

Managing Team Diversity

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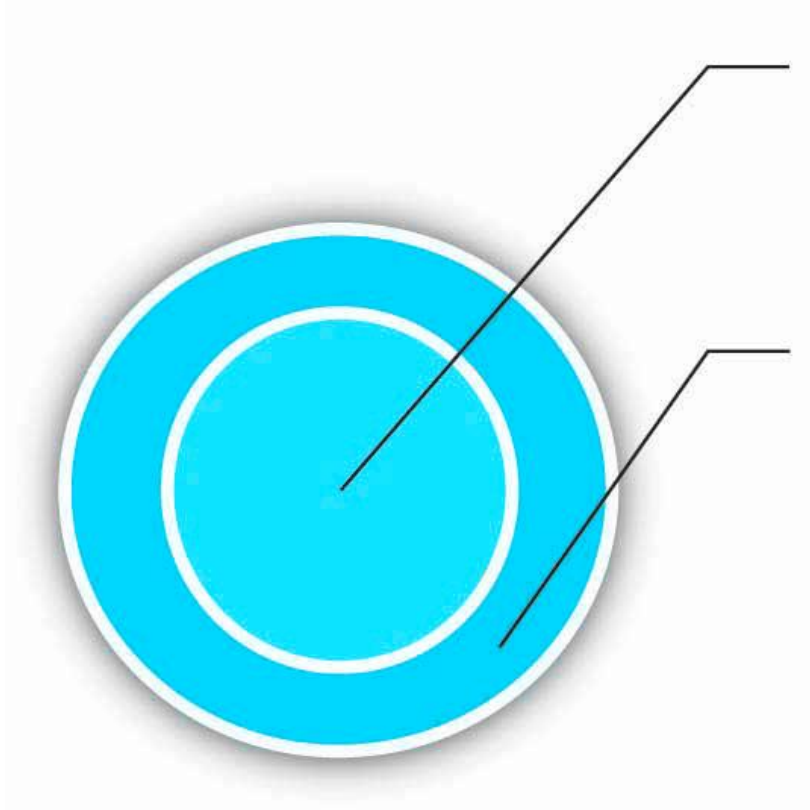
Diversity & Inclusion

Diversity



The degree to which differences exist between members of a social unit (e.g., team)
(e.g., Harrison & Klein, 2007; Van Knippenberg & Shippers, 2007)

Levels of Diversity



Deep level diversity

- Values
- Attitudes
- Beliefs

Surface level diversity

- Gender
- Race
- Age
- Physical abilities

Diversity in Teams

Does diversity **benefit** teams?



Diversity in Teams

Does diversity **hurt** teams?



Diversity in Teams

- Lack of cohesion & trust
- Relationship conflicts
- Less information sharing
- Low satisfaction

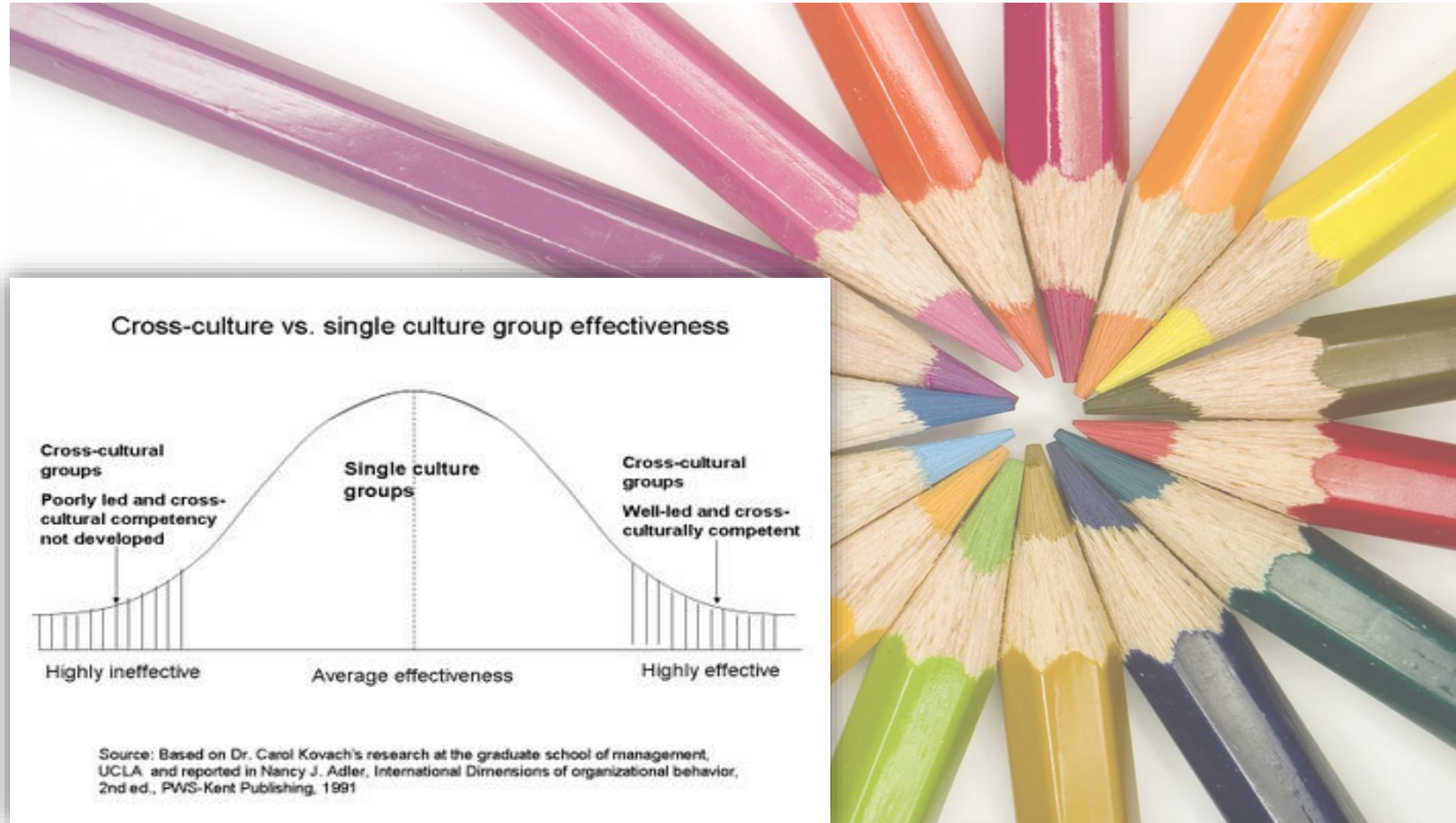
- Greater pool of resources
- More flexible and adaptive
- Greater pool of talent
- Greater capacity for learning



Diversity in Teams

Studies	Diversity attribute	Findings
Baugh (1997)	Gender, race	No direct effects
Campion,(1993)	Experience	Negative relationship
Campion,(1996)	Experience	Negative relationship
Chatman (2001)	Race, gender, citizenship	Positive effects
Choi (2007)	Age, gender, tenure, function	Negative relationship
Choi,(2003)	Age, gender, race, education	Positive effects
Drach-Zahavy (2002)	Function, age education,	Positive effects
Ely (2004)	Age, gender, race, tenure	Negative relationship
Jehn (2004)	Gender, race, age, tenure,	Positive effects
Kirkman,(2004)	Race	Negative effects
Leonard,(2004)	Race, gender, age	No effect
Lovelace (2001)	Function	No direct effects
Østergaard (2009)	Gender	Positive effects
Pearsall (2008)	Gender faultlines	Negative effects
Pelled (1996)	Race, gender, company tenure	No direct effects
Pelled (1999)	Gender, race, age	Negative effects
Schneid (2015)	Gender	Negative effects
Stewart (2009)	Gender	No effect
Reagans (2001)	Company tenure	No direct effects
Williams,(2007)	Surface- and deep-level	Negative effects

Diversity in Teams



Diversity in Teams

Although diverse teams do offer **greater potential** to outperform homogenous teams, diverse teams **often fail**.



Managing Your Team Diversity



Managing Your Team Diversity

Welcome to 2027!



Managing Your Team Diversity

Your Team:

- Finance VP
- Operations VP
- Marketing VP
- R&D VP
- CEO

Decide as a team:

- The best market to enter;
- Which car to sell;
- Price your car.



Managing Your Team Diversity

Step I: Read your role first, please do NOT share written material (5 min)

Step II: Team Discussion (15 mins)

BUT:

2/3 English speakers:

- CEO, Finance, and Operations
- **Can discuss everything**

2 non-English speakers :

- Marketing and R&D
- **Can only write physically on paper and show it to them**
- **Can communicate with each other**



Managing Your Team Diversity



Team #	Car	Market	Price
BB	OHM	EU	24.000 EURO
CC	OHM	SA	19.995 EURO
DD	OHM	INDIA	18.750 EURO
EE	OHM	INDIA	16.500 EURO
FF	OHM	CHINA	18.720 EURO
GG	OHM	CHINA	18.720 EURO
II	OHM	CHINA	18.720 EURO

Managing Your Team Diversity

Country	Middle-class population size	Fraction that owns cars (%)	Owner information	Replace cars <20K (%)	Replace cars <30K (%)	Total Market Potential <20K	Total Market Potential <30K
China	510	23	Marketing	72	34	84,5	39,9
EU	250	48	Finance	60	55	72,0	66,0
India	398	42	R&D	62	41	103,6	68,5
SA	460	44	Operations	53	43	107,3	87,0

Pricing:	
Operations	The Atom is having issues and that tests are indicating that it is not performing as well as it should. The Ohm for now has overall operations/production costs of \$10,000.
Finance	You would like to sell your cars at a profit margin of 20%.
Marketing	Marketing costs per car are about \$2000 for the Ohm. The Atom does not still have a marketing plan.
R&D	You have developed a new battery with a longer battery life that will do well in the Ohm. This battery costs \$3600.

Why Do Diverse Teams Often Fail?

Lack of Inclusion



Diversity & Inclusion



Diversity & Inclusion

- **Diversity** is being invited to the party;
- **Inclusion** reflects whether people dance with you at the party.



Some Are Not Invited to The Party...

Results of a survey by Intermediair and Nationale Vacturebank among over 2,100 Netherlands residents:

- 55% of the respondents (and 85% among the unemployed respondents) faced discrimination at some point when applying for a job
- 53% of the respondents faced age discrimination
- 27% of the respondents faced ethnicity discrimination

Some Are Not Invited to The Party...

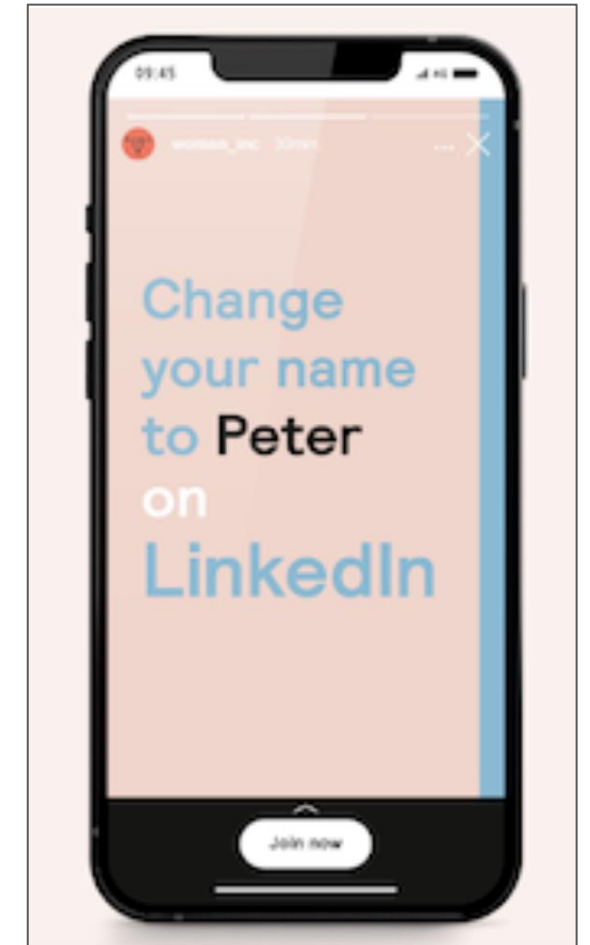


There are more Dutch CEOs called "Peter" than female CEOs, survey finds

NEWS WORKING

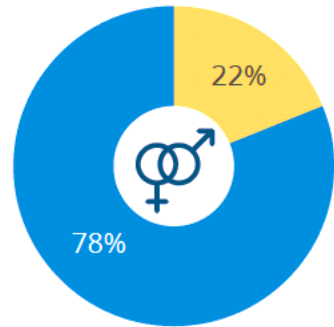
October 8, 2020

Sarah O'Leary



Some Are Not Invited to The Party...

Share of men and women in the Dutch Maritime sector in 2022¹



Share of women in mid-management, technical core and support roles in the Maritime sector in 2021²

Mid-management: 39% of 53,131

Technical core roles: 28% of 94,180

Support roles: 48% of 35,825

¹ Maritieme, Arbeidsmarkt, en Haven Monitor 2022

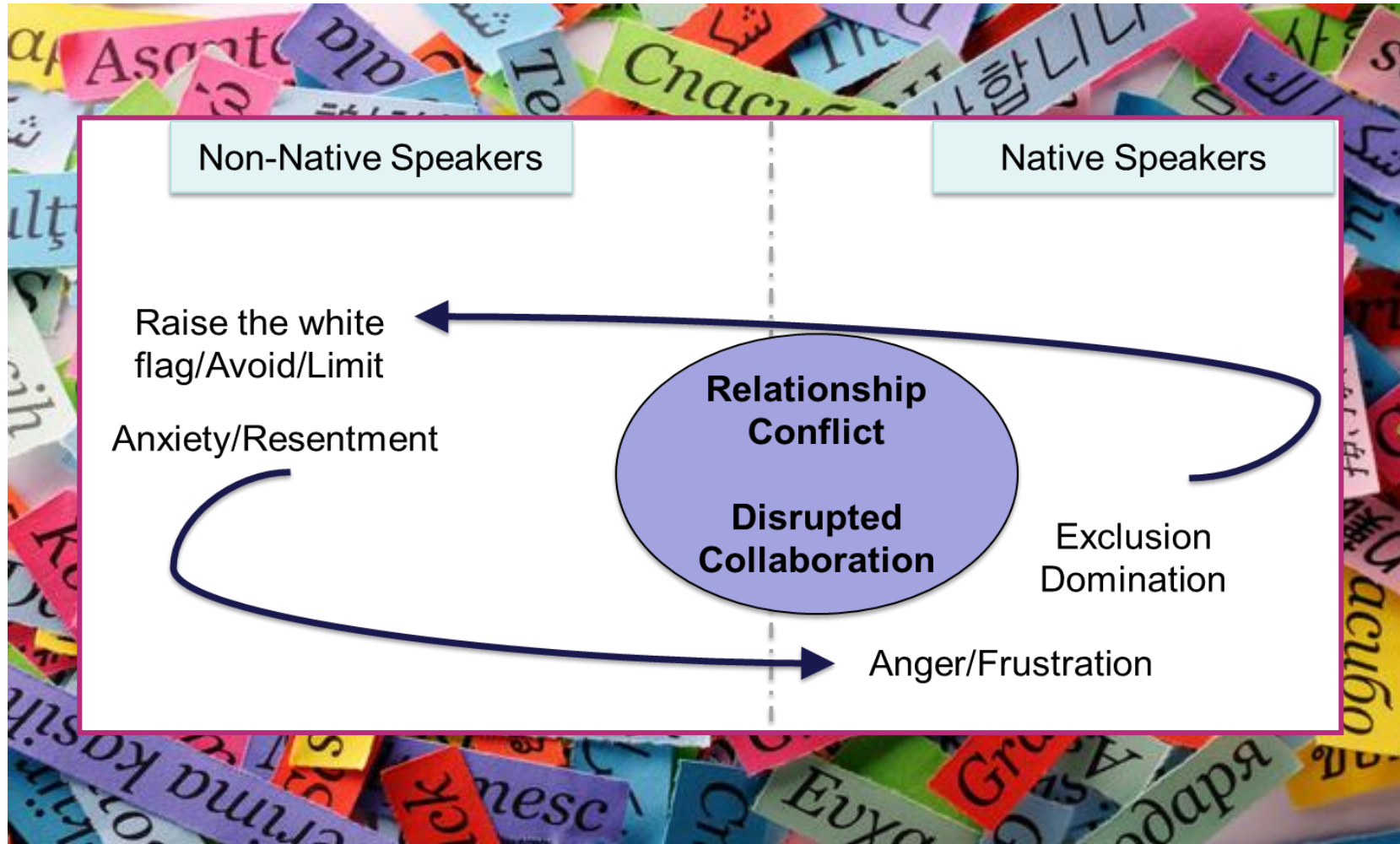
² Women in Maritime: Survey 2021

Diversity & Inclusion

What happens once people are in?



Diversity & Inclusion

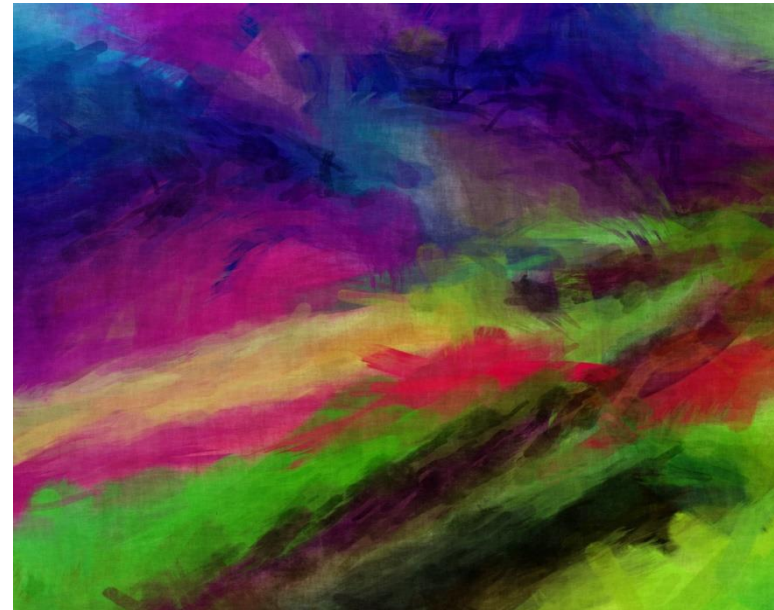
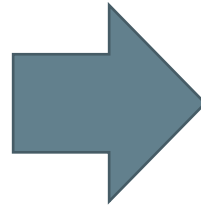
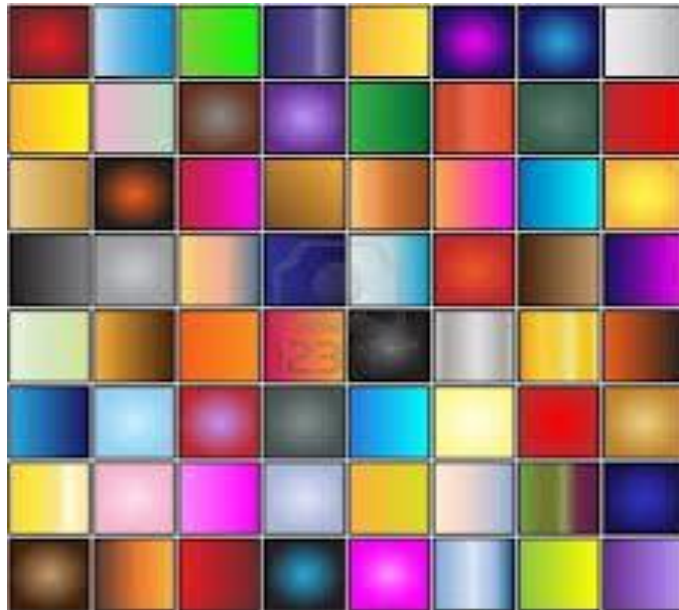


Why Do Diverse Teams Often Fail?

Lack of Inclusion



Create an Inclusive Culture



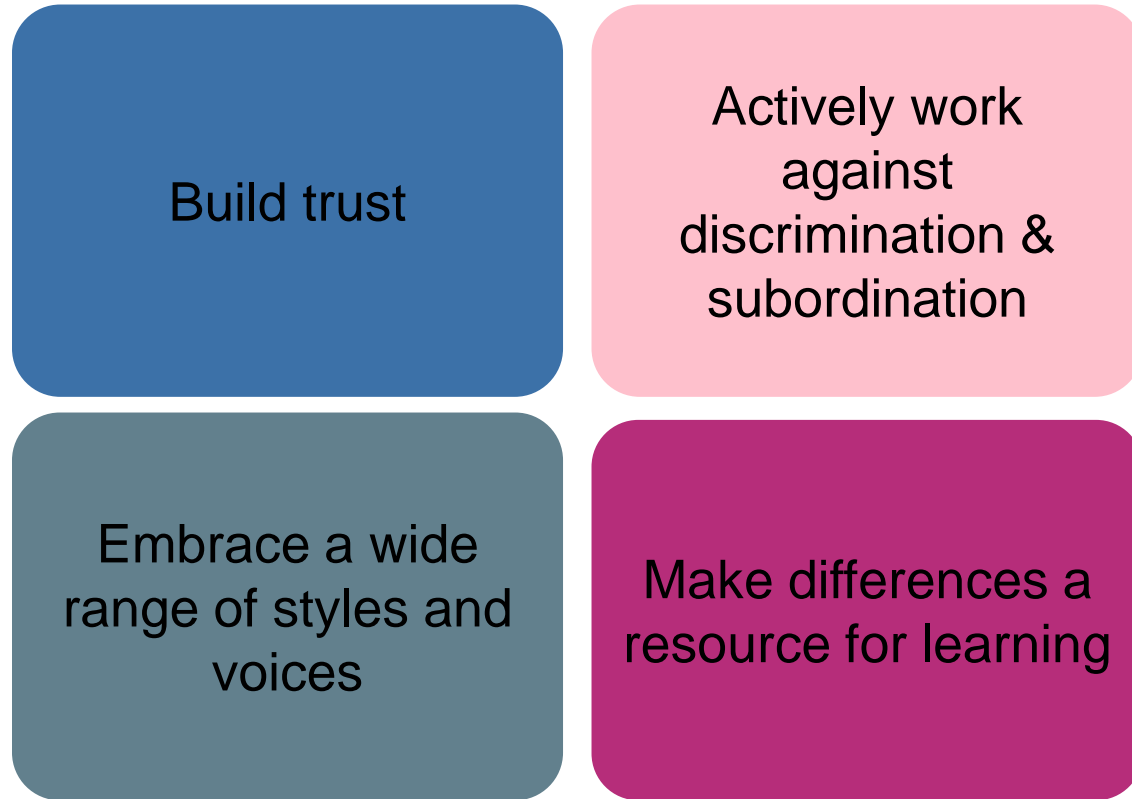
What leaders can do to create a more inclusive culture?

Create an Inclusive Culture

Ask yourself:

- *Do I include everyone?*
- *Do I treat everyone equally?*
- *Do I (truly) encourage everyone's participation?*
- *Do I (truly) invite objections and dissent?*
- *How do I react to dissent?*

Create an Inclusive Culture



(Ely & Thomas, 2020)

Create an Inclusive Culture: Build trust

- Invest in building relationships
- Have open communication with your colleagues
- Demonstrate consistency and integrity



Create an Inclusive Culture: Actively work against discrimination & subordination



Create an Inclusive Culture: Embrace a wide range of styles and voices

Factor that reduces silence:
Psychological safety

“It’s not safe to share your views openly”

- Monitor
- Protect
- Ritualize
- Frame and reframe

(Parke & Sherf, 2020)

Factor that increases voice:
Perceived impact

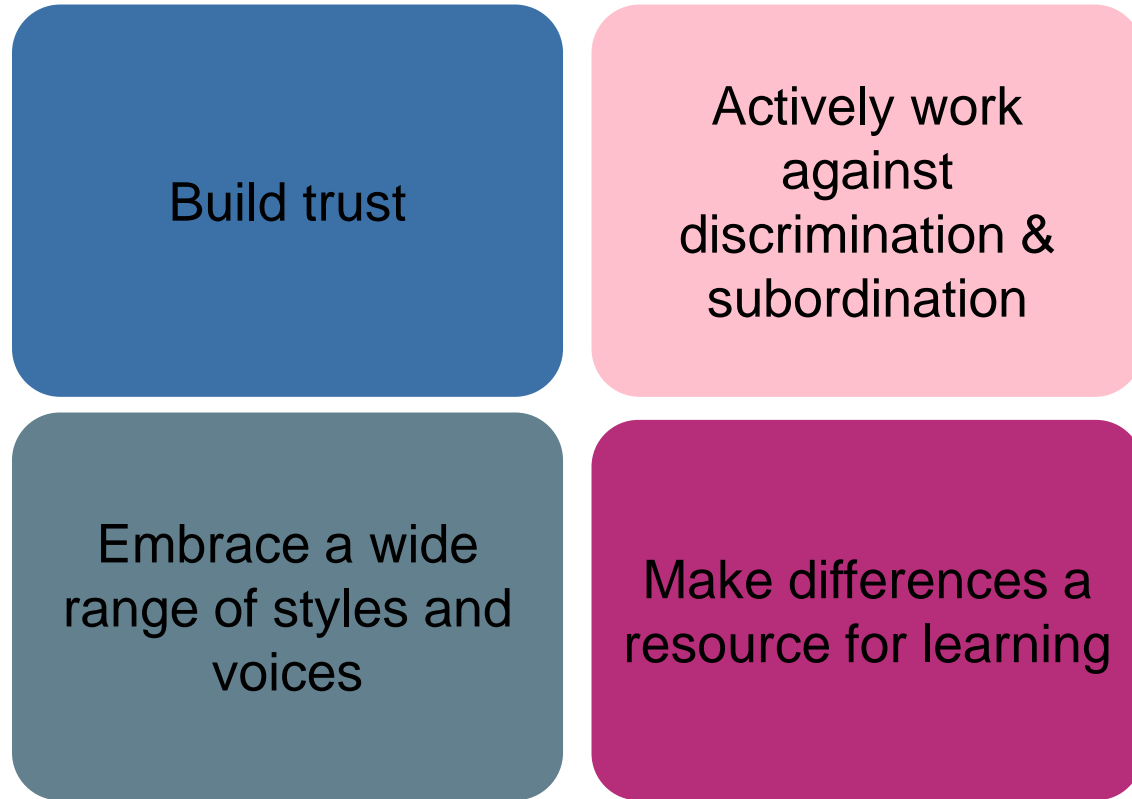
“Some leaders spend millions collecting ideas but then never really review them”

- Consult
- Consider
- Communicate

Create an Inclusive Culture: Make differences a resource for learning



Create an Inclusive Culture



(Ely & Thomas, 2020)

Key Takeaways

1. Diversity goes beyond gender, age, race, and nationality
2. Diversity can hurt if it is not combined with inclusion
3. Actively work towards creating a more inclusive environment & be a role model for your team



Thank you!

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