Driving team performance through diversity and inclusion

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Burt Rea (Burt): Welcome to the Capital H podcast, where we explore the topics and trends associated with work, the workforce, and the workplace. I'm your host, Burt Rea. Most organizations recognize that diversity and inclusion is a driving force for innovative results and increased productivity in the workplace. In fact, research shows that there's a significant correlation between diverse leadership and greater financial performance.

But as we move out of the C-suite and into the teams that comprise these organizations, how does diversity and inclusion impact results? More specifically, how do the many facets of a diverse workforce come together to drive highly competitive and productive teams?

In this episode, we'll explore answers to these questions with Professor Jennifer Chatman, the Paul J. Cortese Distinguished Professor of Management and a faculty member in the Management of Organizations (MORS) Group at Berkeley Haas School of Business. This is Capital H. Jenny, thank you for joining us today. We're excited to discuss your research and hear your thoughts about diversity and inclusion in teams. Before we get started, could you share a little bit how you define diversity and inclusion, and in the context of your research, what are you focused on, specifically?

Jennifer Chatman (Jenny): Sure. Well, thanks for having me, Burt. I'm excited to be here. I think about diversity as the range of views, mindsets, perceptions, information that you bring to bear on problem-solving. And so it's a pretty broad definition. It includes some of the typical attributes that we think about, the attributes that make up an individual's identity, their gender, their race, their socioeconomic status. It could even be their height and their eye color and their experience, but also it includes a lot of cognitive aspects: how they think, what they know, how they engage in conversations. And because of the wide breadth of attributes associated with diversity, I think it's really important for managers to think carefully on a project-by-project basis about how to bring in different points of view that will shed different kinds of perspectives on the problems that they're trying to solve. So my view is really broad in thinking about diversity.

Burt: I also would love to hear your thoughts on the flip side of that: inclusion. And how do we define that, and what is the measures or indicators of that?

Jenny: Well, I think about a couple of different ways that organizations have approached diversity. One is that they've simply established diversity, meaning that they've hired people who look different from one another. That's great, that's fine. It's not going to get you the benefits of diversity that you will want. And instead, I think a better way of thinking about diversity is really embracing it. And embracing diversity, in my mind, requires creating a set of norms that support people feeling included and important and their perspective feeling valued. Because if they don't, and if they feel it's too risky to put forward a viewpoint, then they're not going to do it, and you're not going to be able to reap the benefits of diversity.

So, there's this distinction between establishing diversity and embracing diversity. And to me, embracing diversity is about inclusion. How are you going to manage teams? What kind of diversity is useful for the task? What are the decision rules that you're going to put in place? What norms are you going to emphasize? These are all the sorts of decisions that you want to make in thinking about inclusion and how to ensure that all voices that are relevant to solving a problem are surfaced and heard and considered.

Burt: Yeah. Well, I agree. I think it's really interesting when we think about inclusion. It's really the expression of our natural human desire to belong, to be part of something bigger than ourselves. And I think, in default, people tend to attach to or feel belonging to obvious markers of inclusion—you know, we both have the same color hair, or we both grew up in the same state—and we're always looking for those connection points. It sounds like what you're saying is, there is a role for leadership to create that sense of belonging, that sense of inclusion within their organization, that supersedes our natural human tendencies to look for default indicators of belonging.

Jenny: So it's a really interesting issue. You've pointed out the different perspectives of the value of belonging and the value of difference. And sort of on the belonging side, you're right that we often look to the most obvious ways that we could belong to a group. And what underlies that is something that social psychologists call the similarity attraction bias. So we like people who are similar to us. If you are asking us to go out and hire people, we're going to look for people who are just like us, because we think we're doing a pretty good job, and we wouldn't mind having lunch with ourselves now and then. So the similarity attraction bias is very, very pervasive in human nature generally. It has to do with kind of an underlying perception of trustworthiness of people that somehow are similar to us in a variety of ways that we perceive, and that we can predict their behavior because we know them.

So the other end of the spectrum is novelty and difference. And there's all this wonderful innovation that can come out of sort of not belonging and feeling different and feeling the tension of not having the same perspective and the same viewpoint. So I think managers want to do two things. One is, they want to promote the value of difference and novelty and prepare people for the possibility that sometimes it's going to feel a little bit uncomfortable, but that discomfort is actually going to be worth it, because they're going to come up with better, more interesting, or more robust solutions than they would have otherwise. And the second thing, though, that managers will want to think about is creating a sense of similarity and belonging, even when the attributes are not obvious. So for example, instead of saying, "Wow, we're all people with brown eyes here," or "We're all people who have grown up in suburban neighborhoods," what you could say instead is, "We're all people here who are extremely motivated to solve this problem. That's what we have in common."

Burt: I think that's brilliant, because what you're saying is, "I'm not going to try to turn off your similarity attraction bias. I'm going to redirect it to a higher purpose." We're all here because we're passionate about serving customers, or we're all here because we're passionate about this dog-grooming business that we have. And then people can grapple or align to that higher purpose that ties to business results. And that, I think, is key to some of the research I saw that you've done in terms of embracing that difference, embracing that diversity leads to better performance. What led you to that conclusion? What findings or investigation did you do to get there?

Jenny: That's a great summary of the point. And it makes me think about one of my more recent studies that I did, which . . . I'm going to start describing it and you're going to scratch your head and say, "What? What? Why did you do that research, and what does it tell us?" This was a study of Himalayan expeditions, and so the question is, what can you learn from these expeditions that would be applicable in business settings? And the answer is, you can learn a lot. So one of the very valuable aspects of Himalayan expeditions is that there are some concrete outcomes that we can look at. One is, you know, did the expedition and the climbers summit, which is the goal of the group. So

the goal is less ambiguous than it often is in many business settings.

And another goal is for people to stay safe, and it's a very treacherous pursuit. So you want to make sure that no one gets injured and, God forbid, no one dies. There's also an incredible data set that allows us to look at the diversity of the expeditions and their outcomes: whether people summit, whether people get injured. So the data set covers all Himalayan expeditions from 1950 all the way to current times. We looked from 1950 to 2015, and we looked at all expeditions that were more than two climbers.

What we found was really interesting. We looked at two different kinds of diversity, which were the two most prominent kinds of diversity in these teams. One is national diversity. Now what you'll think of right away is, well, what does national diversity have to do with climbing skills?

And the answer is, it doesn't have anything to do with it, but it's going to be a salient attribute that people are going to see as an obvious source of similarity among them. So one question is, do we think that the more similar-nationality expeditions are going to have more success than the more different-nationality expeditions, is one question. The second source of diversity that we looked at was expertise or experience. The database tells us how many times a climber has attempted a summit in the Himalayan region, because climbers have to register every time they attempt to climb. And the range of expertise was from zero prior attempts all the way to climbers who had had 16 prior attempts. So the expertise varies quite dramatically.

And now you should ask, well, expertise probably does have something to do with climbing success. If you understand the conditions, and you've acclimated before, you probably have a better sense of perhaps what routes to take or what to do in the face of bad weather. So what we looked at was whether these groups were more or less likely to do well based on the type of diversity that they experienced and the type of culture norms in the team that they developed. So we were able to discern that some expeditions were more collectivistic-oriented, while some expeditions were more individualistically oriented.

By collectivistic-oriented, I mean that they were more cohesive, people were more cooperative with each other, they had more intensive close relationships, and they assumed a kind of level of equality among team members that didn't occur in the more individualistic teams. And the more individualistic teams, people were less presumptuous about equal weighting of perspectives. People were less consensus-oriented. What we found was that when teams were nationally diverse, those who were collectivistically oriented did better. They were more likely to summit, right? And the reason is because that cohesion is beneficial when the attribute on which people differ is not relevant to the task, right?

National diversity has nothing inherently to do with your climbing skill. So collectivism was good at dampening an otherwise not helpful source of diversity in the group that would have pushed people apart, when in fact it was better for them to be together. However, when diversity was based on expertise, teams that were more collectivistic were more likely to have climbers that died. And the reason was because that collectivism overshot the mark. It actually dampened the important diversity that should have been retained so that we could turn to the most expert members in moments where we needed informed decisions on various aspects of the trip.

So that's one study that shows us that first-generation take on diversity. "Let's bring people together, let's ensure that everyone maximizes their sense of comfort, and we're all going to assume that we're interchangeable" is useful when the sources of diversity are not relevant to the task, usually having to do with things like race and gender, which are often not at all relevant to quality decision-making on a task. But when that diversity is based on something like expertise or knowledge or something that is quite relevant to the task, that's where we need to maintain the level of diversity in a sharper focus.

Burt: Interesting. I think there's a lot of . . . probably misconceptions, but the one type of diversity is a proxy for the other type of diversity in terms of "relevant to task" or "not relevant to task." And I wonder if we're mixing our intentions here.

Jenny: Yeah, I think that it's easy for one to become a proxy for another if we're not thinking very deliberately about the kind of diversity that would lend itself to a particular task or a particular project. And I really encourage managers to think very deliberately, when they're pulling a project team together, what kind of diversity would actually be great here?

Burt: So, Jenny, what I hear you saying is that if I bring together a diverse team, but I don't encourage debate and healthy conflict, I may not capture the value of that diversity.

Jenny: That's exactly right. And that's what the research shows. There's a theory in my field, which is called organizational behavior, called the category elaboration model. And it basically says, in the simplest terms, if you have a diverse team, you can't reap the value, leverage the value of that diversity, unless you all still encourage people to engage in debate and surfacing their conflicting views. The problem with diversity is that if people don't feel a sense of belonging and being valued in the group, they're much less likely to take a risk and speak up and provide their honest perspective on something. So that's a real dilemma. And this really is in the hands of leaders to try to create a setting in which both belonging and diversity are simultaneously valued.

Burt: Interesting paradox. So I love the story about the Everest climbers. How have you seen that dynamic play out in a business context in perhaps some of the clients that you've worked with?

Jenny: There are a number of interesting practices I've seen leaders using in trying to maintain this balance and really leveraging the potential of diversity. One of my favorite

practices—which is so simple, but, I think, really powerful—is something I call the rotating devil's advocate. And the rotating devil's advocate, just as it sounds, is a person or set of people in a project or a team who are assigned temporarily the role of criticizing and being the buzzkill of every idea that comes up, being the critical force for it.

The reason that that's important: First, you need a devil's advocate because you always need to look at the contrary side of ideas. You always want to think about the potential vulnerabilities of the ideas that you're coming up with. The rotating part is that you don't want any single person to be viewed as the constant buzzkill, the person who's always negating the ideas that are coming up. Because over time, that person's views will be discounted. And it also mixes up the diversity profile of the group, because you're assigning people in some kind of random order who's going to be the naysayer or have the different point of view. And I think it also gets people in the habit of thinking of what's good about an idea, but also thinking critically about ideas. So that's one that I really like. It's very simple and great to do. Another practice that I've seen is the use of allies in organizations, and I've particularly seen this as valuable with gender issues. So groups, organizations that have perhaps fewer women at higher levels of an organization, where women have observed a variety of challenges to their own ability to perform and contribute. Things that you hear are, for example, a woman would articulate an idea, and no one would acknowledge it, and then a man would say it later and he would get all the credit for it. These are the kinds of familiar stories we hear with gender dynamics in organizations.

And the idea of an allies group is that you have men who are on the lookout for those kinds of moments. And the value is that, you know, men have a kind of established credibility. Historically, they've been the typical group working in organizations. And kind of training men to see these issues and be the ones to raise it kind of relieves women of having to bring these issues up and be viewed as potentially complaining or trying to overclaim credit for something. And it really can help kind of neutralize those gender dynamics and help the whole organization learn about the critical moments where perhaps unconscious bias is most likely to rear its head. So I really liked that practice. And then there are some things that I think are a little bit more indirect, but that get people to be more comfortable with difference and novelty.

I think that the upside of the challenge that we have with something new and different that is uncertain to us and unpredictable to us is reframing that as novelty. Novelty is this sort of great creative aspiration that most people think is really exciting and energizing. And so difference, in some ways, is just like novelty. So in thinking about practices that enable people to take a risk and think innovatively, one of my favorite examples was an organization that developed what they call the golden toilet award. And they created this toilet they spray painted in gold, and the person who had the biggest failure that week got to proudly portray the golden toilet on their desk.

You can see all the ways in which this frees people up to feel more comfortable about taking a risk and the inevitable failure that comes on the other side of that, that you're actually rewarded for that failure. And taking a chance, doing something different, challenging the status quo.

Burt: I love that, "rewarded for failure." And yet, the attempt is the thing that we're rewarding here. I love the naysayer example too. I actually did some work where we were brainstorming how to help an initiative be successful, and how do we manage change, and what are all the things that we need to do to bring the organization along, create communications plans, have leader talking points, and then we turn it around and we ask, "Okay, now put on your saboteur hat; how would you undermine this effort?" And everyone has fun coming up with ways to blow it apart.

So if you think beyond the team dynamic, which is so dependent upon the one leader of that pod or that small project team, zoom out—how can a large organization embrace diversity and inclusion? What's the role of senior leadership in setting that tone?

Jenny: Yeah, super important. I would turn to the notion of innovation and adaptability as being the framing for the value of diversity. I think it's hard to have an interview like this on—what is it, April 10, 2020—without mentioning something about the pandemic that we're in the middle of. And I think what it has shown most business leaders, most organizations, is, when you're faced with a very significant challenge, as we all are right now, you need to reach far and wide for good ideas. And good ideas come often from very unexpected places. People who aren't necessarily in senior positions, who have an angle on a novel problem—this is the novel coronavirus—a novel problem that suddenly becomes incredibly useful.

And unless senior leaders have cultivated a culture in which they are regularly reaching across the organization to call and develop broad, adaptable, innovative ideas using all of the diverse resources that they have in the organization, mainly including the diverse perspectives of their people, it's going to be pretty hard to adapt to any kind of dynamic, competitive industry or environment. I mean, particularly what we're seeing right now. And so that scrappiness, being able to know what kind of intellectual, cognitive idea resources you have throughout the organization, the organizations that know that already and have people throughout the organization who are comfortable putting forth their ideas, with the knowledge that it will be viewed as making a contribution, even if it's not the idea that's implemented or adapted, those are the organizations I believe that are going to do well through this crisis that we're facing.

And so, even though it doesn't say the word "diversity" in it, specifically, the notion of innovation relies inherently on diverse ideas, diverse perspectives. And so I think organizations need to think very, very deliberately in terms of the kind of innovation that they can't even really anticipate and think about, and really how to equip their organization to be ready for that as the dynamics unfold.

Burt: Yeah, it makes me think of the concept of resilience, and that sort of draws on many ingredients, including diversity and challenge and the expectation of success. If you think about the benefits of focusing on diversity, what would you suggest—beyond the idea of innovation and adaptability—what other benefits have you seen in your research that maybe would surprise us?

Jenny: To me, the most surprising finding is that embracing diversity pushes people to get comfortable with conflict. I'm talking about really valuable debates and discussions and looking at things sideways and underneath to really push ideas and formulate the best solutions that we can. And I think the hidden benefit of grappling with diversity over these many years that organizations have been working on it is that we're starting to see people getting more comfortable with conflict, more comfortable with being a little bit uncomfortable, more comfortable with being the only person who has a particular idea and not being so quick to default to consensus when, in fact, the problem requires deeper thinking than that.

Burt: That's interesting. I think it reminds me of any time you've been in a meeting, and it's overly consensus-driven, and people leave the meeting, and out in the hallway, sort of talking under their breath, saying, "Well, that's the dumbest idea I've heard. That will never work." It's like, "Why didn't you raise that point in the meeting?" And now we're proceeding down the wrong path, because somebody who could see a better idea didn't speak up. So I'm a leader, I'm in, I buy this idea of diversity leads to results, diversity drives innovation, promotes change, but my team is stuck in the past. How do I bring them along? How do I overcome objections?

Jenny: Well, I think there are a couple of things you can do to intervene. One is, I think you want to start small with small practices that enable the team to actually see the benefits in action. So for example, you could start with some of these small ideas of talking about the team's process before you jump in and try to solve the problem. You could say, for example, "I'd like to try an experiment. How about if we hear from everybody before we start judging any of the answers or deciding which one is best?" or "How about if we try the rotating devil's advocate," or "How about if we start with an opportunity for you all to get to know something more about a person on the team who you don't know very well."

And you ask some of these facilitation questions where people discover commonalities between them that they hadn't known about before, which builds a level of trust and comfort that then should enable people to be willing to take more of a risk and express a divergent viewpoint. These small interventions can actually be very useful proof points for people to see that it's actually worth engaging in a little bit of discomfort in order to get a better solution. And leaders ought to be ensuring that they publicize the small wins that they get from diverse teams—the times when you know that because of the diversity of the team, you thought of something that the team wouldn't have considered otherwise, and there was some great outcome as a result of that.

When those kinds of things happen, you want to celebrate it. You want to articulate and attribute the causality to the very diversity of the teams so people don't mistake it for something else. And these are the ways to bring people along.

Burt: I like the idea of starting small, and something we talk about in our business we call minimally viable change. What can we do to take baby steps in the direction we want to head? Well, Jenny, I think we're about at our time. Thank you so much for this discussion. It's been really enlightening and insightful. Is there anything that you'd like to share maybe as a wrap-up or a takeaway?

Jenny: I would say . . . I think there's really good news. I think we're beyond sort of first-generation diversity, and most organizations are getting really good at embracing diversity, thinking about inclusion, and really leveraging the value of different perspectives. So my research, and the research in this general domain, looks pretty encouraging. There are still a lot of data points that show we have a ways to go, but I think we're on track, so I'm optimistic.

Burt: That's wonderful to hear. I'm glad that you're seeing progress. Thank you so much for spending this time with us and being part of this episode of Capital H.

Jenny: Thank you, Burt, I really enjoyed it.

Burt: It's widely accepted that diversity and inclusion at the leadership level can give organizations a competitive edge over their peers. Based on what we heard in this episode, it's also clear that today's diverse and inclusive teams are the secret weapon behind an organization's ability to meet the challenges of tomorrow.

Thanks for listening, and thank you to Professor Jennifer Chatman for sharing her research and walking us through the challenges and benefits of leveraging diversity to enhance team performance.

Join us next time on the Capital H podcast as we explore more topics and trends that focus on putting humans at the center of work.

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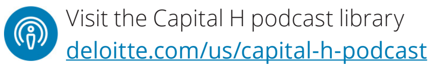
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