



Diverse Backgrounds and Personalities Can Strengthen Groups

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STANFORD GRADUATE SCHOOL OF BUSINESS — Human resource executives say that diversity in the workplace can have a number of benefits, including improved understanding of the marketplace, enhanced creativity and problem-solving ability in teams, and better use of talent. But social science research is mixed on whether diversity does indeed have a positive effect on work-group performance or not. So what's the story? Is diversity a help or a hindrance?

In a recent article disentangling what researchers have learned over the past 50 years, Margaret A. Neale finds that diversity across dimensions, such as functional expertise, education, or personality, can increase performance by enhancing creativity or group problem-solving. In contrast, more visible diversity, such as race, gender, or age, can have negative effects on a group—at least initially.

However, says Neale, fault lines that emerge as a result of such demographic factors can be parlayed to a group's advantage too.

"In fact, the worst kind of group for an organization that wants to be innovative and creative is one in which everyone is alike and gets along too well," she says. And the key to making nearly any kind of diversity work is managing it well.

"One of the most interesting recent findings in the area of work-team performance," says Neale, the John G. McCoy-Banc One Professor of Organizations and Dispute Resolution, "is that the mere presence of diversity you can see, such as a person's race or gender, actually cues a team in that there's likely to be differences of opinion. That cuing turns out to enhance the team's ability to handle conflict, because members expect it and are not surprised when it surfaces." A more homogeneous team, in contrast, won't handle conflict as well because the team doesn't expect it. "The assumption is that people who look like us think like us, but that's usually just not the case," Neale says.

It's group conflict that actually makes a team function with more of the razor's edge it needs to be innovative. "Of course, we're talking about intellectual conflict, debate, and controversy, not personality conflict," says Neale, who recently coauthored an article with Elizabeth Mannix, a professor of management at Cornell. "A good manager wants to encourage the former but squash the latter."

One ramification of the finding that diversity stirs up the pot in healthy ways is that managers need to rotate the composition of their groups periodically to keep things fresh. But newcomers to the team should be different in some critical way, be it in an area of expertise, level of education, manner of thinking, or some similar dimension. In a study with Katherine Phillips, an associate professor at Northwestern, and Katie Lillenquist, a doctoral student at Northwestern, Neale looked at the impact of newcomers to a group. When the newcomers were socially similar to the team, old team members reported the highest level of subjective satisfaction with the group's productivity. However, when objective standards were measured, they performed the worst on a group problem-solving task. When newcomers were different, the reverse was true. Old members thought the team performed badly, but in fact it accomplished its task much better than the homogeneous group.

"What feels good may not always reflect the performance of the team," Neale explains. "In fact, teams with a very stable membership deteriorate in performance over time because members become too similar in viewpoint to one another or get stuck in ruts."

Diversity

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One rut for individuals is that of continually playing the same role in the group. That's why Neale suggests managers purposefully assign roles such as "devil's advocate," or "cheerleader," and occasionally switch around those roles. "In time, a chronic devil's advocate will simply be ignored, to the detriment of the group," she says. "But if a manager publicly assigns someone else to play that role for a while, that new person initially will be much more influential, even if he or she doesn't do it as well."

Since not all teams have managers insightful enough to make such interventions, Neale recommends that team players consider how they may change their own role spontaneously from time to time to surprise the group and keep it on its toes. "You need to constantly ask yourself: Do I want to be right or do I want to be effective?" she says.

One area in which diversity is absolutely, positively a liability, warns Neale, concerns a group's goals and values. "Conflicts and differences in this area will generally destroy a team," she says. "Managers simply must get team members to be in agreement about what the task is and the values that drive its pursuit." The tone that a manager sets from the very beginning in meetings around a group's mission and values can go a long way toward bridging diversity along both visible and invisible lines.

While it may seem paradoxical, one way to foster cooperation is to create an atmosphere in which dissenting views can be freely aired. "The minority viewpoint, whatever that may be, and whether it comes from a person who looks different or not, needs to be supported," she says.

Also counterintuitive is the idea that "a lot of diversity is better than a little diversity." The worst scenario is one in which a member is seen as a token representative of any given group. In her work studying dynamics of race, Neale, along with her colleagues Katherine Phillips of Northwestern and Gregory Northcraft of University of Illinois, found that three-person teams performed better when each person was a member of a different ethnic or racial group. "Two-on-one scenarios with, say, two Caucasians and an African-American, resulted in poorer performance than when the team comprised a Caucasian person, an African-American person, and an Asian-American person," she says.

Most of the research findings, Neale notes, are unexpected. "You wouldn't necessarily think that the conflict caused by diversity could lead to better performance, or that a team that feels more comfortable with itself in fact underperforms, but that's what studies show," she says. Her most important recommendation to managers? "Pay attention to the research. It will help you figure out whether what you're learning by doing is really the right thing."

—Marguerite Rigoglioso

"What Differences Make a Difference?" **Elizabeth Mannix and Margaret A. Neale**, *Psychological Science in the Public Interest*, Vol. 6, No. 2, 2005.

■ Related Information

"Diverse Groups and Information Sharing: The Effect of Congruent Ties," **Katherine W. Phillips, Elizabeth A. Mannix, Margaret A. Neale, and Deborah H. Gruenfeld**, *Journal of Experimental Social Psychology* (Vol. 40), 2004.

"Why Differences Make a Difference: A Field Study of Diversity, Conflict, and Performance in Workgroups," **Karen A. Jehn, Gregory B. Northcraft, and Margaret A. Neale**, *Administrative Science Quarterly* (Vol. 44), 1999.

"Being Different Yet Feeling Similar: The Influence of Demographic Composition and Organizational Culture on Work Processes and Outcomes," **Jennifer A. Chatman, Jeffrey T. Polzer, Sigal G. Barsade, and Margaret A. Neale**, *Administrative Science Quarterly* (Vol. 43), 1998.

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