated with increased employee contributions. For women and minorities, high organizational tenure is especially valuable because it enables them to increase their contributions to the organization, in the form of voice, performance and lower turnover, at disproportionately high rates than it enables men and minorities to increase these types of contributory behaviors. Retention of women and minorities is also important because not only will retaining women and minorities enable employers to benefit from their contributions at a present point in time, but it will also enable employers to benefit from even greater contributions from women and minorities in the future, as their contributions only increase with greater tenure.

Turnover costs can be sizable, and range from 93% to 200% of the leaver’s yearly salary, depending on his or her skillset and level of responsibility (Cascio, 2000). Considering that turnover is more frequent among women and minorities (Hom et al., 2008), reducing turnover among these groups will likely be associated with a substantial cost savings.
Limitations and Future Research

Several limitation of my study should be noted. First, the study was conducted in a single, large U.S. retail organization with multiple stores. My findings may not be generalizable to other industries, firms that are less female dominated, or other types of positions. Future research is needed to determine if similar patterns of findings will emerge in other settings and for employees occupying different roles.

This study has relied on a measure of voice perceptions that has not been used in other studies. Despite this, confirmatory factor analysis has showed the measure to be robust and reliable as evidenced by acceptable CFI, RMSEA values, as well as a non-significant chi-square. Future studies can examine the validity of this construct in their samples.

While the current study focused on voice as a behavior through which an individual may contribute to the organization, but be discouraged from engaging in to avoid perceptions of stereotype threat, there are other contributory behaviors which may have similar effects. For example, feedback-seeking has been shown to be associated with higher creative performance and effectiveness ratings (Ashford & Tsui, 1991; Stobbeleir, Ashford & Buyens, 2011), and allows individuals to benefit the organization through the correction of misguided behaviors (Erez, 1977; Vroom, 1964) Despite these benefits, the impression management costs associated with feedback-seeking (Ashford & Cummings, 1983) can deter stigmatized individuals from engaging in feedback seeking in order to avoid impressions of incompetence. Considering the relationship between performance and feedback-seeking, as well as
the possibility of experiencing stereotype threat in pursuit of this behavior, examination of feedback-seeking, as well as other mechanisms which may be responsible for mitigation disparities in contribution, may be fruitful.

While relative organizational tenure was the focus of the present study, future studies may examine other types of individual characteristics that can improve outcomes for employees who belong to disparaged groups, including an investigation of the effect of different forms of human capital, such as education.

CONCLUSION

The present study sought to explore mechanisms which may be responsible for overcoming group disparities in performance and turnover among women and minorities compared to males and Whites. Study results showed that sex differences in voice favoring women, in comparison to men, were significantly larger for personnel with high relative organizational tenure than those with low organizational tenure. For personnel who are low in relative organizational tenure, Asian-White differences in performance favored Whites, while for personnel who are high in relative organizational tenure, Asian-White differences in performance favored Asians. White-Black differences in turnover favoring Whites are stronger for personnel with high relative organizational tenure than for those with low relative organizational tenure. Sex differences in performance favoring women were significantly larger for personnel with high relative organizational tenure than those with low organizational tenure. These findings underscore that membership in a low status group need not be associated with irrevocably negative outcomes for all members of a given group; possession of high organizational tenure relative to
coworkers can mitigate negative outcomes for individuals who have attained this form of human capital.
BIBLIOGRAPHY


Blau, F. D., & Kahn, L. M. 2007. The gender pay gap have women gone as far as they can? The Academy of Management Perspectives, 21(1), 7-23.


### TABLE 1
Mean, Standard Deviations, and Intercorrelations Between Study Variables at Level 1

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**Correlation is significant at the .01 level (2-tailed)
*Correlation is significant at the .05 level (2-tailed)

### TABLE 2
Mean, Standard Deviations, and Intercorrelations Between Study Variables at Level 2

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**Correlation is significant at the .01 level (2-tailed)
*Correlation is significant at the .05 level (2-tailed)
TABLE 3
Hierarchical Linear Modeling Results for Group Differences in Performance

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<tr>
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<td>Asian</td>
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<td><strong>Level 1 Interactions</strong></td>
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<td>-.040*</td>
<td>-.040*</td>
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<td>West</td>
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<td>.022</td>
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N (Level 1)=43,015, N (Level 2)=781. HLM2 analysis was used and data entries represent fixed effects \( \beta \).

* \( p < .05 \), ** \( p < .01 \), *** \( p < .001 \).

Caucasians served as the hold-out racial-ethnic group. Northeast served as the hold-out group for region.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
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N (Level 1)=43,015, N (Level 2)=781. HLM2 analysis was used and data entries represent fixed effects $\gamma$. Model deviance indexes the degree of model fit, with lower numbers indicative of better fit.

* indicates $p < .05$, ** indicates $p < .01$, *** indicates $p < .001$.

Caucasians served as the hold-out racial-ethnic group. Northeast served as the hold-out group for region.
### TABLE 5

**Hierarchical Linear Modeling Results for Group Differences in Voice**

<table>
<thead>
<tr>
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<th>Model 3</th>
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<td>0.091***</td>
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</tr>
<tr>
<td>South</td>
<td>0.007</td>
<td>0.010</td>
<td>0.009*</td>
</tr>
<tr>
<td>Central</td>
<td>-0.023*</td>
<td>-0.021*</td>
<td>-0.021*</td>
</tr>
<tr>
<td>West</td>
<td>0.009</td>
<td>0.013</td>
<td>0.013</td>
</tr>
<tr>
<td>% Minority managers</td>
<td>0.016</td>
<td>0.016</td>
<td>0.016</td>
</tr>
<tr>
<td>% Female managers</td>
<td>-0.002</td>
<td>-0.002</td>
<td>-0.002</td>
</tr>
<tr>
<td>Headcount</td>
<td>0.000</td>
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<td>0.000</td>
</tr>
<tr>
<td>Diversity Climate</td>
<td>0.072*</td>
<td>0.074*</td>
<td>0.080</td>
</tr>
<tr>
<td>Organizational Tenure</td>
<td>0.005</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Level 1 x Level 2 Interactions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black x Diversity Climate</td>
<td></td>
<td></td>
<td>-0.021</td>
</tr>
<tr>
<td>Hispanic x Diversity Climate</td>
<td></td>
<td></td>
<td>-0.078</td>
</tr>
<tr>
<td>Asian x Diversity Climate</td>
<td></td>
<td></td>
<td>-0.039</td>
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<tr>
<td>Sex x Diversity Climate</td>
<td></td>
<td></td>
<td>0.009</td>
</tr>
</tbody>
</table>

N (Level 1)=43,015, N (Level 2)=781. HLM2 analysis was used and data entries represent fixed effects $\gamma_f$.

* $p < .05$, ** $p < .01$, *** $p < .001$.

Caucasians served as the hold-out racial-ethnic group. Northeast served as the hold-out group for region.
Figure 5
Theoretical Model

Diversity Climate Perceptions

Race/Gender

Voice

Performance Turnover

Relative Organizational Tenure

Store-level

Individual-level