

Can diversity help drive performance for your team?

Key Finding: The type of team (e.g. design team, top management etc.) and performance criteria (e.g., innovation, creativity, efficiency etc.) act as moderators between diversity and team performance.

Executive summary

Although the vast amount of articles investigating the negative relationship between team performance and team diversity, the results are somewhat mixed and they offer limited guidance for practitioners. This article tries to address that by incorporating functional- and educational background in addition to more common diversity variables such as race, age, and gender. Moreover, they also investigate moderators to the relationship between team diversity and team performance such as the type of team and the main performance criteria for the teams. Is it a top management team or a product development team? Is the main goal efficiency or innovation for the team?

Why is this important?

Given the task of the team, diversity can either make or break the team.

- A team which is evaluated on innovation and creativity will benefit from having a large pool of knowledge to tap into and should be staffed with employees with various functional- and educational backgrounds.
- A team with the main goal of efficiency on the other hand, should be staffed with employees with long organizational tenure. These employees know how work within the company is carried out, expected behavior, and what processes and procedures the company has in place.

Beware: different types of diversity!

The authors differentiate between diversity in terms of variety and in terms of disparity (high or low concentration or score on a certain dimension).

- Variety diversity is measured by the number of categories present in a team i.e. the spread. More categories equals more diversity.
- Disparity captures vertical differences and inequalities among team members. If efficiency is the performance criteria of a team, then the team benefits from having a high mean, i.e. high concentration, rather than a large spread.

Practical implications and food for thought

Consider what type of diversity will help drive performance. What type of team is it and what is their main performance criteria?

- Staff teams with functional diversity when the task is creativity or innovation.
- Staff teams with employees with long organizational tenure when the task is efficiency

Summary of: Bell, S., Vilado, A., Lukasik, M., Belau, L. and Briggs, A. (2011). Getting Specific about Demographic Diversity Variable and Team Performance Relationships