

HUMAN CAPITAL ANALYTICS GROUP

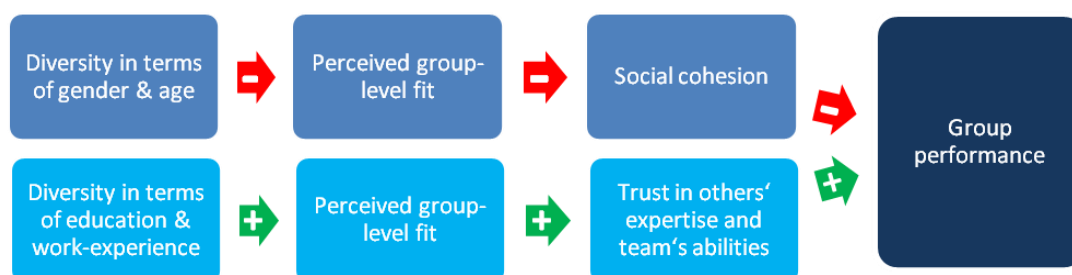
For highest performing teams, reduce gender and age diversity and increase educational background and work-experience diversity

You think that diversity within teams generally has a negative impact on their performance?

If you think diversity is only about age and gender, this might be true. But there are many more forms of diversity: While some inhibit the perceived group-level fit which leads to decreased group-performance, others increase both group-level fit and consequently group performance! This article explains why diversity in terms of gender and age can be problematic, and why differences in educational background and work-experience in contrast can be beneficial.

Traditional diversity theory predicts that employees are more likely to share the same values, goals and attitudes the more similar they perceive themselves in terms of age and gender. In diverse teams, members are attracted by others of the same age and gender. Together, they then form a sub-group within the team. The more sub-groups there are, however, the less likely the team as a whole will pull together: group performance decreases!

But this is only half of the story. When employees with different educational background and work-experience team-up, group performance increases! How come? In such teams, members possess different and specialized expertise. If employees understand that their teammates have individual expertise and if they trust in that expertise, they know how to best share and combine different knowledge, skills and abilities of each member to accomplish the team's tasks. The team as a whole then solves problems more quickly and effectively: group performances increases.



But employees' perceptions and categorization behavior might be more complex than they seem. Interestingly, diverse educational background and work-experience may also be used to create social categories when they are associated with certain values and attitudes. Similarly, a person's age or gender may lead others to form judgments about what skills or knowledge that person possesses.

So how can you best handle diversity in your company? First of all, the article concludes that according to empirical analysis, the positive effect of diversity in terms of educational background and work-experience is actually much stronger than the negative effect of dissimilarities in terms of age and gender. Why is that good to know? Most importantly, whenever you create new teams, make sure that you assemble employees with different, but compatible knowledge, skills and abilities. Secondly, you can try to create a strong feeling of social cohesion by teaming individuals of similar age and same gender. In such teams, members feel supported by and committed to the others, and they also feel that the team possesses the requisite knowledge and skills for the task. Group performance can then increase not only despite, but also because of diversity! "

Summary of: Seong et al. (2012) Person-Group Fit: Diversity Antecedents, Proximal Outcomes, and Performance at the Group Level, *Journal of Management*, published online 25 July 2012