

Synergy From Diversity: Managing the Performance Benefits of Team Diversity



Diversity is an asset. At least it can be if managed well. Which, the evidence suggests, it often isn't. Too many organizations focus on demographic diversity (race, gender, age, etc.) and once they get the numbers "right" consider the job done. But in many situations, there is the need and the potential to go much further, to make a strong business case for diversity management. This involves finding ways to stimulate synergy among diverse employees, thereby capitalizing on their key differences to spur creative decision-making, innovation, and improved performance within teams and, ultimately, organizations. Admittedly, this isn't easy. While there is helpful research, it is difficult to find and often quite technical. In this paper, the authors cut through this morass, taking stock of the available research, consolidating the findings, and identifying key implications for managers and professionals seeking to take the next step in the management of diversity.

Overall, their review led to four broad conclusions. First, contrary to popular belief, evidence on which to base a strong business case for diversity management is limited and equivocal. Second, certain situations are more amenable than others to the effective utilization of diversity; namely those where teams are performing cognitive (i.e., knowledge-based) and complex tasks that require multiple and unique (non-overlapping) informational inputs, as well as varying competencies and viewpoints to meld these inputs into creative and innovative outputs. Third, diversity comes in two interrelated forms – demographics and task-related attributes (primarily knowledge, skills, and abilities and perspectives or points of view). It is necessary to manage both; that is, to mitigate intergroup tensions emanating from biases, stereotypes, and the like, while simultaneously stimulating intergroup interactions that are essential to the successful completion of cognitively complex tasks. Fourth and finally, managing diversity in pursuit of synergy is a two-part process, analogous to producing a play. First you set the stage and then the actors can work their magic.

Setting the Stage - Creating a Climate for Inclusion

The initial challenge lies in creating a climate for inclusion, an environment imbued with positive predispositions toward differences where individuals are respected and valued both for who they are and for the unique insights and capabilities they bring to the organization. This involves a bundle of complementary initiatives:



- Forming a senior management team that is demographically diverse and whose members are tireless champions of demographic diversity and totally committed to the full utilization of task-related differences to attain organizational goals.
- Building a solid foundation of equitable employment practices designed and administered in ways that not only achieve desired levels of diversity, but also fulfill the promise of fair treatment and equal access to resources irrespective of organizational position or status.
- Promoting the integration of differences by creating ongoing opportunities for employees at all levels to interact with one another in informal settings where they can learn about and from one another, openly acknowledge their similarities and differences without fear of negative consequences, and ultimately diminish preconceived biases and stereotypes.
- Practicing inclusive decision-making by actively seeking and integrating employee input pertaining to a wide range of meaningful organizational issues, thus making it clear that such input is essential, valued, and taken seriously, while also providing opportunities to practice creative problem solving and dispute resolution in a diverse environment.
- Assuring alignment between the organization's espoused policies and practices and the day-to-day behaviors of managers and experiences of employees. This requires repeated communication of organizational intentions, efforts to avoid the imposition of unrealistic production goals or deadlines that entice managers to short-change inclusion-related initiatives (which can be time-consuming), and, most important, accountability structures that routinely measure progress on diversity management and pay off for managers only when they excel at both production and inclusion.

Turning the Actors Loose - Managing Diversity to Stimulate Synergy Within Teams

The pursuit of diversity-related synergy takes place at the local level; as noted above, synergistic performance outcomes are most likely within teams working on cognitively complex tasks. A climate for inclusion provides a solid foundation for this work. The organization has a cadre of potential team leaders with demonstrable commitments to diversity and inclusion. These leaders, in turn, can choose team members with the right mix of task-related attributes, knowing that each also embraces appropriate predilections toward differences and has experience in inclusive decision-making.

With the right people in place, it's up to team leaders to apply well-established guidelines for coaxing demographically diverse and multifunctional teams toward innovative outputs. First, by taking time up front to clarify a number of baseline issues, including the team's primary goal(s), team member's major roles and relevant task-related attributes (clarifying who knows what), and the rules of engagement in team deliberations. Next, by guiding team process: actively encouraging a multiplicity of inputs, proactively promoting discussion to assure that all inputs receive full and fair consideration, discouraging the disparagement of ideas and opinions in the interest of psychological safety, pausing from time to time to



assess and consolidate progress, and providing constructive feedback as warranted. And finally, by conducting an after-action review following completion of the team’s task to engage the team in a reflective discussion of what went right, what went wrong, what was learned about how the integration of diverse perspectives was instrumental for the team’s task, and what should be done differently next time around.

Clearly, many organizations should and could do a better job of capitalizing on the full potential of diversity. And as this review shows, there is research available to aid in these efforts. But more is needed. Moving forward, then, as organizations strive to do better job of diversity management they would do well to partner with CAHRS (and perhaps other) researchers in systematic evaluations of their efforts. In the face of additional evidence, perhaps the day will come when diversity is no longer seen as a legal necessity and perhaps a nice thing to do, but rather as an imperative for enhanced organizational performance.

This ResearchBrief by the following three authors is based on "Synergy from diversity: Managing the performance benefits of diversity" due to be published in an upcoming edition of *Behavioral Science and Policy*.



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