**Online Supplements:**

**Scale Validity Check and Supplemental Analyses**

 Supplementing our main analysis, we made efforts to address potential methodological concerns and demonstrate the robustness of our findings. In this document, we present validity evidence for our scales and supplemental analyses that address control variable usage, omitted variable concerns, and statistical power.

**Content Validity Check for Scale Items**

 Given the potential content overlap in items measuring inclusion in decision making (one dimension of organizational climate for inclusion), environmental scanning, and knowledge management capacity, we followed Anderson and Gerbing’s (1991) and Colquitt et al.’s (2019) approach and used an item-sorting task to examine the content validity of these scale items.

 **Participants.** We recruited our sample from Amazon’s Mechanical Turk (MTurk). In line with prior content validation research (Colquitt et al., 2019), participants who were eligible for our study needed to be employed, be residing in the United States, and have completed 500 tasks through the system with at least a 95% approval rate. We paid each MTurker $3 for their participation. Participants completed this item-sorting task in an online questionnaire hosted on Qualtrics. Before participating in our study, all potential participants were assured that their participation was voluntary and that their responses would be kept confidential and used for research purposes only. To ensure the quality of our data, we included three attention checks wherein participants were instructed to sort the item into a particular concept (e.g., “for this item, please select environmental scanning”). In total, 150 participants returned completed questionnaires, and 105 of them (70%) passed all the three attention checks. Among the 105 participants, 36.2% were female. They had an average age of 37.87 years (*SD* = 9.65) and an average organizational tenure of 7.10 years (*SD* = 5.22).

 **Procedures.** The questionnaire comprises two sections. In the first section, we provided a detailed instruction regarding the procedure of completing an item-sorting task. Guided by the best practice recommended by Colquitt et al. (2019), a practice quiz was provided at the end of the first section to ensure that participants understood the instruction. The focal item-sorting task was presented in the second section of the questionnaire. Specifically, we first provided definitions of the three constructs. *Inclusion in decision making* was defined as “the extent to which employees’ insights and inputs are actively sought and included in decision making in an organization”. *Environmental scanning* was defined as “the extent to which an organization gathers information from the external environment”. *Knowledge management capacity* was defined as “an organization’s capability of capitalizing on the knowledge and expertise resided in employees via knowledge acquisition, knowledge sharing, and knowledge application”. After reading the definitions, participants were presented with the 18 items measuring the three constructs, including 4 items for inclusion in decision making from Nishii (2013), 6 items for environmental scanning adapted from Ferreras-Méndez et al. (2015) and Jansen et al. (2005), as well as 8 items for knowledge management capacity adapted from Chen and Huang (2009) (see Table S1 for details about the items). Participants were instructed to select one of the three constructs that each item can be best categorized into.

 **Results.** Proportion of substantive agreement (*psa*) and substantive validity coefficient (*csv*) for each item are summarized in Table S1. We calculated the *psa* and the *csv* for each item using the formula from Anderson and Gerbing (1991). Specifically, *psa* was the proportion of participants who sorted the item into the corresponding construct that this item was designed to measure (i.e., the correct category); *csv* was the proportion of participants who sorted the item into the correct category minus the maximum proportion of participants who sorted the item into any other wrong category. Thus, the possible range was 0 to 1 for a *psa* statistic and -1 to 1 for a *csv* statistic. A higher *psa* and a higher *csv*for an item indicate that the item was more frequently sorted into the correct category by participants, supporting the content validity for the corresponding measure.

As shown in Table S1, the only item that did not have a good content validity was the sixth item measuring environmental scanning (i.e., “We periodically organize special meetings to acquire new information”). The *psa* for this item was .13 and the *csv* was -.58. A possible reason for this poor correspondence was that a key definitional feature for environmental scanning was its emphasis on the *external* environment, whereas this item did not explicitly specify whether information was acquired externally. Because of the theoretical misfit and the low content validity scores, this item was excluded from all of our analyses. Among the remaining 17 items, the *psa* values ranged from .81 to .95, and the *csv* values ranged from .69 to .92. According to the overall evaluation criteria from Colquitt et al. (2019), these results provided “strong” or “very strong” evidence for content validity of the three scales.

**Differentiating Knowledge Management Capacity and Absorptive Capacity**

It is worth pointing out that knowledge management capacity differs from absorptive capacity. Whereas knowledge management capacity focuses on the ability of the organization to leverage extant knowledge resided in employees, absorptive capacity refers to the ability of the organization to effectively assimilate and use external new knowledge (Matusik & Heeley, 2005). Therefore, examining knowledge management capacity as the mediating mechanism aligns better with the synergy perspective that we adopt to study inclusive climate. This is supported by additional data from 380 HR managers, who were a random sample of Society for Human Resource Management (SHRM) members located in the United States. Employee absorptive capacity was measured with five items adapted from Matusik and Heeley (2005). An example item was “Employees in this workplace possess competence to absorb new knowledge.” The Cronbach’s alpha was .89. The correlation between knowledge management capacity and employee absorptive capacity was moderately high (*r* = .63), suggesting that they are related but distinct constructs. When these two constructs were entered in the regression simultaneously to predict incremental innovation, the coefficients of knowledge management capacity (*B* = .31, *SE* = .08, *p* < .001) and absorptive capacity (*B* = .22, *SE* = .05, *p* < .001) were both positive and significant. When these two constructs were entered in the regression simultaneously to predict radical innovation, the coefficient of knowledge management capacity was significant (*B* = .30, *SE* = .10, *p* = .002), but the coefficient of absorptive capacity was not (*B* = .03, *SE* = .05, *p* = .56).

**A Robustness Check that Excluded Control Variables**

 As a robustness check, we reran the analysis by excluding all control variables. When doing so, our findings and conclusions were similar to the ones reported in our main text. For details, please refer to Table S2.

**A Robustness Check Using Organizations without Missing Values at Time 2 and Time 3**

 We performed a robustness check by only including the 89 organizations without missing values at Time 2 and Time 3. When doing so, our findings and conclusions were similar to the ones reported in our main text. Please refer to Table S3 for details.

**Addressing Endogeneity Concerns Associated with Potentially Omitted Variables**

 Although we sought to be as comprehensive as possible for the inclusion of control variables, the potential existence of omitted variables is still a concern. Following recent strategy research (Busenbark et al., 2021; Gamache & McNamara, 2019; Hill et al., 2019; Hubbard et al., 2017), we assessed the extent to which a potentially omitted confound variable could substantially bias the studied relationship between organizational climate for inclusion and knowledge management capacity by calculating the impact threshold of a confounding variable (ITCV; Frank, 2000). The ITCV was .202. That is, to invalidate the inference and overturn the current finding, the product of the correlation between the omitted variable and organizational climate for inclusion and the correlation between the omitted variable and knowledge management capacity needs to be over .202. Among our control variables, the one with the highest product score was the manufacturing industry (product score = .007). This suggests that a potentially omitted variable needs to be 28.9 times stronger than any of the control variables included in this study to overturn the finding. Thus, assuming that a reasonable set of control variables were included, our result was not likely driven by a correlated omitted variable (Hubbard et al., 2017).

 In addition, to assess the robustness of our conclusion, especially in terms of guarding against the endogeneity bias due to non-random treatment assignment (which is susceptible to the impact of omitted variables and is a common problem with non-experimental research), we carried out the procedure recommended by Frank et al. (2013) to assess the robustness of inference to replacement (RIR) for the finding based on Rubin’s causal model (Rubin, 1974). The RIR result showed that, to invalidate the inference based on our Hypothesis 1 testing result, 45.4% of our observations (46 cases) would have to be replaced with cases for which the effect of organizational climate for inclusion is zero. This large percentage of case replacement threshold suggests that it was quite unlikely that our result was mainly driven by endogeneity bias (Frank et al., 2013).

**Observed Power Analysis**

We calculated the cumulative probability of finding significance, following the recommendation of Bliese and Wang (2020). As Bliese and Wang (2020) explained, this method offers a way to understand observed power by using the original statistics (*t* value and sample size in particular) to show how significant results vary with respect to cumulative probabilities of being significant. Assuming a .05 alpha level cutoff and based on the *t* values indicated by the main analysis, the observed power for the main effect of inclusive climate on knowledge management capacity was 95%. The observed power for the effects of knowledge management capacity on incremental and radical innovation was 99.5% and 99%, respectively. The observed power for the two-way interaction between inclusive climate and age diversity on knowledge management capacity was 74% and for the two-way interaction between inclusive climate and regional diversity on knowledge management capacity was 61%. Lastly, the observed power for the three-way interaction effect on knowledge management capacity was 85%. Overall, our sample has acceptable observed power for detecting the studied effects.

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**Table S1**

*Content validity evidence for inclusion in decision making, environmental scanning, and knowledge management capacity*

|  |  |  |
| --- | --- | --- |
| **Items a** | *psa* | *csv* |
| ***Inclusion in decision making*** |  |  |
| 1. In this organization, employee input is actively sought.
 | .92 | .88 |
| 1. In this organization, everyone’s ideas for how to do things better are given serious consideration.
 | .95 | .92 |
| 1. In this organization, employees’ insights are used to rethink or redefine work practices.
 | .89 | .79 |
| 1. Top management exercises the belief that problem-solving is important when input from different roles, ranks, and functions is considered.
 | .92 | .86 |
| ***Environmental scanning*** |  |  |
| 1. This organization observes in detail external sources of new information and new technologies.
 | .95 | .92 |
| 1. This organization frequently scans the environment for new information and technologies.
 | .87 | .76 |
| 1. This organization thoroughly observes information and technological trends in the environment.
 | .88 | .81 |
| 1. This organization obtains information on the state-of-art of external technologies.
 | .81 | .69 |
| 1. This organization thoroughly collects external information and technologies via different means.
 | .81 | .70 |
| 1. This organization periodically organizes special meetings to acquire new information. a
 | .13 | -.58 |
| ***Knowledge management capacity*** |  |  |
| 1. In this organization, knowledge was obtained from employees.
 | .85 | .74 |
| 1. In this organization, knowledge was obtained from customers.
 | .82 | .66 |
| 1. In this organization, knowledge was obtained from partners.
 | .86 | .77 |
| 1. In this organization, knowledge was shared between supervisors and subordinates.
 | .89 | .78 |
| 1. In this organization, knowledge was shared between colleagues.
 | .93 | .88 |
| 1. In this organization, knowledge was shared between units.
 | .90 | .81 |
| 1. This organization effectively managed knowledge for practical use.
 | .94 | .91 |
| 1. This organization effectively utilized knowledge and put it into practical use.
 | .93 | .89 |

a Excluded from analyses due to the low content validity.

**Table S2**

*Supplemental analysis: Unstandardized and standardized path modeling results without control variables*

|  |  |
| --- | --- |
|  | Model 1 |
| Variable | Knowledge management capacity |  | Incremental innovation |  | Radical innovation |
|  | *Estimate* | *SE* |  | *Estimate* | *SE* |  | *Estimate* | *SE* |
| Intercept | 4.00\*\* | (8.42\*\*) | .05 | (.64) |  | 1.43\*\* | (2.38\*\*) | .48 | (.92) |  | .16 | (.20) | .66 | (.80) |
| Organizational climate for inclusion (OCI) | .30\* | (.26\*) | .13 | (.11) |  | .03 | (.02) | .15 | (.10) |  | .32 | (.16) | .20 | (.10) |
| Age diversity (AD) | -.29 | (-.10) | .36 | (.12) |  | .54 | (.14) | .41 | (.11) |  | -.18 | (-.03) | .58 | (.11) |
| Gender diversity (GD) | .55 | (.11) | .54 | (.11) |  | -.39 | (-.06) | .63 | (.10) |  | -1.88\* | (-.22\*) | .87 | (.10) |
| Regional diversity (RD) | .11 | (.04) | .39 | (.13) |  | -.41 | (-.11) | .45 | (.12) |  | 1.08 | (.20) | .63 | (.12) |
| Environmental scanning (ES) | -.06 | (-.08) | .08 | (.11) |  | .10 | (.11) | .09 | (.09) |  | .06 | (.05) | .12 | (.10) |
| Environmental uncertainty (EU) | -.03 | (-.09) | .04 | (.11) |  | .04 | (.08) | .04 | (.10) |  | .08 | (.14) | .06 | (.10) |
| Knowledge management capacity |  |  |  |  |  | .64\*\* | (.51\*\*) | .12 | (.08) |  | .72\*\* | (.41\*\*) | .16 | (.09) |
| *R2* | .09 |  | .28 |  | .32 |
| AIC | 508.04 |
| Sample-size adjusted BIC | 438.13 |
|  |  |
|  | Model 2 |
| Intercept | 3.96\*\* | (8.46\*\*) | .04 | (.64) |  | 1.89\*\* | (3.16\*\*) | .59 | (1.09) |  | -.00 | (-.00) | .82 | (.99) |
| Organizational climate for inclusion (OCI) | .20 | (.18) | .12 | (.11) |  | -.11 | (-.08) | .16 | (.11) |  | .20 | (.10) | .22 | (.11) |
| Age diversity (AD) | .10 | (.03) | .33 | (.11) |  | .59 | (.16) | .41 | (.11) |  | -.27 | (-.05) | .58 | (.11) |
| Gender diversity (GD) | .44 | (.09) | .48 | (.10) |  | -.50 | (-.08) | .63 | (.10) |  | -2.21\* | (-.26\*) | .89 | (.10) |
| Regional diversity (RD) | .21 | (.07) | .34 | (.11) |  | -.28 | (-.07) | .45 | (.12) |  | 1.00 | (.19) | .64 | (.12) |
| Environmental scanning (ES) | -.06 | (-.09) | .07 | (.10) |  | .10 | (.11) | .09 | (.10) |  | .03 | (.03) | .12 | (.10) |
| Environmental uncertainty (EU) | -.01 | (-.02) | .04 | (.11) |  | .02 | (.04) | .05 | (.10) |  | .09 | (.15) | .06 | (.11) |
| ES × EU | -.01 | (-.02) | .06 | (.11) |  | .10 | (.14) | .08 | (.11) |  | .01 | (.01) | .11 | (.11) |
| OCI × EU | .15 | (.22) | .09 | (.13) |  | .06 | (.06) | .11 | (.12) |  | .20 | (.16) | .16 | (.13) |
| OCI × AD | 2.10\* | (.26\*) | .94 | (.12) |  | -1.20 | (-.11) | 1.26 | (.12) |  | -1.54 | (-.11) | 1.78 | (.12) |
| OCI × GD | -2.89 | (-.17) | 2.02 | (.12) |  | 2.08 | (.09) | 2.67 | (.12) |  | -.77 | (-.03) | 3.74 | (.12) |
| OCI × RD | 3.45\*\* | (.35\*\*) | 1.14 | (.12) |  | 2.39 | (.19) | 1.69 | (.14) |  | -1.38 | (-.08) | 2.43 | (.14) |
| OCI × ES | .20 | (.11) | .21 | (.11) |  | -.06 | (-.02) | .26 | (.11) |  | -.09 | (-.03) | .38 | (.11) |
| Knowledge management capacity |  |  |  |  |  | .52\*\* | (.41\*\*) | .15 | (.11) |  | .76\*\* | (.43\*\*) | .21 | (.11) |
| *R2* | .37 |  | .35 |  | .34 |
| AIC | 505.46 |
| Sample-size adjusted BIC | 425.94 |

*Note.* *N* = 102. \* *p* < .05, \*\* *p* < .01, two-tailed. Standardized results are presented in parentheses.

**Table S2**

*Supplemental analysis: Unstandardized and standardized path modeling results without control variables (continued)*

|  |  |
| --- | --- |
|  | Model 3 |
| Variable | Knowledge management capacity |  | Incremental innovation |  | Radical innovation |
|  | *Estimate* | *SE* |  | *Estimate* | *SE* |  | *Estimate* | *SE* |
| Intercept | 3.95\*\* | (8.50\*\*) | .04 | (.64) |  | 1.80\*\* | (3.00\*\*) | .61 | (1.11) |  | .33 | (.40) | .85 | (1.04) |
| Organizational climate for inclusion (OCI) | .20 | (.18) | .12 | (.11) |  | -.12 | (-.08) | .16 | (.11) |  | .24 | (.12) | .22 | (.11) |
| Age diversity (AD) | .11 | (.04) | .31 | (.11) |  | .58 | (.15) | .41 | (.11) |  | -.30 | (-.06) | .60 | (.12) |
| Gender diversity (GD) | .65 | (.14) | .48 | (.10) |  | -.59 | (-.10) | .65 | (.11) |  | -1.90\* | (-.22\*) | .93 | (.11) |
| Regional diversity (RD) | -.01 | (-.00) | .35 | (.12) |  | -.20 | (-.05) | .48 | (.12) |  | .69 | (.13) | .71 | (.13) |
| Environmental scanning (ES) | -.12 | (-.17) | .07 | (.10) |  | .13 | (.14) | .09 | (.10) |  | -.04 | (-.03) | .13 | (.11) |
| Environmental uncertainty (EU) | -.04 | (-.12) | .04 | (.11) |  | .04 | (.08) | .05 | (.11) |  | .06 | (.10) | .07 | (.12) |
| ES × EU | -.00 | (-.00) | .06 | (.11) |  | .10 | (.13) | .08 | (.11) |  | .00 | (.00) | .11 | (.11) |
| OCI × EU | -.01 | (-.01) | .12 | (.17) |  | .14 | (.15) | .14 | (.16) |  | .06 | (.05) | .20 | (.16) |
| OCI × AD | 1.54 | (.19) | .94 | (.11) |  | -.99 | (-.09) | 1.28 | (.12) |  | -2.15 | (-.15) | 1.91 | (.13) |
| OCI × GD | -2.53 | (-.15) | 1.99 | (.12) |  | 1.86 | (.08) | 2.66 | (.12) |  | -.82 | (-.03) | 3.80 | (.12) |
| OCI × RD | 3.37\*\* | (.35\*\*) | 1.12 | (.12) |  | 2.34 | (.19) | 1.69 | (.14) |  | -1.18 | (-.07) | 2.52 | (.15) |
| OCI × ES | .06 | (.03) | .21 | (.11) |  | .00 | (.00) | .27 | (.11) |  | -.25 | (-.08) | .40 | (.12) |
| OCI × ES × EU | .39\* | (.34\*) | .18 | (.16) |  | -.20 | (-.14) | .23 | (.16) |  | .45 | (.22) | .34 | (.16) |
| Knowledge management capacity |  |  |  |  |  | .55\*\* | (.43\*\*) | .15 | (.11) |  | .67\*\* | (.38\*\*) | .21 | (.12) |
| *R2* | .40 |  | .36 |  | .35 |
| AIC | 503.67 |
| Sample-size adjusted BIC | 422.55 |

*Note.* *N* = 102. \* *p* < .05, \*\* *p* < .01, two-tailed. Standardized results are presented in parentheses.

**Table S3**

*Supplemental analysis: Unstandardized and standardized path modeling results (N = 89)*

|  |  |
| --- | --- |
|  | Model 1 |
| Variable | Knowledge management capacity |  | Incremental innovation |  | Radical innovation |
|  | *Estimate* | *SE* |  | *Estimate* | *SE* |  | *Estimate* | *SE* |
| Intercept | 3.66\*\* | (7.76\*\*) | .22 | (.80) |  | 1.85\*\* | (3.08\*\*) | .56 | (1.04) |  | .56 | (.68) | .73 | (.89) |
| Control variables |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Manufacturing | .18 | (.17) | .18 | (.18) |  | -.53\* | (-.41\*) | .23 | (.17) |  | -.63\* | (-.35\*) | .29 | (.16) |
|  Finance | .24 | (.16) | .22 | (.14) |  | -.33 | (-.16) | .28 | (.14) |  | -.27 | (-.10) | .34 | (.13) |
|  Wholesale trade | .37 | (.12) | .33 | (.10) |  | -.40 | (-.10) | .40 | (.10) |  | -.75 | (-.13) | .50 | (.09) |
|  Retail trade | .27 | (.16) | .23 | (.14) |  | -.26 | (-.12) | .29 | (.14) |  | -.39 | (-.14) | .37 | (.13) |
|  Service | .06 | (.06) | .20 | (.19) |  | -.28 | (-.21) | .25 | (.19) |  | -.48 | (-.26) | .32 | (.18) |
|  Transportation and utilities | .62\*\* | (.38\*\*) | .23 | (.14) |  | -.41 | (-.20) | .31 | (.15) |  | -.13 | (-.05) | .40 | (.14) |
|  Organizational age | .00 | (.09) | .00 | (.13) |  | .00 | (.08) | .00 | (.12) |  | .00 | (.07) | .01 | (.12) |
|  Organizational size | -.02 | (-.07) | .04 | (.15) |  | -.05 | (-.14) | .06 | (.15) |  | -.04 | (-.07) | .07 | (.14) |
|  Functional diversity | -.82\* | (-.29\*) | .37 | (.13) |  | -.68 | (-.19) | .51 | (.14) |  | -1.20 | (-.24) | .64 | (.13) |
|  Private | .06 | (.07) | .15 | (.16) |  | .04 | (.03) | .19 | (.16) |  | .00 | (.00) | .24 | (.14) |
|  State-owned | .17 | (.15) | .20 | (.18) |  | -.06 | (-.04) | .25 | (.18) |  | .11 | (.06) | .31 | (.16) |
|  Foreign | .50\* | (.30\*) | .20 | (.12) |  | .23 | (.11) | .26 | (.12) |  | -.86\*\* | (-.30\*\*) | .32 | (.11) |
|  Single-site organization | .02 | (.02) | .13 | (.11) |  | -.04 | (-.03) | .15 | (.11) |  | .04 | (.02) | .19 | (.10) |
| Predictors |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Organizational climate for inclusion (OCI) | .46\*\* | (.38\*\*) | .13 | (.10) |  | .06 | (.04) | .17 | (.11) |  | .29 | (.14) | .21 | (.10)  |
|  Age diversity (AD) | -.80\* | (-.29\*) | .37 | (.14) |  | .86 | (.25) | .55 | (.16) |  | -.06 | (-.01) | .70 | (.15) |
|  Gender diversity (GD) | -.05 | (-.01) | .57 | (.11) |  | .18 | (.03) | .73 | (.11) |  | -1.92\* | (-.21\*) | .92 | (.10) |
|  Regional diversity (RD) | .52 | (.17) | .48 | (.16) |  | -.23 | (-.06) | .72 | (.19) |  | 1.83\* | (.34\*) | .84 | (.16) |
|  Environmental scanning (ES) | -.10 | (-.15) | .08 | (.12) |  | .18 | (.21) | .11 | (.13) |  | .10 | (.09) | .13 | (.11) |
|  Environmental uncertainty (EU) | -.07\* | (-.22\*) | .04 | (.11) |  | .03 | (.08) | .05 | (.11) |  | .07 | (.12) | .06 | (.10) |
|  Knowledge management capacity |  |  |  |  |  | .63\*\* | (.49\*\*) | .14 | (.10) |  | .73\*\* | (.42\*\*) | .17 | (.10) |
| *R2* | .32 |  | .38 |  | .50 |
| AIC | 2009.09 |
| Sample-size adjusted BIC | 1713.52 |

*Note.* *N* = 89. \* *p* < .05, \*\* *p* < .01, two-tailed. Standardized results are presented in parentheses.

**Table S3**

*Supplemental analysis: Unstandardized and standardized path modeling results (N = 89) (continued)*

|  |  |
| --- | --- |
|  | Model 2 |
| Variable | Knowledge management capacity |  | Incremental innovation |  | Radical innovation |
|  | *Estimate* | *SE* |  | *Estimate* | *SE* |  | *Estimate* | *SE* |
| Intercept | 3.81\*\* | (8.07\*\*) | .22 | (.79) |  | 1.97\*\* | (3.27\*\*) | .68 | (1.21) |  | .19 | (.22) | .88 | (1.07) |
| Control variables |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Manufacturing | .05 | (.05) | .17 | (.17) |  | -.67\*\* | (-.52\*\*) | .21 | (.16) |  | -.60\* | (-.34\*) | .28 | (.16) |
|  Finance | .32 | (.20) | .21 | (.13) |  | -.43 | (-.22) | .27 | (.14) |  | -.15 | (-.05) | .35 | (.13) |
|  Wholesale trade | .38 | (.12) | .29 | (.09) |  | -.35 | (-.09) | .36 | (.09) |  | -.57 | (-.10) | .48 | (.09) |
|  Retail trade | .13 | (.08) | .22 | (.13) |  | -.37 | (-.17) | .27 | (.13) |  | -.39 | (-.14) | .36 | (.12) |
|  Service | -.02 | (-.02) | .18 | (.17) |  | -.38 | (-.29 | .23 | (.17) |  | -.48 | (-.26) | .31 | (.17) |
|  Transportation and utilities | .37 | (.22) | .25 | (.15) |  | -.96\*\* | (-.46\*\*) | .33 | (.16) |  | -.41 | (-.14) | .43 | (.15) |
|  Organizational age | .00 | (-.04) | .00 | (.13) |  | .00 | (.08) | .00 | (.13) |  | .01 | (.13) | .01 | (.12) |
|  Organizational size | .01 | (.04) | .04 | (.13) |  | -.07 | (-.18) | .05 | (.14) |  | -.08 | (-.16) | .07 | (.13) |
|  Functional diversity | -.40 | (-.14) | .38 | (.14) |  | -1.02\* | (-.28\*) | .50 | (.14) |  | -2.12\*\* | (-.43\*\*) | .66 | (.14) |
|  Private | -.04 | (-.04) | .14 | (.15) |  | .13 | (.10) | .17 | (.14) |  | .12 | (.08) | .23 | (.14) |
|  State-owned | .25 | (.23) | .18 | (.17) |  | -.14 | (-.10) | .24 | (.17) |  | .10 | (.05) | .31 | (.16) |
|  Foreign | .32 | (.20) | .18 | (.11) |  | .24 | (.12) | .23 | (.11) |  | -.78\* | (-.27\*) | .31 | (.11) |
|  Single-site organization | -.03 | (-.02) | .13 | (.12) |  | -.11 | (-.08) | .16 | (.12) |  | .23 | (.12) | .21 | (.11) |
| Predictors |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Organizational climate for inclusion (OCI) | .39\*\* | (.33\*\*) | .13 | (.11) |  | -.19 | (-.13) | .17 | (.11) |  | .26 | (.12) | .23 | (.11) |
|  Age diversity (AD) | -.30 | (-.11) | .38 | (.14) |  | 1.25\*\* | (.36\*) | .48 | (.14) |  | .03 | (.01) | .66 | (.14) |
|  Gender diversity (GD) | .04 | (.01) | .56 | (.11) |  | .32 | (.05) | .73 | (.11) |  | -2.69\*\* | (-.30\*\*) | .97 | (.11) |
|  Regional diversity (RD) | .76 | (.26)  | .42 | (.14) |  | -.10 | (-.03) | .60 | (.16) |  | 2.29\*\* | (.44\*\*) | .76 | (.15) |
|  Environmental scanning (ES) | -.10 | (-.16) | .08 | (.11) |  | .31\*\* | (.37\*\*) | .10 | (.12) |  | .14 | (.12) | .14 | (.12) |
|  Environmental uncertainty (EU) | -.05 | (-.14) | .04 | (.11) |  | .04 | (.09) | .05 | (.11) |  | .09 | (.15) | .06 | (.11) |
|  ES × EU | -.02 | (-.03) | .07 | (.12) |  | -.06 | (-.09) | .09 | (.12) |  | -.09 | (-.09) | .12 | (.12) |
|  OCI × EU | .08 | (.11) | .10 | (.14) |  | .16 | (.17) | .13 | (.13) |  | .25 | (.19) | .17 | (.13) |
|  OCI × AD | 2.54\*\* | (.33\*\*) | .94 | (.13) |  | -3.83\*\* | (-.39\*\*) | 1.29 | (.14) |  | -2.05 | (-.15) | 1.79 | (.13) |
|  OCI × GD | -3.60 | (-.20) | 2.00 | (.11) |  | 1.46 | (.06) | 2.70 | (.12) |  | -5.60 | (-.17) | 3.67 | (.11) |
|  OCI × RD | 2.80\* | (.29\*) | 1.24 | (.13) |  | 3.41 | (.28) | 1.80 | (.15) |  | -2.46 | (-.15) | 2.43 | (.14) |
|  OCI × ES | .23 | (.12) | .22 | (.11) |  | -.20 | (-.08) | .29 | (.12) |  | .26 | (.08) | .40 | (.12) |
|  Knowledge management capacity |  |  |  |  |  | .63\*\* | (.50\*\*) | .16 | (.12) |  | .76\*\* | (.43\*\*) | .20 | (.12) |
| *R2* | .51 |  | .53 |  | .57 |
| AIC | 2006.94 |
| Sample-size adjusted BIC | 1699.36 |

*Note.* *N* = 89. \* *p* < .05, \*\* *p* < .01, two-tailed. Standardized results are presented in parentheses.

**Table S3**

*Supplemental analysis: Unstandardized and standardized path modeling results (N = 89) (continued)*

|  |  |
| --- | --- |
|  | Model 3 |
| Variable | Knowledge management capacity |  | Incremental innovation |  | Radical innovation |
|  | *Estimate* | *SE* |  | *Estimate* | *SE* |  | *Estimate* | *SE* |
| Intercept | 3.87\*\* | (8.20\*\*) | .22 | (.78) |  | 1.87\* | (3.11\*) | .74 | (1.29) |  | .56 | (.68) | .97 | (1.18) |
| Control variables |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Manufacturing | .01 | (.01) | .16 | (.16) |  | -.66\*\* | (-.51\*\*) | .21 | (.17) |  | -.61\* | (-.34\*) | .29 | (.16) |
|  Finance | .23 | (.14) | .20 | (.13) |  | -.41 | (-.20) | .27 | (.14) |  | -.15 | (-.06) | .35 | (.13) |
|  Wholesale trade | .32 | (.10) | .27 | (.09) |  | -.33 | (-.08) | .36 | (.09) |  | -.56 | (-.10) | .48 | (.09) |
|  Retail trade | .03 | (.02) | .21 | (.13) |  | -.33 | (-.16) | .27 | (.13) |  | -.43 | (-.15) | .36 | (.13) |
|  Service | -.05 | (-.05) | .17 | (.17) |  | -.36 | (-.27) | .23 | (.17) |  | -.50 | (-.28 | .31 | (.17) |
|  Transportation and utilities | .28 | (.17) | .24 | (.15) |  | -.93\*\* | (-.44\*\*) | .33 | (.16) |  | -.41 | (-.14) | .44 | (.15) |
|  Organizational age | .00 | (-.06) | .00 | (.12) |  | .00 | (.07) | .00 | (.13) |  | .01 | (.11) | .01 | (.12) |
|  Organizational size | .03 | (.10) | .04 | (.13) |  | -.07 | (-.19) | .05 | (.14) |  | -.07 | (-.13) | .07 | (.13) |
|  Functional diversity | -.29 | (-.10) | .37 | (.13) |  | -1.02\* | (-.29\*) | .51 | (.14) |  | -2.06\*\* | (-.42\*\*) | .68 | (.14) |
|  Private | -.01 | (-.01) | .13 | (.14) |  | .12 | (.10) | .18 | (.15) |  | .14 | (.08) | .23 | (.14) |
|  State-owned | .27 | (.24) | .17 | (.16) |  | -.14 | (-.10) | .24 | (.17) |  | .17 | (.09) | .31 | (.16) |
|  Foreign | .43\* | (.26\*) | .17 | (.11) |  | .20 | (.10) | .24 | (.12) |  | -.70\* | (-.24\*) | .32 | (.11) |
|  Single-site organization | -.08 | (-.07) | .13 | (.11) |  | -.08 | (-.06) | .17 | (.12) |  | .19 | (.10) | .22 | (.11) |
| Predictors |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Organizational climate for inclusion (OCI) | .36\*\* | (.30\*\*) | .12 | (.10) |  | -.19 | (-.12) | .17 | (.12) |  | .28 | (.13) | .23 | (.11) |
|  Age diversity (AD) | -.27 | (-.10) | .35 | (.13) |  | 1.24\*\* | (.36\*) | .48 | (.14) |  | -.07 | (-.02) | .68 | (.14) |
|  Gender diversity (GD) | .57 | (.11) | .57 | (.11) |  | .12 | (.02) | .80 | (.12) |  | -2.42\* | (-.27\*) | 1.04 | (.12) |
|  Regional diversity (RD) | .38 | (.13) | .43 | (.15) |  | .00 | (.00) | .64 | (.17) |  | 2.23\*\* | (.43\*\*) | .81 | (.16) |
|  Environmental scanning (ES) | -.17\* | (-.26\*) | .07 | (.11) |  | .34\*\* | (.40\*\*) | .11 | (.14) |  | .09 | (.08) | .15 | (.13) |
|  Environmental uncertainty (EU) | -.09\* | (-.26\*) | .04 | (.11) |  | .06 | (.13) | .05 | (.12) |  | .07 | (.11) | .07 | (.12) |
|  ES × EU | -.01 | (-.01) | .06 | (.11) |  | -.06 | (-.09) | .09 | (.12) |  | -.08 | (-.08) | .12 | (.12) |
|  OCI × EU | -.16 | (-.21) | .12 | (.16) |  | .24 | (.26) | .17 | (.18) |  | .13 | (.10) | .22 | (.17) |
|  OCI × AD | 1.88\* | (.24) | .95 | (.12) |  | -3.59\*\* | (-.36\*) | 1.35 | (.14) |  | -1.97 | (-.14) | 1.95 | (.14) |
|  OCI × GD | -3.35 | (-.18) | 1.92 | (.10) |  | 1.23 | (.05) | 2.69 | (.11) |  | -6.08 | (-.19) | 3.70 | (.12) |
|  OCI × RD | 3.07\*\* | (.33\*) | 1.18 | (.13) |  | 3.36 | (.28) | 1.84 | (.16) |  | -1.81 | (-.11) | 2.57 | (.15) |
|  OCI × ES | .05 | (.03) | .21 | (.11) |  | -.13 | (-.05) | .31 | (.13) |  | .20 | (.06) | .41 | (.12) |
|  OCI × ES× EU | .54\*\* | (.48\*\*) | .17 | (.15) |  | -.20 | (-.14) | .27 | (.19) |  | .28 | (.14) | .35 | (.18) |
|  Knowledge management capacity |  |  |  |  |  | .65\*\* | (.51\*\*) | .17 | (.13) |  | .66\*\* | (.38\*\*) | .22 | (.13) |
| *R2* | .56 |  | .53 |  | .57 |
| AIC | 2002.15 |
| Sample-size adjusted BIC | 1692.57 |

*Note.* *N* = 89. \* *p* < .05, \*\* *p* < .01, two-tailed. Standardized results are presented in parentheses.