



NORTHWESTERN  
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A game plan for  
**Maximizing Results through Diverse Teams**

By: Kim Waller

## **Abstract**

Everyone wants to be on a winning team. Organizations and leaders want to build and inspire winning teams.

However, this is not always an easy goal to achieve when managing diverse teams. Traditional management skills can take on a slightly different bent when nuanced by underlying factors related to race and culture in the work environment. Does diversity within a team change the leadership skills needed to create a winning team?

In order to further explore this topic, an on-line survey was conducted in collaboration with Chicago United, a non-profit organization dedicated to furthering research on issues related to diversity in organizations.

Specifically, this study served to examine what leadership behaviors are effectively linked to maximizing results in diverse teams

Survey results revealed positive results independently for both leadership and team performance. However, surprisingly, survey results revealed only a moderately positive relationship between the level of involvement and effectiveness of the given leader with their respective team.

One possible explanation for these results may be found in the profile of the respondents.

- 90% of the participants surveyed had 10 + years of professional work experience
- 96 % of the participants were college educated
- 63% of the participants surveyed had postgraduate degrees

In part, the depth of experience of the people involved in the diverse teams could account for why there was only a nominal correlation between team performance and leadership. One possible explanation to consider for these results may be that given the depth of experience of those responding to the survey, direct leadership involvement in managing team performance was less important. The teams studied were effective in self managing their outcomes of success.

For the purposes of this study, the term leadership and management were used synonymously. Future studies on diverse team performance should explore these functions as distinctly separate functions. John P. Kotter, in an article in the Harvard Business Review on "What Leaders Really Do", makes an important distinction between the role of "Leaders" and "Management". He states, " Management involves organizing and staffing. Leadership involves aligning people."

In this sense, it is possible that the direct relationship between leadership behaviors as measured in this study are more accurately described as "Management" rather than the function of a "Leader." Setting standards for team communication, goal setting and conflict resolution within a team, whether the team is diverse or not, may be the function of a manager. The true role of leadership and its impact in maximizing results within a diverse team may be best served in setting the vision and standards for the selection and retention of the best and brightest diverse talent.

## **Introduction**

Organizations continue to be challenged with how to best maximize results through diversity in the workplace. While most organizations state that they believe there is value in diversity, racial cultural diversity within organizations has remained relatively unchanged over the past 10 years. Nevertheless, given the changing workforce demographics projected for the future, organizations will need to directly address the question of how to best manage diverse teams to achieve organizational objectives.

At present, there are a multitude of how-to guides on how to manage teams effectively. However, there are smaller numbers of practical resources available to managers and leaders on how to effectively manage a diverse team. Are there any differences when managing a diverse team? How do the rules change if the team is made up of individuals from different racial/cultural backgrounds?

The secret in advancing the discussion may lie in identifying what leadership behaviors can be linked to creating diverse teams that produce winning results.

## **Academic Research - Performance of Diverse Teams**

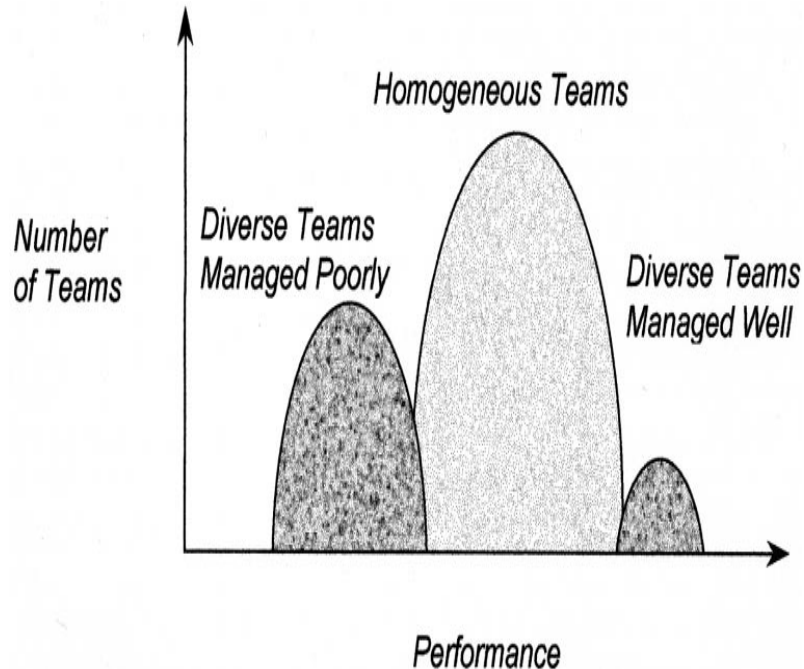
The positive business case for diversity has become a commonly stated phrase in today's business circles. However, when examined at a closer level, one may ask, if diversity in the workplace is truly a way to create value, why have the actual numbers of racial/ethnic minorities in professional and leadership positions within organizations remained relatively unchanged over the past forty years?

One explanation may be that the true value of diversity has not moved from theory to practice in enough organizations to spark widespread changes in the numbers of racial/ethnic minorities hired and retained within organizations across the United States.

## **Theory vs. Practice - Creating Value in Diverse Teams**

The contradiction between the theory and practice in the utilization of diverse teams were studied by Distefano and Maznevski. In their analysis of diverse team performance, they found that in actual practice, less than 10 % of the teams reported results where the diverse teams actually outperformed non-diverse teams. (Distefano & Maznevski, 2000).

Creating value with diverse teams in global management.



- **Destroyers** – High level of distrust amongst team members, Team dynamic highly volatile and destructive; “Team” decisions often made by manager or formal leader without real discussion and/or contribution from individual members. **(Below Average Team Results)**
- **Equalizers** - Surface level trust, differences amongst members suppressed in order to “get along”, mediocrity in results. Decisions made by artificial consensus without meaningful discussions on differences which would lead to innovation and performance advantages. **(Average Team Results)**
- **Creators** - Deeper level of trust, differences amongst members are explicitly recognized and accepted even nurtured. Diversity is incorporated into every facet of the groups processes **(Above Average Team Results)**

(Distefano & Maznevski, 2000)

Could this be why many organizations are still challenged by issues related to diversity as a true business value proposition?

## **Research Design and Definitions**

Optimal team performance can be positively influenced by careful management. Team dynamics such as learning how to effectively communicate, constructive goal setting and learning strategies for dealing with conflict can influence a team's performance. The key question for the purposes of this study is to learn more about how leadership can play a role in managing these dynamics within a diverse team to maximize performance.

In order to further study this question, an on-line survey was launched. Survey participants were asked to provide anonymous feedback to a series of questions relating to their experience in working on diverse teams. The on-line survey was designed to study three basic pillars of team performance:

- I. Leadership Performance**  
How effective was the leader in managing the team in setting goals, facilitating communication and resolve conflict when necessary?
- II. Team Performance**  
Did the team meet or exceed its desired objective?
- III. Relationship between Leadership and Diverse Team Performance**  
Did the diverse teams with effective leadership involvement deliver higher results than those teams without leadership involvement ?

## **Definitions**

Diversity in teams was defined as racial/cultural diversity of team participants. Respondents were asked to self identify if there were one or more individuals in the team from different racial/cultural backgrounds. (See Appendix A)

## **Research Analysis Methods**

Survey results were analyzed by using a combination of both quantitative and qualitative measures.

### **Quantitative Analysis**

Demographics describing the data reported from the respondents include race, number of years' experience and profession. Mean scores of responses to key questions related to leadership and diverse team performance were also reported to provide insight into the responses.

A correlation test was run to determine if there was a relationship between diverse team performance and leadership behaviors. A Pearson's "r" statistic was used to measure the strength of the relationship between leadership behavior and diverse team performance.

A further comparison was made between the performance of the diverse teams with a leader compared against diverse teams without a leader. The impact of leadership on diverse team performance was measured by comparing the results from the two groups. The strength of this relationship was statistically measured by a t-test to determine the nature of the relationship and its statistical significance.

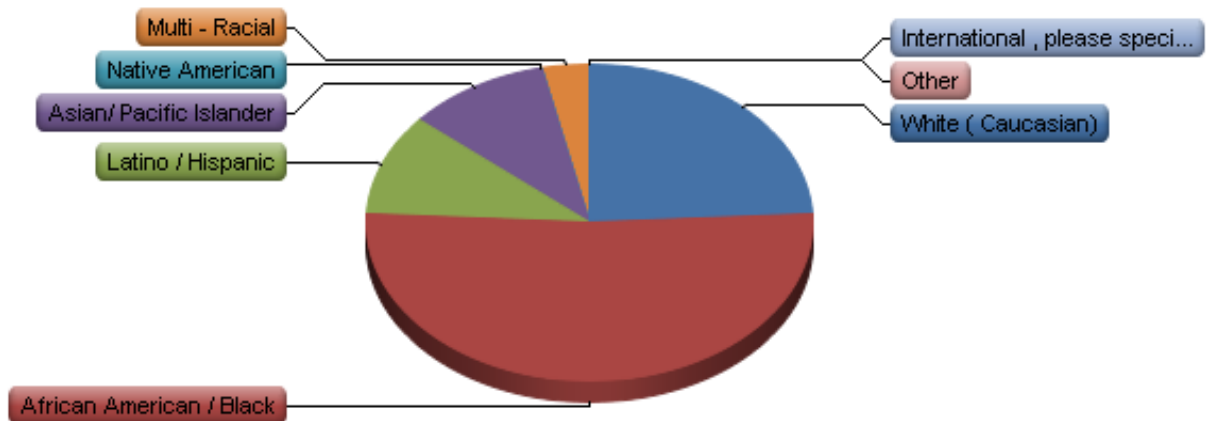
### Qualitative Analysis

A series of open-ended questions was explored by conducting a thematic analysis of the results. This analysis provided additional context to the survey findings.

## Research Results

### Respondent Demographics

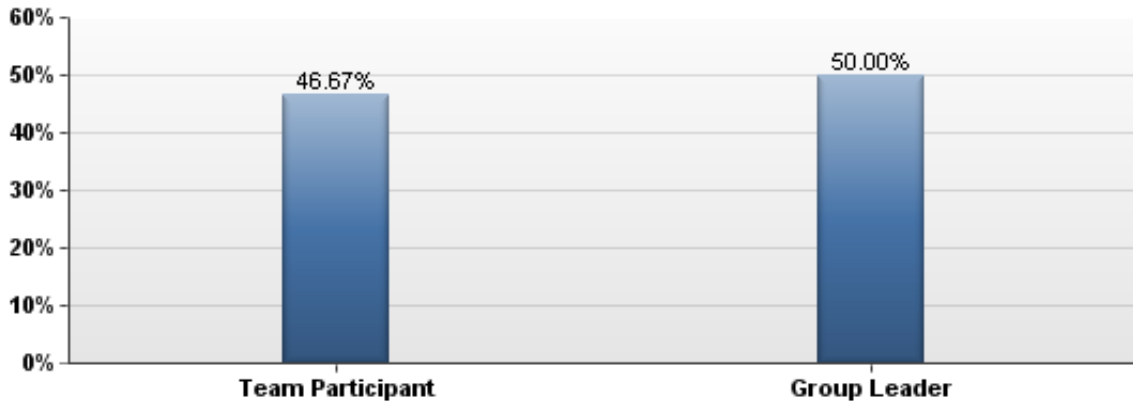
Race/Cultural Background



Racial / Ethnic Category	Respondent Percentage
African American / Black	52 %
White / Caucasian	24 %
Asian / Pacific Islander	10%
Latino / Hispanic	10 %
Multi-Racial	4 %

### Diverse Team Roles

Results from survey respondents were reported from individuals who functioned as Team Participants (46 %) and individuals who functioned as Group Leaders (50%). Respondents were asked to answer questions on leadership effectiveness and the performance of the teams in achieving their given objective.



### Leadership Performance

Leaders were evaluated based upon their effectiveness managing teams through a set of three distinct behaviors. The three behaviors measured were: managing communications, goal setting and conflict resolution strategies. On average, respondents evaluated leaders as being slightly higher than “effective “in their ability to lead teams within these three dimensions.

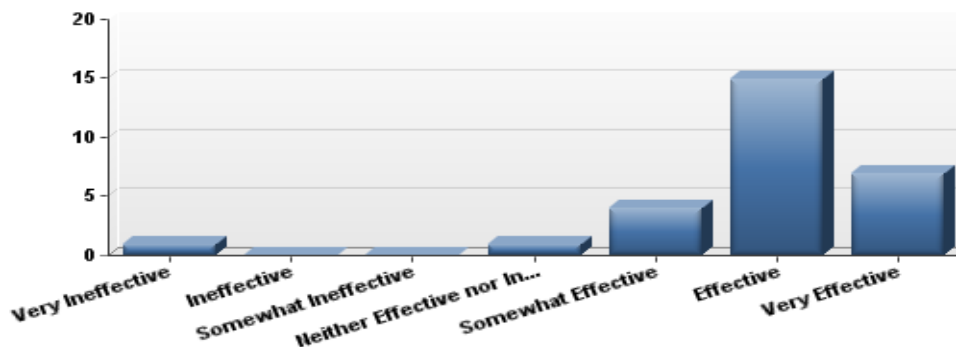
#### Leadership Behaviors

Description	Number of Leaders demonstrating the behavior %	Effectiveness ( Mean score )
Managing Communications	87%	2.05
Goal Setting	91 %	2.14
Managing Conflict	82 %	2.18

Effectiveness Scale	
1	Very Effective
2	Effective
3	Somewhat Effective
4	Neither Effective nor Ineffective
5	Somewhat Ineffective
6	Ineffective
7	Very Ineffective

## Team Performance

Team performance was also measured. Teams were rated on a scale from “Very ineffective to Very effective”. Based upon this scale, 79% of those surveyed reported team performance as “Effective” or “Very Effective”.



## Relationship between Leadership and Diverse Team Performance

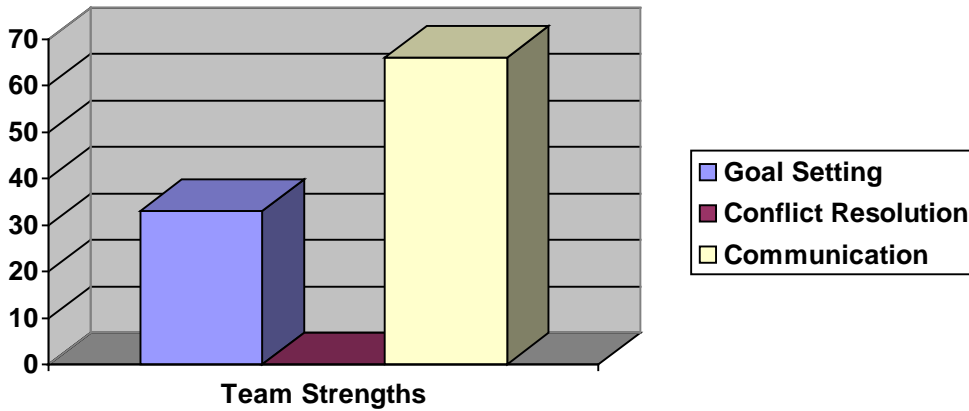
An analysis of the impact of leadership on team performance was done. This analysis was conducted based upon data from 77% (n=29) of the respondents which had teams with leaders, while 23 % (n=7) with no leader directly involved.

Statistical tests were run to determine if there was a relationship between leadership behaviors in their effectiveness in setting goals, standards for communication and conflict resolution and the diverse team performance. A correlation reported a Pearson’s R statistic of .40, at a 95 % confidence level indicating a moderately positive correlation between leadership behaviors and the performance of the diverse team. (See Appendix C)

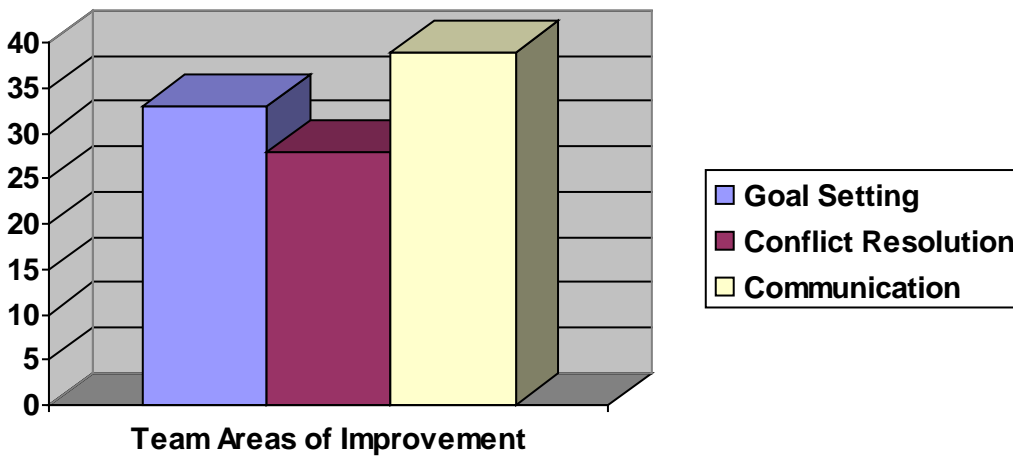
However, a t-test done comparing diverse team performance a leader relative to diverse team performance without a leader revealed no statistically significant difference in team performance. (See Appendix D) Further research on this point should be conducted given the limitations of total sample size (n=36) and the number of teams analyzed without a leader (n=7).

### Team Performance – Strengths and Areas for Improvement

Respondents were also asked to provide additional qualitative information on what their team did well. Common themes surfaced from the responses received. Ability to effectively communicate within the team was rated as a strength of the team by 66 % of the respondents, while the remaining 33 % of responses noted ability to set goals as core strength of the team.



Conversely, respondents were asked to provide additional qualitative information on ways that the team could improve its future performance. Responses to this question were split almost evenly between the three major categories studied; Communication (39%), Goal Setting (33 %), and Conflict Resolution (28%).



## **Conclusion**

Identifying ways to effectively manage diverse teams can be a multifaceted challenge. From traditional issues related to communication, goal setting and conflict resolution, to the sometimes perceived challenge that race and culture may play, there are a variety of factors that potentially can influence the effective performance of a diverse team.

In today's challenging business environment, any advantage to deliver optimal value is worth the pursuit. It is within this context that organizations faced with projected changes in workforce demographics must find new ways to maximize results. Diverse teams can deliver highly effective performance outcomes to an organization. Thus, this challenge is worth meeting.

The goal of this research was to identify what leadership behaviors are effectively linked to maximizing results in diverse teams.

Leadership and team performance were measured to evaluate their effectiveness. Overall positive results were reported for both leadership and team performance. From these results, one might expect to see a strong positive correlation between diverse team performance and leadership. However, surprisingly, survey results revealed only a moderately positive relationship. In addition, the difference between the performance outcomes from diverse teams with a leader versus diverse teams without a leader were statistically insignificant

One possible explanation for these results may be found in the profile of the respondents.

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In addition, the relatively small sample size of 36 respondents could also account for part of the results realized.

Future studies on diverse team performance should explore these functions as distinctly separate functions. John P. Kotter, in an article in the Harvard Business Review on "What Leaders Really Do", he makes an important distinction between the role of "Leaders" and "Management" in organizations. He states, "Management involves organizing and staffing. Leadership involves aligning people."

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<b>Racial / Ethnic Category</b>	<b>Respondent Percentage</b>
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.” Setting standards for team communication, goal setting and conflict resolution within a team, whether the team diverse or not, may be best positioned a tactical team level rather than at the leadership level in an organization.

The true role of leadership and its impact on maximizing results within a diverse team may be best served in setting the vision and standards for the selection and retention of the best and brightest diverse talent. The selection of diverse talent should be based upon the unique attributes and skill sets of each of the members. In addition, leadership should focus on meaningful ways to retain and develop diverse talent within its organizations to fully benefit from the individual and institutional knowledge this talent can bring to their diverse teams. In doing so, leaders can prepare a playing field in which the organizational culture is prepared to embrace diversity as a value proposition that will deliver winning results.

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**Appendix A**

**Race and Cultural Categories**

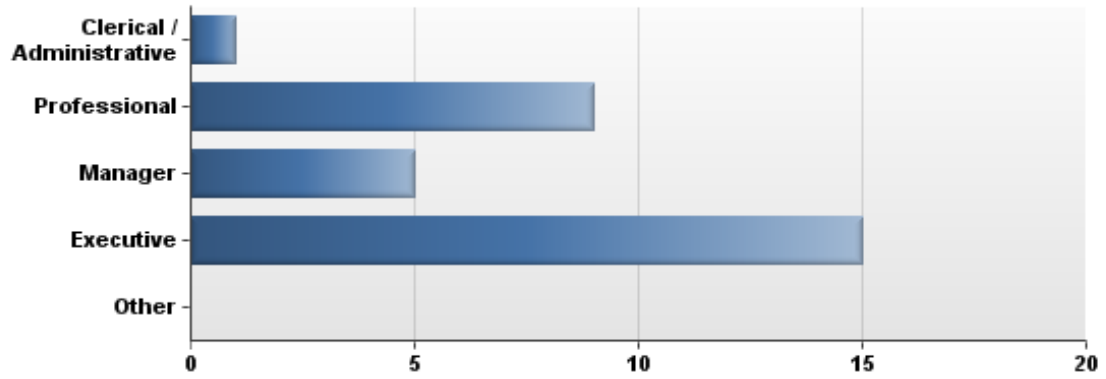
- (1) White
- (2) Black or African American,
- (3) Hispanic or Latino,
- (4) Asian
- (5) Native Hawaiian or Other Pacific Islander
- (6) American Indian or Alaska Native
- (7) Multi-racial
- (8) International, please specify \_\_\_\_\_

**Note:**

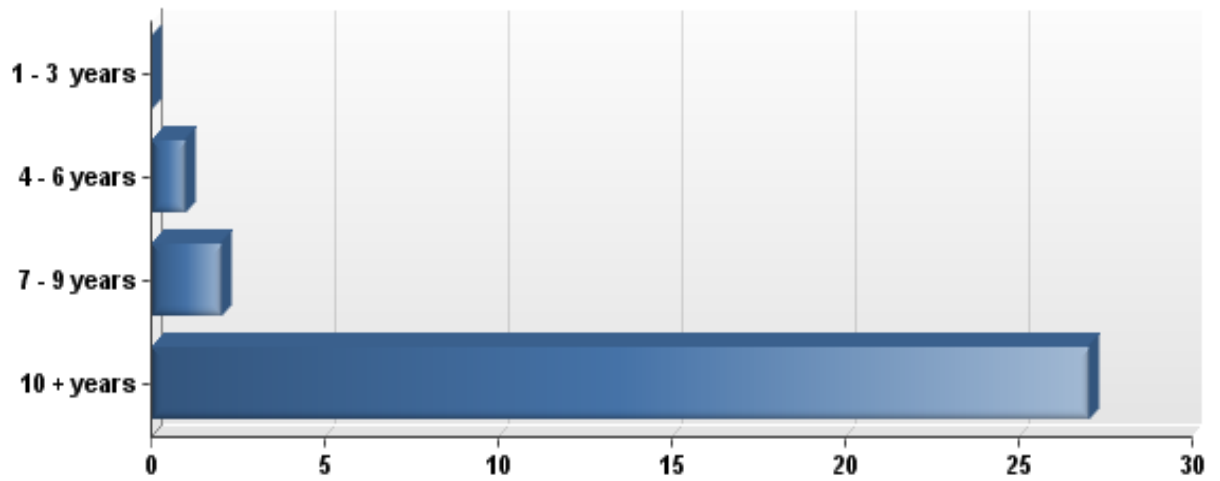
Each respondent was asked to self identify themselves by racial/cultural categories. For the purposes of this study, diversity is being defined as racial/ethnic diversity.

**Appendix B**

**Professional Level**

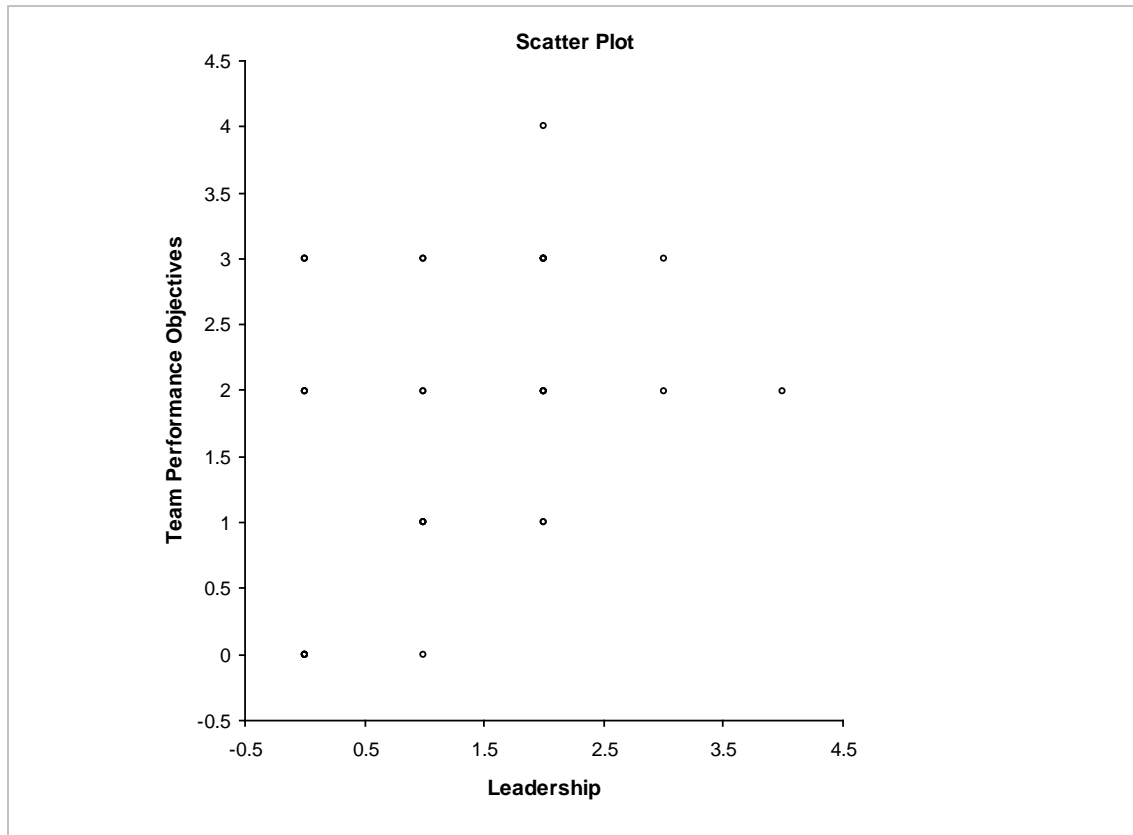


**Years of Work Experience**



## Appendix C

### Team Performance and Leadership Correlation – Pearson's



**N = 36**

**R-Statistic = .40**

**Confidence Level (95%) = .08 to 0.64**

## Appendix D

### Relationship between Leadership and Diverse Team Performance Comparative Analysis

Leader: 1.00

No Leader: 2.00

#### Group Statistics

Leader		N	Mean	Std. Deviation	Std. Error Mean
Performance dimension 1	1.00	23	2.1739	.88688	.18493
	2.00	6	2.5000	.54772	.22361

#### Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Performance	Equal variances assumed	1.420	.244	-.852	27	.402	-.32609	.38257	-1.11105	.45887
	Equal variances not assumed			-1.124	12.816	.282	-.32609	.29017	-.95388	.30170