Diversity in Teams: A Two-Edged Sword Requires Careful Handling

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The world of work is changing. Increased globalization, greater workforce diversity (at least in North America), and the need to apply a wide variety of skills to increasingly complex jobs has resulted in flatter organizational structures and an increased use of work groups and teams that are demographically and functionally diverse.

Fortunately, diverse teams are more creative and perform better than homogeneous teams— right? After all, it's intuitively obvious that diverse teams can exploit a variety of perspectives and skills. On the other hand, it's also obvious that birds of a feather flock together for a reason: They get along well. Might conflict and miscommunication cause diverse teams—containing birds of different feathers—to perform poorly? Elizabeth Mannix and Margaret A. Neale have reviewed the research on team diversity and have found support for both the positive and the negative effects. They conclude that there are "no consistent main effects for diversity." Instead, they explore the conditions under which diversity affects performance and the reasons for those effects. Some significant conditions may be under the control of managers and team leaders; Mannix and Neale advise them how to exploit the advantages and avoid the disadvantages of diverse teams.

Which effects are observed in research may depend on how diversity is defined, because different operational definitions stimulate and draw attention to different psychological processes. Diversity is sometimes operationalized in terms of factors or types, either dichotomous (e.g., visible vs. nonvisible)

or multifaceted (e.g., race, gender, age, etc.). A second approach focuses on the proportions of minority- and majority-group members, ignoring the factors underlying the division. An integrative approach looks at group faultlines, which are determined by the consistency of majority–minority splits across multiple factors. Mannix and Neale prefer the multifaceted approach and define diversity as "any attribute that another person may use to detect individual differences." The importance of perspective in this definition is consistent with their emphasis on the psychological processes that must underlie any effect of team diversity on performance.

The theoretical arguments for the advantages and disadvantages of diversity in teams mirror the intuitive arguments expressed above. The optimistic view focuses on diverse teams' access to a variety of resources that, if properly exploited, should enhance performance. This work tends to look at functional diversity, which serves as a proxy for diversity in knowledge, skills, information, and expertise. Information processing provides the theoretical basis. The pessimistic view concentrates on affective problems, as predicted by the similarity–attraction paradigm (birds of a feather really do flock together) and by social-categorization and social-identity theories (with the resulting distinction between in-group and out-group). This work typically defines diversity in terms of tenure and social categories such as race and sex.

As one might expect from these incompatible theoretical perspectives and predictions, results are complex and inconsistent. Some types of diversity (e.g., race, gender, and age) are more likely to have negative effects, whereas other types of diversity (e.g., functional background, personality) are more likely to have positive effects, at least when the group process is controlled.

So where does this leave the manager? Should she create diverse teams or homogeneous ones? And what can she do to maximize performance of these teams? Mannix and Neale offer three suggestions. First, diverse teams are likely to be especially appropriate for tasks involving innovation and exploration of new opportunities, whereas homogeneous teams are better for exploitation and implementation of what is already known. Second, special efforts must be made to reduce process problems in diverse teams. Mannix and Neale stress the value of helping the team develop a superordinate identity. Third, steps should be taken to ensure that minority opinions are heard. A broader point is that organizational leaders should develop open organizational cultures that encourage and reward learning and change. Team leaders play a key role in implementing such cultures or at least creating them within the team.

Mannix and Neale have done a fine job of summarizing what is known about the performance of diverse teams and suggesting some practical implications of this knowledge. But one of the clearest conclusions I draw from this review is how much remains to be done. As the authors emphasize, researchers need to integrate theoretical perspectives, measure directly the attributes and mediators thought to play a central role in the input–process–output models, and give greater attention to the role of context (e.g., organizational culture). One can but hope that this review will motivate scholars to explore the issue further.