Synergy from diversity: Managing team diversity to enhance performance

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abstract

The business case for diversity holds that diversity leads to synergy; that is, having multiple perspectives results in performance benefits, such as improvements in decisionmaking, problem-solving, creativity, and innovation. Research on diversity in teams has documented conditions under which it leads to improved performance. Current diversity management practices in organizations, however, focus more on preventing the negative effects that can follow from diversity (such as discrimination and lack of inclusion) than on how to gain the performance benefits that diversity can afford. In this article, we draw on recent reviews of the team diversity and diversity management literatures to suggest strategies likely to stimulate synergy from diversity. We conclude that diversity management practices must include actions that are designed specifically to spur teams to integrate diverse information and perspectives. In addition, such practices are most likely to enhance performance if they are deployed as part of a bundle of diversity management practices (rather than as stand-alone initiatives) and if formal human resources diversity practices are complemented both with informal diversity-supporting leadership actions and with formal accountability systems for monitoring whether practices are implemented as intended.
Today's societies have become increasingly diverse, as have their workforces. In the United States, for example, 17.4% of the civilian labor force in 2017 was foreign-born, up from 13.3% in 2000. By 2030, net international migration will be the primary source of U.S. population growth, further adding to workforce diversity. Racial diversity will increase as well, with the White population losing its majority over the next decades. Diversity in the United States is increasing along other dimensions as well: Women now constitute almost half of the labor force (46.9% as of 2018), the share of workers 55 years of age and older will continue to rise, and people are increasingly disclosing their LGBTQ status and disabilities. Similar patterns are occurring in other industrialized nations.

In parallel with these trends, many companies and governmental organizations have come to view diversity and inclusion as important to what is called the *business case for diversity*: the contention that organizations with more diverse workforces outperform organizations with less diversity among their employees. A 2017 survey of more than 10,400 business and human resources (HR) leaders across 140 countries found that 69% consider the issue of diversity and inclusion to be important or very important. This number is up by 32% since just 2014, and the report concludes that ensuring diversity and inclusion are now CEO-level responsibilities.

Organizational leaders often think that the performance benefits of workforce diversity arise automatically. They thus see their organization's main diversity-related challenge as an equal opportunity issue: how best to attract and retain a diverse workforce. They assume that once diversity is achieved, synergy will certainly follow: the various perspectives of diverse groups will lead to more creativity and innovation, higher quality decisions, and ultimately better performance than would have been achieved by a nondiverse workforce.

Yet research into the interactions within diverse teams and diversity's effects on team performance suggests that this prevailing view is too simplistic: The reality is that achieving synergy takes effort. (Much of the research into diversity’s effects looks at teams, such as work groups and departments, because the team is where diversity's effects unfold and because a process that generally occurs only in teams—namely, the integration of diverse perspectives—is key to realizing the performance benefits of diversity.)

What should organizations do to improve the odds of achieving synergy from diversity? In other words, which practices should be adopted to manage diversity—to create and maintain a diverse workforce, provide an environment in which employees can function well regardless of their backgrounds, and stimulate the generation and creative synthesis of diverse ideas? Unfortunately, although research into team diversity suggests that current diversity management practices are suboptimal, neither team diversity research nor research on diversity management practices speaks directly to the policies and practices that would best stimulate synergy from diversity. Of necessity, the diversity management research generally has been limited to looking at existing practices, such as the effects of nondiscriminatory hiring procedures. By bringing together and synthesizing the streams of team diversity and diversity management, though, we can offer insight into how to develop diversity management practices that will foster the synergy promised by the business case for diversity.

The research into team diversity highlights conditions that influence whether diversity will lead to enhanced performance, and our analyses of the research into diversity management suggest ways to ensure that organizations provide such conditions. We conclude that to realize the business case for diversity, diversity management practices need to move beyond equal opportunity programs to also specifically stimulate the open exchange and use of divergent ideas. Further, synergy-stimulating practices should be instituted as part of a bundle of diversity management practices with related aims rather than as stand-alone initiatives. And the bundles should be complemented by informal management actions as well as formal efforts dedicated to ensuring that the
Diversity- and synergy-promoting practices are implemented as intended.

**Definitions & Context**

Before addressing the team diversity and diversity management literatures, we first step back to give some context. In particular, we clarify what we mean by *diversity*, summarize the state of research into the validity of the business case for diversity, describe our approach to reviewing the massive literature on team diversity and diversity management, and explain why we concentrate more on research into team diversity than on research into organizational diversity as a whole.

*Diversity* refers to a characteristic of a social unit—a group, team, organization, nation, or the like—and the extent that the individuals in a unit differ on an attribute of interest. An attribute of interest can be anything, for example, demographic features, job-related characteristics, personality traits, or attitudes and values. All these attributes have been studied in behavioral research on diversity, although the most attention has been dedicated to demographic diversity (in the form of gender, race or ethnicity, and—to a lesser extent—age) and to job-related diversity (in the form of people’s tenure in their jobs and their educational and functional, or job-expertise, backgrounds). This emphasis in research mirrors organizational practice, where the most visible diversity management efforts have sought to address gender, race, and ethnicity imbalances and where there is a strong interest in cross-functional teams consisting of members with diverse competencies.

The business case for diversity essentially holds that more diverse teams and organizations perform better than less diverse ones because diversity introduces a broader range of perspectives and insights that, in turn, engender greater creativity, more innovation, and better decision-making. The widespread belief in the business case for diversity might imply that reliable evidence supports the view that more diverse teams and organizations perform better. Indeed, some studies show positive performance effects of diversity, but other studies show negative effects or no effects. As we explain more fully, the overarching conclusion from this research is not so much that more diverse teams and organizations can be counted on to perform better but rather that important preconditions are required to realize positive performance benefits of diversity. What emerges is more of a business case for diversity management than a business case for diversity per se.

In this article, we do not review all the empirical research into team diversity and diversity management; there is simply too much of it out there. Team diversity research encompasses hundreds of research articles, as does research on diversity management practices. Instead, we draw on a series of authoritative literature reviews and meta-analyses relating to these topics. Meta-analyses, which analyze data from multiple studies, allow for stronger conclusions than do narrative literature reviews, but narrative literature reviews are better able to extract important insights from specific studies. Thus, meta-analyses and literature reviews complement each other.

To address the performance effects of team diversity, we concentrate on three reviews that build on one another to cover roughly 60 years of research. In 1998, Katherine Williams and Charles O’Reilly conducted a comprehensive review of the first 40 years of team diversity research. Then, in 2007, Daan van Knippenberg and Michaëla Schippers reviewed the research in team diversity and performance that had been published since the Williams and O’Reilly review. And, in 2017, Yves Guillaume and his coauthors likewise covered the literature published after van Knippenberg and Schippers’s review. In addition, we draw on two meta-analyses of team diversity and team performance research. In 2012, Hans van Dijk and his colleagues published the most comprehensive meta-analysis of this body of research to date, including both field studies and experiments. In 2009, Aparna Joshi and Hyuntak Roh analyzed findings from a more limited set of studies (looking at field research only) but dove more deeply into the effects of organizational context.
Regarding why we focus on team diversity, we acknowledge that a legitimate case can be made for looking at the effects of organizational diversity. After all, it is reasonable to want to know how diversity affects organizational performance. However, we emphasize team diversity in part because the vast majority of studies on diversity and performance have had that focus, and with equal legitimacy: As we noted above, the team is arguably the direct social environment in which diversity effects play out. Further, research on team diversity reveals more about the group dynamics and psychological processes underlying diversity’s effects than does research focused on the broader organization.

Team Diversity Research: Methods & Findings

Diversity’s effects on team performance are typically studied in teams that do what is called knowledge work, which is the kind of work that requires intensive thinking, as opposed to rote activity. Team performance can be defined broadly as the quality and volume of the team’s output, which includes the execution of assigned tasks as well as the introduction of innovations. What teams do can vary widely within and between organizations. Research into the performance effects of diversity concentrates on teams that do knowledge work (such as management or research and development teams) because they are the ones that benefit most from the integration of different perspectives and that are most responsible for high-quality decisionmaking and innovation—and thus for fulfilling the business case for diversity.

To capture the performance effect of team diversity, researchers have largely relied on two methods: surveys and experiments. With the survey method, researchers administer questionnaires designed to reveal team processes and psychological states and then analyze those data along with information about team diversity and measures of performance. In experimental research, teams that are designed to be less or more diverse on an attribute of interest (such as gender, race, or ethnicity) perform tasks in a controlled environment, and experimental variations (such as different instructions) are introduced; investigators then evaluate how team diversity, contingent on one or more additional experimental manipulations, affects outcomes of interest such as team performance or team creativity. Surveys yield findings from actual organizations, making it easier to translate the results into recommendations for practice. But survey research reveals only correlations and thus cannot prove that diversity causes the outcomes seen; it is always possible that unmeasured factors account for the correlations. Experiments allow for conclusions about cause and effect, but the extent to which their conclusions generalize to work in actual organizations can be uncertain.

Fortunately, the conclusions of the survey research and the experiments converge, as van Dijk and his colleagues demonstrated in their 2012 meta-analysis that included both kinds of studies. This convergence strongly suggests that the correlations uncovered in surveys speak to causality and that differences found in the effects of diversity in experiments also occur outside of the laboratory. Overall, the research has shown that team diversity does not automatically lead to superior performance. It can, in fact, impede performance at times. These two effects have been well-documented in the three major literature reviews mentioned above.

Theoretical Explanations for Positive & Negative Outcomes

Theorists have proposed explanations for each of these effects separately, although the individual theories do not offer clear guidance as to when the benefits rather than the drawbacks will occur. The approach that explains diversity’s positive effects on performance can be called the informational resource perspective. It emphasizes that different people know, see, and conceive of different things. Therefore, the more diverse a team is, the more likely it is that its members will bring diverse information, insights, and perspectives to the team. By exchanging and integrating these views, teams involved in knowledge work can capture and combine the best contributions in ways that...
result in better decisions and generate more creative, higher quality solutions to problems.

The theoretical approach that explains diversity’s negative effects on performance can be called the intergroup tension perspective. It emphasizes us-versus-them thinking and the notion that differences between people can lead to stereotyping, prejudice, and discrimination, whereas similarities between people may make it easier to bond, trust, and collaborate. Differences between people—especially demographic differences that may elicit stereotypic beliefs—can lead to a preference for working with similar over dissimilar others and can disrupt team functioning by reducing collaboration and communication. (A point of clarification: In this conception and in the team diversity literature, the term intergroup differences refers to demographic or other group-related differences between people in a team, not—as might be inferred from the prefix—to differences between one team and another.) Table 1 captures the essence of the informational resource and intergroup tension perspectives.

Research suggests that both the informational resource perspective and the intergroup tension perspective are valid: information integration processes explain the positive effects of diversity, and intergroup tensions explain the negative effects. To help organizations better predict when conditions will result in desired outcomes, van Knippenberg, Carsten De Dreu, and Astrid Homan have combined the insights from both perspectives into a theoretical model that identifies when one or the other perspective will hold true.

The model, which is well supported by research, takes several concepts into account. First, intergroup tensions get in the way of information integration; once tensions occur in a team, they lead to breakdowns in communication. Second, intergroup tensions are not inevitable; the less the team climate invites such tensions, the less likely it is they will arise. Third, information integration does not automatically happen in the absence of intergroup tensions; teams need to

Table 1. Two perspectives on the effects of diversity on team performance

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<tr>
<th>Characteristic</th>
<th>Informational resource perspective</th>
<th>Intergroup tension perspective</th>
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<tbody>
<tr>
<td>What is the core idea?</td>
<td>Diversity is a source of information, insights, and perspectives that may stimulate strong team performance.</td>
<td>Diversity may invite us-versus-them thinking, in which dissimilar others are liked and trusted less than similar others, thereby disrupting team performance.</td>
</tr>
<tr>
<td>What is the core process involved?</td>
<td>In teams with diverse perspectives, the exchange, discussion, and integration of differing views result in better insights, ideas, decisions, and solutions than teams without diverse perspectives are able to produce.</td>
<td>Less liking of and trust in dissimilar others results in less communication, coordination, and cooperation and more interpersonal conflicts in more diverse groups.</td>
</tr>
<tr>
<td>What is the core effect?</td>
<td>More diverse teams perform better when tasked with knowledge work, which requires deep thinking.</td>
<td>More diverse teams perform more poorly than less diverse teams do.</td>
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</table>

“the more diverse a team is, the more likely it is that its members will bring diverse information, insights, and perspectives to the team”
explicitly focus on achieving such integration, and a climate that encourages and enables such a focus in teams invites more information integration. This framework brings to the fore two key challenges that need to be resolved through effective diversity management: how can intergroup tensions be prevented, and how can information integration be stimulated?

Regarding tension prevention, the model proposed by van Knippenberg and his colleagues points to the need to overcome two general influences. One is the extent to which the structure of the work environment reinforces stereotypes that feed into intergroup tensions. (Usually, this effect is unintentional.) If most of the people who perform a given work role come from a specific demographic group, for instance, this pattern may invite stereotype-based perceptions. For example, say that the doctors in a hospital are predominantly men and that the nurses are predominantly women; this pattern may result in more tension between male and female doctors than when gender is not as strongly associated with work roles. Likewise, having the vast majority of higher management be men may provoke more gender-based tensions in management than when the proportion of men and women in leadership is more balanced. Imbalances in status and power promote tense intergroup dynamics. The second tension-producing influence is the extent to which stereotyping is reinforced by personal beliefs, team climate, or organizational culture, because stereotyping typically favors us-over-them thinking.

With respect to stimulating the integration of information, the model identifies three influences. One is the nature of the task: Some jobs require more information integration and problem-solving than others. Teams involved in knowledge work—which demands creative thinking and problem-solving—benefit more from information integration than do teams focused on more routine tasks. Second is the motivation for high-quality performance: The higher this motivation is, the more likely it is that members will invest in information integration and learn from one another. Third, because knowledge integration is often challenging, success requires competence and time: team members need to be knowledgeable and able to understand new information and perspectives, and they also need time to work through the integration process. In essence, benefiting from diversity requires teams to perceive the need for integrating multiple viewpoints and to have the motivation, competence, and time to do it.

The model thus suggests that organizations could help to promote synergy from diversity by implementing such practices as increasing diversity among people in positions of power, hiring broad-minded people, providing training aimed at motivating people to seek out and integrate diverse ideas, and giving teams time to accomplish the information-integration processes.

Do Theoretical Explanations for Differing Outcomes Hold Up?

The available evidence not only demonstrates that diversity’s effects are far from automatic but also lends support to the theoretical explanations for when negative or positive outcomes are likely. The comprehensive meta-analysis published by Van Dijk and his colleagues in 2012 offers some of the strongest evidence that synergy does not automatically result from diversity. The analysis, which synthesized results from 146 studies and yielded 612 associations between diversity and performance, found great variation in the effects of the major types of diversity studied, with demographic diversity, job-related diversity, and “deep-level” diversity (that is, differences in individual characteristics such as personalities, attitudes, values, and abilities) all sometimes strongly detracting from performance and sometimes strongly enhancing it. Overall, neither demographic diversity nor deep-level diversity had a statistically significant effect. Job-related diversity did show a statistically significant positive influence, but the overall effect was very small. (See note A for statistical details.)

In other words, these findings confirm that no kind of diversity leads reliably to good or bad
performance and that demographic diversity, job-related diversity, and deep-level diversity all have the potential to be either productive or counterproductive. This is an important observation because it corrects a once widespread misunderstanding among researchers that demographic diversity is disruptive to performance, whereas job-related diversity promotes positive effects. The analysis is also important for correcting the broadly held but mistaken belief in the business world that all forms of diversity are good for performance and that the conditions under which such positive effects can be expected do not need to be specified. Finally, it offers some of the strongest evidence for our earlier assertion that there is not so much a business case for diversity (in the sense that diversity will invariably result in positive outcomes) as there is a business case for diversity management: because diversity can result in positive or negative outcomes, businesses should focus on creating the conditions that make diversity a positive influence.

The meta-analyses we have highlighted also speak to some of these conditions in ways that align well with insights from the integrated model of diversity’s effects put forward by van Knippenberg and his coauthors. In line with the postulate that diversity is most likely to result in synergy when teams do knowledge work and are confronted with difficult tasks that require knowledge integration, the meta-analyses of both van Dijk and his colleagues and Joshi and Roh have shown that diverse teams perform better than nondiverse teams when teams have a greater need to integrate diverse knowledge and when team members possess diverse information relevant to the task at hand. The van Dijk group also found that job-related diversity improved performance more when tasks were highly complex than when complexity was low and that overall diversity (encompassing demographic, job, and deep-level diversity) improved creativity and innovation more than it enhanced the performance of assigned tasks—which presumably were more routine and less challenging than tasks requiring innovation. Joshi and Roh found that job-related diversity enhanced performance more in high-tech industries than in service work, whereas the reverse was the case for demographic diversity. (For details on the statistics, see note B.)

The van Dijk group’s meta-analysis also showed, however, that the influences highlighted in the previous paragraph do not explain all variation in effect sizes. To gain further insight into the conditions that generate the positive effects of team diversity and prevent its negative effects, we return to the three key literature reviews. In broad strokes, the literature reviews, in common with van Knippenberg, De Dreu, and Homan’s theoretical analysis, distinguish between factors that tend to affect disruptive tension between team members and factors that tend to enhance the ability to integrate diverse information to solve problems.

The research that focuses on the causes and amelioration of tension shows that diversity is likely to have negative effects if members differ on multiple attributes such that a difference in one attribute converges with differences in another attribute. In one example of this phenomenon, van Knippenberg, Jeremy Dawson, Michael West, and Astrid Homan showed in a study of top management teams in United Kingdom manufacturing firms that organizational productivity suffered when gender differences in a team overlapped with differences in the functional areas members represented (such as HR, operations, or sales).

Using data collected from employees in different departments of a biomedical company, Lisa Nishii also showed that the amount of interpersonal conflict is lower in diverse groups that have inclusive climates. Such climates are characterized by unbiased practices, a shared value of developing personalized understandings of others (to replace stereotypic assumptions), and beliefs and norms that encourage the consideration of diverse perspectives when making decisions.

As for conditions that catalyze the integration of diverse ideas, the reviews indicate that team members need to feel motivated to engage in such behavior, as has been shown, for instance, in studies examining the extent to which team members are open-minded and...
focused on learning and on forming accurate judgments.\textsuperscript{28,33,34} Fortunately, it turns out that openness to diversity and a focus on the integration of diverse perspective are things that team members can learn.\textsuperscript{35,36}

Evidence suggests as well that having participative leaders—those who solicit and seriously consider diverse insights—can inspire members of diverse teams to do the same and to emphasize the information integration that fosters innovation.\textsuperscript{37} The research also highlights the need for diverse teams to have adequate time to work on integrating the information they need to process. To perform well, diverse teams need more time than homogeneous teams do. Eventually, diverse teams can outperform homogeneous ones.\textsuperscript{29} Presumably, teams need to learn to capitalize on their diversity, and this learning process takes longer the more diverse the team is—although the eventual performance payoff makes the extra time worth it.

In sum, as outlined in the sidebar Team Conditions That Favor Performance Benefits From Diversity, the study of team diversity and performance suggests that team diversity is good for team performance when teams engage in knowledge work. It is important to note, however, that diversity does not automatically lead teams to put in the effort needed to integrate diverse information and thereby enhance innovation and problem-solving. Teams need to operate in an environment that prevents stereotyping and intergroup tensions and stimulates information integration. How best to avoid tension and promote synergy, then, is the challenge for the people who are responsible for diversity management.\textsuperscript{9,30,38} In the next section, we discuss what the research on diversity management says about this issue.

**Insights From Diversity Management Research**

For context, we note that diversity management practices historically have not been developed with the aim of enhancing performance (that is, fulfilling the business case for diversity). Rather, they have been shaped by legal and other concerns over discrimination and bias in employment.\textsuperscript{39,40} Instead of addressing ways to reduce tensions and enhance information integration in teams, the dominant focus of formal diversity management practice has been providing equal employment opportunities—preventing biases in recruitment, retention, and promotion.\textsuperscript{9} And because diversity management research examines existing practices, the research likewise pays little attention to generating synergy from diversity.

This is not to say that the current knowledge base relating to diversity management offers no valuable insights into how to build on diversity to improve performance. After all, a focus on equal employment opportunity is not completely disconnected from an emphasis on performance. Tensions between team members who differ from one another and employment inequality both have their roots in the us-versus-them thinking that may be sparked by diversity, and preventing or easing the tensions starts with equal employment opportunity and inclusion. All other things being equal, the more that organizations follow practices that aim to prevent discrimination, the more that they should benefit from diversity. What is more, to benefit from diversity, organizations need to first be diverse.

Clearly, however, preventing tensions between people who identify with different demographic or other groups is necessary but not sufficient for stimulating enhanced performance—which means that solely focusing on equal employment opportunity is a suboptimal way to

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**Team Conditions That Favor Performance Benefits From Diversity**

Research indicates that the teams most likely to reap performance benefits from diversity tend to

- do work that requires intense thinking,
- rely on one another to solve problems,
- have the motivation and skills needed for the task at hand,
- have leaders who model the sharing and integration of varied ideas,
- operate in a climate that prevents stereotyping and is inclusive, and
- take the time needed to process diverse perspectives.
manage diversity. We therefore issue a call to arms: To realize the business case for diversity, organizations will need to adopt diversity management practices that specifically aim to encourage and enable the integration of diverse perspectives. In the spirit of evidence-based management, organizations would do well to partner with researchers to systematically evaluate the effectiveness of the practices they institute and the factors that account for the effects.

Meanwhile, though, a review of the current research on diversity management reveals strategies for making diversity management practices more effective in ways that should be relevant to practices for stimulating synergy. Consider research that assessed the relationship between performance and a range of diversity practices in a sample of Irish companies. (The practices included providing diversity training; seeing diversity as a means to achieve company goals; instituting a formal diversity policy; hiring a senior management champion for diversity; and monitoring recruitment, promotion, and pay by gender, race, ethnicity, and disability.41) The study found that firms adopting more of these practices achieved higher productivity, greater innovation, and better employee retention.

Unfortunately, although this finding supports the view that there is a business case for diversity management, it does not reveal which practices are most effective or how to best implement them. To glean some insight into this question, Nishii and several coauthors reviewed more than 100 empirical studies examining how well various diversity management practices reduced discrimination, increased managerial diversity, and improved performance. The practices included affirmative action and equal opportunity programs, targeted recruiting, diversity training, work–life balance initiatives, mentoring and sponsorship, and employee resource groups (employee-led groups of people who have a commonality, such as a disability).41 They found no conclusive support for any of these so-called best practices: none was consistently associated with hoped-for outcomes for the intended beneficiaries of the practices.

Nishii and her colleagues also went on in their review to try to discern why the results were so mixed. They started from the understanding that organization-level results can be less than clear-cut, because the studies do not account for many important factors that can interact with diversity management practices to shape outcomes.18 For instance, an organization that has laudable diversity management practices on the books but does not follow through on them is likely to have different outcomes than a company with similar practices that does follow through. (These various influences are one reason it is risky to blindly adopt a "best practice" of another company without carefully considering how and why the practice was implemented by that particular company.)

In their analysis, Nishii and her coauthors identified a series of processes that influence whether diversity management practices will enhance performance.18 Are the practices merely intended or are they actually put into practice? Do employees understand the goals of the practices? Do they agree with the goals and the way the practices are implemented? Do the practices lead to behaviors that result in improved performance? Differences in those processes as well as in other factors that influence them mean that the path from the creation of a diversity management practice to its resulting impact on performance will not be straightforward; each successive set of outcomes in the overall process will not necessarily occur as hoped.

The researchers concluded that the two most critical processes for organizations to consider are whether and how the practices that exist on paper are, in fact, implemented and how employees experience those implemented practices.18 Factors that influence these two links in the chain of processes leading from the creation of a practice to its effects strongly determine the extent to which diversity management practices have their hoped-for effects. Unfortunately, however, these factors usually are not well understood, documented, or assessed in organizations. Table 2 and the text that follows offer advice for ensuring that diversity management practices are implemented as intended and thereby increase the
Keys to Ensuring Implementation

The challenge of inducing managers to implement diversity management practices is not unlike the challenge of ensuring reliable and consistent follow-through. Managers play a particularly key role here: The way that they interpret the underlying intent and worth of an organizational policy or practice influences how (and even whether) they implement it as expected. Research shows that the key factors that shape managers’ motivation to implement typical diversity practices, such as targeted recruitment, are the existence of accountability structures and the extent to which managers perceive a practice as a threat. Accountability structures are systems that exist explicitly to assess whether procedures are implemented as intended.

The need for accountability structures is among the clearest lessons from research on diversity management: Managers are more likely to follow through on practices if they expect to be judged on whether the practices have been implemented properly.42–44 Alexandra Kalev, Frank Dobbin, and Erin Kelly have provided one of the most compelling illustrations of this point.45 Using data relating to 708 organizations over a 31-year period, they showed that diversity training, equal opportunity performance evaluations of managers, mentoring, and networking are more likely to increase diversity in managerial ranks if they are combined with accountability structures, such as annual reporting through affirmative action plans and the presence of staff who are dedicated to monitoring the progress of diversity programs.45,46

The significance of accountability cannot be overstated. Not only can lack of accountability impede bias reduction by allowing poor implementation of diversity management practices, but the accountability failure may even exacerbate biases. Some may find this exacerbation surprising. Yet research shows that when organizations tout their practices as fair, managers tend to become more compliant about scrutinizing their own prejudiced attitudes, as evidenced by more biased hiring decisions47 and stronger pro-male biases in the allocation of bonuses.48 In such contexts, people also take claims of discrimination less seriously.49 The main lesson for practice is that diversity practices promoted as enhancing fairness can backfire unless organizations adopt accountability mechanisms ensuring that decisionmakers maintain their motivation to be unbiased.50

Table 2. Actions to meet two key challenges in diversity management
The challenges and actions discussed in the table apply to diversity management in general as well as to diversity management practices aimed specifically at achieving synergy from diversity. The actions signal to employees that companies truly value diversity and thus encourage buy-in to the practices.

<table>
<thead>
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<th>Challenge</th>
<th>Action</th>
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| Ensuring that managers implement intended practices           | • Create an accountability structure so that failure to implement practices will be noted and addressed.  
|                                                                | • Explain the value of the practices by emphasizing the organizational benefits of diversity, not the benefits to individual demographic groups.  
|                                                                | • Ensure that top management favors the practices and communicates this support. |
| Implementing practices so that they have the intended effects  | • Identify and implement behaviors and processes that support the effectiveness of the practices.  
|                                                                | • Use aligned bundles of practices rather than stand-alone practices.  
|                                                                | • Align informal manager behavior so that it supports the practices.  
|                                                                | • Build diversity into the organization. |
resistant to meeting equal opportunity expectations. Many studies have shown that managers become less supportive of diversity programs when they feel personally threatened by them or if they perceive that the programs are designed to benefit employment outcomes for members of other demographic groups at the expense of their own.51–55 In 2011, Michelle Duguid found, as well, that women who are tokens in high-status positions can be reluctant to promote other women who are not highly qualified, for fear that those women will confirm negative gender stereotypes.56 Some evidence suggests that managerial resistance can be allayed by making the business case for diversity—that is, by emphasizing that diversity management practices, such as targeted recruiting and leadership development, are not at odds with the interests of nonbeneficiaries but rather are intended to promote the interests of the organization by creating the kind of diversity that can enhance problem-solving and innovation.57,58

Keys to Achieving the Intended Effects From Implemented Practices

As for ensuring that employees respond well to diversity management practices meant to enhance synergy, team and organizational leaders can glean lessons from research into the factors that affect responses to diversity management practices in general. Employee reactions to mentoring programs illustrate this point. Mentoring is widely assumed to be a diversity best practice that improves both the work engagement and the retention of diverse talent. And it does have that effect, as long as employees’ experiences with mentoring reinforce the organization’s intended message that the participants are valued employees and their development is a priority. However, people who are dissatisfied with their mentor report having stronger intentions to quit than they had before joining the mentorship program,59 suggesting that these programs can backfire. Offering a mentoring program is not enough; the company needs to ensure that the resulting mentoring relationships are satisfying. Research indicates that mentoring relationships are more effective when they involve more communication65 and more frequent interactions59 and when the mentor is from a different department59 and demographically similar.61–63 These results suggest that organizations should proceed carefully when implementing mentoring programs for women or for racial or ethnic minorities, the usual intended beneficiaries of such programs. Members of these groups may end up dissatisfied with the mentors assigned to them, given that a company’s workforce may not include enough demographically similar leaders who can mentor them.

The more general point here is that when planning to adopt a practice, organizations need to carefully map out the specific characteristics that are required to make the practice effective. They also need to find ways to ensure that these characteristics are incorporated into the practice when it is implemented. When it comes to practices that stimulate information integration, it may, for instance, pay to develop practices around what psychologists call “process accountability.”64 When teams are held accountable for how they arrived at a certain outcome—that is, they must describe the process they used to produce the outcome—information integration is stimulated in knowledge work.65 At the same time, the requirement would also create a way for management to monitor the implementation of the practice: by reviewing the teams’ process reports.

Another important consideration relating to employee perceptions of—and thus reactions to—diversity practices is that employees are keenly attuned to signals that indicate whether an organization’s stated purpose for a practice is its true impetus. The more that signals lead employees to believe in the authenticity of the
stated intention, the more positive their reactions will be, and the more likely it is that the practices will achieve the desired results. Such concerns need to be taken seriously. For example, employees know that organizations want to maintain a positive public image and comply with legal requirements relating to diversity. As a result, existing and prospective employees can be suspicious of an organization’s motives for increasing diversity and for issuing statements touting how much it values diversity. Simply adopting a practice is not enough to convince existing or potential employees—especially those from underrepresented groups—that the organization is genuine in its expressed desire to build a diverse and inclusive organization and achieve synergy from diversity.

A strong body of evidence indicates that one major way to signal sincere support for a practice is to enact bundles of aligned practices that all have related goals. The adoption of multiple aligned practices makes any single practice seem more credible because the bundling reinforces the message that an organization is serious about its efforts. In a 2005 experiment relating to diversity, Barbara Rau and Gary Adams found, for instance, that an equal employment opportunity statement explicitly saying that a company values mature workers promotes older prospective workers’ interest in working for the company only when the firm also offers multiple practices that are important to older workers, such as flexible work arrangements and mentoring. A similar message emerged from a more recent meta-analysis of 260 studies of diversity training. In 2016, Katerina Bezrukova and her colleagues showed that diversity training is more impactful when it is integrated with other diversity practices. Bundling aligned diversity practices also increases the likelihood that a diversity practice will meet its aim: Multiple studies show that the more diversity practices an organization has in place, the stronger the positive effects on organizational performance, managerial diversity, and employee retention. Unfortunately, research on bundles of diversity practices is not yet developed enough to identify which combinations of practices are particularly well-aligned and most effective for increasing diversity and promoting synergy; this question requires further study.

Whether employees believe an organization’s claims of valuing diversity and inclusion also depends on the ways that managers carry out the practices. Formal policies and practices are one thing, but the way representatives of the organization act in day-to-day operations is another thing, and the alignment of the two can vary. For example, Belle Ragins and John Cornwell have shown that although LGBTQ-friendly policies are important for promoting inclusion, employees are more affected by having their same-sex partner welcomed at company social events. Similarly, in a review of practices meant to improve work–life balance, Ann Marie Ryan and Ellen Kossek noted that employees’ reactions depended on their perception of the strength of their managers’ support of the practices. When supervisors fail to support employees’ family needs in spite of official policies, employees doubt organizational leadership’s belief in work–life balance. Similarly, research into diversity training shows that trainees are more motivated and therefore are more responsive when the company’s own managers deliver the training. This outcome is noteworthy because it is at odds with the tendency of organizations to outsource much of their diversity training. Regarding efforts to create synergy, such findings would suggest that managers and team leaders should complement formal practices focused on creating synergy with, for instance, voicing their own belief in the value of the integration of diverse perspectives and with participating in such integration efforts.

Diversity itself is also a credibility signal. Even when an organization’s leaders express belief in the value of diversity and institute formal practices to foster diversity and inclusion, employees may view the espousals and practices with a jaundiced eye if the organization itself is not diverse, especially at the management level. Employees are, for instance, more likely to believe that their organization truly values diversity and inclusion when women and minorities are well represented in management,
as is evinced by a lower tendency to file discrimination charges. In the case of work–life initiatives, seeing evidence that women can be successful in the organization lends significant credibility to the notion that employers adopt such initiatives because they value their female employees. Further, evidence shows that work–life initiatives are more likely to pay off (in the form of better organizational performance) in firms that have a high proportion of female employees and managers. Joshi and Roh likewise showed in their meta-analysis that diverse teams performed better when the organizations that employed them were more gender or ethnically diverse: Diverse teams performed relatively badly when the organization was male dominated or had a White majority and relatively well when it was gender or ethnically balanced. (For details on the statistics, see note C.) Diversity, then, is not only an outcome of diversity management practices but also serves as a signal of the organization’s attitude toward diversity. That is, it colors employees’ interpretation of the organization’s practices and communications about diversity and inclusion and thereby enhances the ability of diverse teams to perform effectively.

Thus, even though the collected research on diversity management does not center on practices designed to stimulate synergy from diversity, that literature still offers valuable lessons about how diversity management should be handled to enhance an organization’s performance. One overarching lesson is that by merely increasing diversity, existing diversity management practices can contribute to improved team and firm performance. We believe, however, that those practices are not likely to be as effective in the absence of additional practices that specifically aim to achieve synergy from diversity. The diversity management research also strongly supports the view that diversity management practices are more effective when deployed in bundles of aligned practices rather than as stand-alone initiatives and when formal HR practices are complemented with informal leadership practices and with accountability structures that monitor implementation.

“teams must proactively pursue synergy by taking pains to integrate diverse perspectives”

Moving Forward: In Search of Synergy

Overall, we see key takeaways for organizational leaders who are developing diversity management practices and hoping to gain synergy from diversity, as well as for researchers who want to support that development. One clear message is that diversity management practices need to put more emphasis on information integration by teams. The other message is that those practices need to be supported in multiple ways to ensure that they have the desired effects on employees.

With respect to the diversity management practices themselves, it is clear that practice currently is underdeveloped when it comes to achieving synergy from diversity. As important as equal employment opportunity is, equal employment opportunity practices do not concern the team but rather individuals in their relationship with the organization. Such practices thus speak only indirectly to the key challenges that team diversity research identifies for realizing the positive performance effects of diversity. Even when diversity management practices succeed at improving equal employment opportunity and reducing the tensions between diverse team members, stimulating synergy requires more than just preventing such tensions; teams must proactively pursue synergy by taking pains to integrate diverse perspectives.

Research currently does not identify management practices that clearly foster such synergy, mainly because most companies do not engage in practices that researchers can study. But research does point to elements that such practices may incorporate.

Studies indicate, for instance, that synergy is created locally—that is, in the team—and that
achieving it requires an understanding of the diversity of expertise, experience, and perspectives in one’s team (a sense of “who knows what”).

Teams must also be instilled with true openness to diverse perspectives and an understanding that, to benefit from diversity, members must proactively work to exchange and integrate their diverse perspectives on the job at hand. In other words, the team needs to operate in a climate that fosters enthusiasm for seriously attending to diverse ideas. Teams often have an underdeveloped understanding of these requirements, hence, diversity management needs to include leadership development programs that will enable team leaders to elicit these attitudes and behaviors.

Van Knippenberg, Wendy van Ginkel, and Astrid Homan argued in a 2013 article that realizing this vision requires team leaders to engage in a combination of three behaviors. First, team leaders need to clearly articulate the behaviors they expect to see and why those behaviors are important. That is, they should clearly state that teamwork includes the active pursuit of diverse perspectives on the issue at hand, including potentially contradictory ideas, and that teams should approach the various views not with the aim of choosing the “right” one but with the goal of combining and building on the best aspects of the collected ideas.

Second, leaders need to guide the team through these behaviors, encouraging team members to exchange information, truly listen to and learn from others’ perspectives, and talk about how to integrate the multiple ideas. Team leaders may, for instance, explicitly ask all members to share their views on a task and explicitly invite thoughts that are different from those already voiced.

Third, leaders need to prompt teams to reflect on these experiences, so that members understand and appreciate these key processes. The goal is to help team members see how the integration of diverse perspectives has been instrumental in achieving the team’s goal—say, by helping to solve a challenging problem or giving rise to a more creative solution than otherwise would have been achieved—and to enable the group to explicitly identify what team members did to invite and integrate these diverse perspectives.

To this combination of three behaviors, we add a fourth. To complement their advocacy, guidance of team process, and stimulation of reflective discussion, team leaders should be role models, inviting diverse perspectives and seeking their integration rather than championing one perspective over others. Thus, if organizations are serious about achieving synergy from diversity, they need to put leadership development practices that target these elements of team management high on their agenda. The sidebar Team Leader Actions Likely to Enhance Synergy summarizes potentially valuable leader behaviors.

Corroborating this analysis, research has pointed to the value of inclusive leadership that demonstrates a leader’s openness and accessibility to all members of the team. Studies have also highlighted the importance of cooperative norms and group openness to diversity; openness to diversity can be built by leaders who advocate for the synergistic benefits of diversity. Given the current dearth of diversity management practices specifically targeted to synergy, the practice recommendations above stem from logic and not from assessments of existing procedures. To move beyond this state of affairs, organizations need to further develop such practices and partner with scientists who can evaluate their effectiveness.

### Team Leader Actions Likely to Enhance Synergy

Research indicates that the teams most likely to reap performance benefits from diversity tend to:

- articulate that pursuing diverse perspectives on a task is important,
- guide teams through the process of eliciting and considering diverse ideas and extracting the best combinations of suggestions,
- have teams review the decisionmaking processes they used to see how integrating diverse ideas was instrumental in solving the problem at hand, and
- serve as a role model by seeking and seriously considering the ideas of others.
Our advice for ensuring that the practices organizations develop to achieve synergy have the desired effects mirrors the advice for enhancing the effect of diversity management practices in general: Be sure that espoused practices are actually implemented, and take actions to guarantee that implementation has the intended effects on employees. As we have noted, some of these actions are pretty straightforward, such as creating formal systems for monitoring whether practices are reaching their goals and explaining a practice’s rationale by emphasizing the benefits of diversity for the team or organization as a whole rather than the benefits to specific groups. Other actions are more complex, such as instituting bundles of formal and informal practices that all signal a firm’s desire for diversity and inclusion. More research is needed to identify the characteristics that make any given practice more effective than others, to help organizations determine which bundle of practices will work best together, and to identify the informal managerial actions that will best reinforce the formal practices. Developing concrete understandings of what such actions would entail is an ongoing challenge both for policymakers and for researchers who work with them to develop effective practices.

endnotes
A. In meta-analyses, the strength of observed relationships is captured by the term $r$, which ranges from −1 to 1. In the study of Van Dijk and his colleagues, when the link between diversity and performance is examined, negative values indicate that greater diversity results in poorer performance, and positive values indicate that greater diversity leads to better performance; higher absolute values indicate stronger effects. The analysis, which produced 612 associations between diversity and performance, found $r$ values ranging from −.35 to .44 for the effects of demographic diversity, from −.29 to .55 for the effects of job-related diversity, and from −.44 to .29 for the effects of deep-level diversity. There was no overall significant effect for demographic diversity ($r = −.02$) or deep-level diversity ($r = −.01$), and the overall effect for job-related diversity, even when significant, was very small ($r = .05$).

B. When the van Dijk group showed that the effects of job-related diversity were more positive if tasks were highly complex than if complexity was low, the $r$ values were .06 versus −.04. When they showed that the effects of overall diversity (encompassing demographic, job, and deep-level diversity) were more positive on creativity and innovation than on the performance of assigned tasks, the $r$ values were .04 versus .00. Regarding Joshi and Roh’s finding that job-related diversity enhanced performance more in high-tech industries than in service work, the associated $r$ values were .06 versus .00. When they found that demographic diversity enhanced performance more in service work than in high-tech industries, the $r$ values were .07 versus −.18.

C. When Joshi and Roh reported that diverse teams performed relatively badly if the organization was male-dominated or had a White majority, the $r$ values were −.09 and −.07, respectively. The finding that organizations performed relatively well when they were gender or ethnically balanced was associated with $r$ values of .11 in both cases.

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The importance of organizational communications in employees’ responses to diversity practices

Jasmien Khattab

In “Synergy From Diversity: Managing Team Diversity to Enhance Performance,” Daan van Knippenberg, Lisa H. Nishii, and David J. G. Dwertmann observe that misalignment between diversity theory and actual diversity management practices often prevents organizations from achieving the systematic performance benefits diversity can bring.\(^1\) Whereas theory on diversity emphasizes the preconditions required to create synergy in groups that are diverse, diversity management practices have largely addressed legal concerns relating to discrimination and are rarely designed to promote the creative integration of diverse ideas. The authors suggest several helpful actions policymakers can take to increase synergy from diversity. These include developing specific procedures that spur teams to integrate diverse information and perspectives, leveraging the role of team leaders, establishing accountability structures for meeting diversity objectives, and implementing bundles of aligned practices. To those suggestions, I add two others, relating to the way organizations communicate about diversity practices.

In discussing the disconnect between theory and practice, van Knippenberg and his colleagues note that diversity practices tend to concentrate on the needs of specific social groups rather than on the needs of teams or the organization as a whole.¹ I believe that this narrow focus is one important reason why diversity management practices do not consistently enable organizations to improve their performance. When organizations highlight the importance of improving the positions of people who belong to specific social groups, such as women or racial minorities, this framing increases the salience of the individuals’ social category. The increased salience, in turn, catalyzes social categorization processes that can have detrimental effects in teams that are diverse.²

For instance, emphasizing differences between social groups, such as by providing additional managerial training for women but not for men, might lead to several negative consequences for the beneficiaries of that practice. Employees might interpret the practice as a signal that the beneficiaries lack competence and thus need help to succeed, that the beneficiaries will be more likely to succeed because the practice will override fair decisionmaking, or both.³ Such signals, in turn, may result in decreased performance by the beneficiaries because of decreased confidence in their own abilities⁴ as well as increased stereotyping by nonbeneficiaries.³ In contrast, when a diversity policy is framed as serving the collective interest, both beneficiaries and nonbeneficiaries are much more likely to respond to the policy favorably.⁵

With such findings in mind, I advise policymakers to not only heed the diversity management advice of van Knippenberg and his coauthors but to also ensure that organizational communications relating to diversity are inclusive and focused on the benefits to teams or the larger organization. Adopting this approach would give policymakers a chance to reduce resistance to and improve the results of diversity practices—including existing practices that may be targeted to individual social groups.

Communicating that everyone’s contribution is valued may seem like a straightforward way to support such action. Yet mouthing words will not be enough, which brings me to my second recommendation: Communicate about diversity skillfully to be credible. Employees are very attuned to signals indicating the extent to which their organization cares for them. To convince employees that the organization wants to establish conditions that will increase diversity and its benefits, communications should truthfully convey that top management has deep knowledge about and genuinely sees value in diversity. A lack of either element can lead employees to question the authenticity of the intentions behind diversity practices. Perceptions of inauthenticity are likely to be greatest when top management’s communications around diversity display both a lack of knowledge and a lack of evidence that diversity is valued.⁶–⁸ Organizations that lack knowledge but value diversity can mitigate perceptions of inauthenticity if they are apologetic about their lack of knowledge.⁶

Perceived inauthenticity will result in negative evaluations of diversity practices by both beneficiaries and nonbeneficiaries—with beneficiaries interpreting the organization’s efforts as mere window dressing that produces no real change and with nonbeneficiaries perceiving change but thinking of it as unfair or lacking a meaningful rationale. Although these groups differ in their expectations of change, both groups are likely to anticipate no gain from diversity practices and to be resistant to them.⁹–¹²

Van Knippenberg and his colleagues suggest that the authenticity of diversity practices can be signaled by increasing the alignment between what is espoused and what is enacted (such as by positioning team leaders as role models and as implementers of team-directed diversity management). This is an excellent suggestion to combat the problem of misalignment at the level of implementation. Yet often the implementers are not the problem and are strongly committed to diversity. Think, for instance, of the diversity committee that organizes a monthly LGBTQI+ lunch or of the department head who actively tries to hire more women. Rather, misalignment between espoused and enacted practices often originates from top management’s lack of knowledge about the importance of diversity and genuine appreciation for its benefits.
of commitment to diversity or from ineffective communication of their commitment. In sum, to gain employees’ commitment to diversity practices, top managers need to emphasize team- and organization-wide—rather than individual—benefits from diversity and, critically, must authentically communicate their own commitment by demonstrating knowledge about diversity and belief in its value.

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