

**Table 7b: Efficiency wages and Supervision**

<i>Whole sample</i>	Turnover					
	B	SE	B	SE		
UNION	-0.446	1.308	0.886	1.350		
z(TRAIN)	-0.879	*	0.532	-0.792	0.545	
z(DIRECT)				0.019	0.609	
Ln(unskilled wage)				-12.360	**	2.860
<b>R<sup>2</sup></b>	<b>0.101</b>		<b>0.171</b>			
Sample size (n)	295		295			

<i>Whole sample</i>	The Effect of Supervision				Does Loyalty Mediate?						
	Direct employee involvement		Ln (Unskilled Wages)		Direct employee involvement		Ln (Unskilled Wages)				
	B	SE	B	SE	B	SE	B	SE			
UNION	-0.069	0.120	0.124	**	0.025	0.055	0.116	0.125	**	0.026	
Direct employee involvement (z) * Nonunion			0.046	**	0.013			0.052	**	0.021	
Direct employee involvement (z) * union			0.015		0.018			0.017		0.014	
Index of mgt. reports of worker loyalty (z) * Nonunion						0.420	**	0.066	-0.009	0.024	
Index of mgt. reports of worker loyalty (z) * Union supervisors/worker	-1.168	*	0.372	-0.211	*	0.113	0.346	**	0.100	0.001	0.017
F-test on both loyalty indices (and supv.shpwkr)	5.983	**		4.617	*		27.633	**		0.484	
<b>R<sup>2</sup></b>	<b>0.132</b>		<b>0.525</b>		<b>0.245</b>		<b>0.516</b>				
Sample size (n)	330		317		332		319				

**Note: The coefficients on Direct Employee Involvement do not change by a statistically significant amount when the indices of supervision or of loyalty are added (comparing col. 2 or 4 here and the corresponding regression in Table 5).**