



## Why diversity can be bad for team innovation

*“Too often, well intentioned policies and procedures designed to advance diversity have constrained its creative potential rather than reinforce the cultural and social dynamics we know underpin sustainable creativity and productivity.”*

Professor Raman Bedi

## and how to regain the initiative through tactics for confidence, curiosity and courage

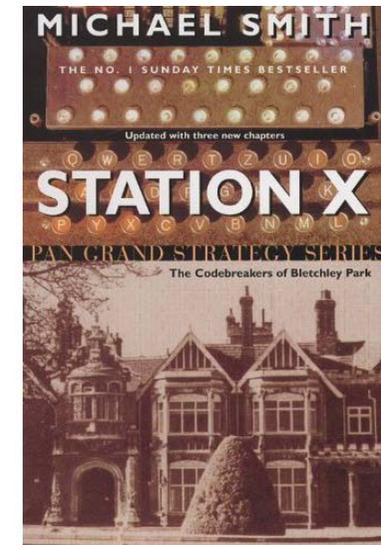
# Station X

It was a work group that, at the height of its activity, employed over 9,000 people, 80% of whom were women. It recruited school children and students, mathematicians and linguists, chess masters and crossword puzzlers, and clerks and spies, and a range of nationalities. “The diversity of personnel was staggering.”

Described as the “forties equivalent of Silicon valley”, Station X at Bletchley Park helped end a war, shortening World War 2 by at least two years. But for Station X, the atom bomb would have landed on Berlin.

Station X was the home of the Enigma code breakers who unravelled the messages of the German military machine. Conventional cryptography was impractical to crack the 159 million million possibilities generated by Germany’s Enigma. The Turing bombe, a two metre high black box, requiring no more power than a household kettle, was invented to decode the German messages, providing critical intelligence to intercept Germany’s military plans.

“Breaking Enigma was a triumph of intelligence and logistics”, of innovation built on successful diversity.



*“It was a wonderful place to work: a classless society where brains, application and enthusiasm were the criteria. The ethos meant that new schemes for tackling a job were never snubbed. It meant new ideas and not accepting old standards without question.”*

Joy Etteridge

## Overview

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If ever there was a time when we need the kind of creativity and innovation that improves organisational productivity, it is now. In an “age of austerity” and increasing demands for “more from less”, it will be those organisations who understand the dynamics of creativity and are proactive in the management of team innovation and productivity who will survive and thrive. Those who don’t will struggle and fail.

Diversity has been positioned as a key dynamic in leveraging greater innovation. But the research evidence is mixed. This is the “double-edged sword” of diversity. As well as potential gains, there are real challenges, challenges which if ignored, create difficulties.

Here we identify the dynamics of creativity and the factors that help or hinder work group productivity, and why, the classic diversity programme isn’t well positioned to build the cultural and social environment that fosters innovation. Diversity introduced as a top down dictat or implemented as part of a compliance culture may “tick the box” of short-term reporting requirements to stakeholders. It won’t however build a culture of confidence, curiosity and courage to harness the creative potential of diversity.

*“Celebrating diversity only as a positive ignores real problems that must be solved.”*

C Simmons & R Weathers

This article summarises:

- what we know about team creativity and productivity
- why initiatives to implement diversity may be counter-productive to the factors that enhance team innovation
- practical strategies and tactics to ensure team diversity is a force for greater innovation and productivity

## A thought experiment

Imagine a world in which any combination of individuals drawn at random can work creatively on any work task.

Is this world possible?

To begin to answer this question is to apply our minds to the complexity of human nature, individual differences in aptitude, personality and talent, the impact of social and cultural diversity, the ways in which work is organised, and the realities of organisational life.

*"Diversity turns out to be the mother of invention, not necessity."*

**David Ogilvy**



## The background

The diversity agenda is driven by two forces.

One is the imperative for greater social justice and fairness, and the elimination of inequity of outcomes for specific cultural groups, well documented in, for example, healthcare and education. This theme also highlights the need to eliminate discriminatory practices, and emphasises the importance of greater representation of different groups at all levels.

The second driver has been the argument that diversity makes good business sense. The business benefits range from: widening the pool of available talent, improving levels of employee engagement, responsiveness to customer diversity, and most notably, enhancing the kind of creativity that improves productivity.

Here things are less straightforward, not least because diversity is defined in very different ways. For some, diversity should be conceptualised as demographic difference (e.g. gender, ethnicity, age) to maintain attention on the agenda for justice and equity. Others have expanded the definition to include differences in education, functional experience, technical aptitude, personality traits. This is diversity as the “world of variety”.

The emphasis in this article is primarily on the “surface level” of demographic diversity, since it is this aspect of diversity that has been the most controversial in the debate about team innovation.

*“There is a crucial distinction between merely having diversity in the work force and developing the organisational capacity to leverage diversity as a resource. The challenge of diversity is not simply to have it, but to create conditions in which its potential to enhance performance is enhanced.”*

T Cox



# Diversity, creativity and the Medici effect

At first sight, diversity is intuitively and obviously a key factor within creativity. Or, framed another way, what kind of creativity would emerge in a work group comprising clones?

In “The Medici Effect”, the account of the extraordinary flourishing of ideas in Renaissance Florence, Frans Johansson points to the role of the wealthy Medici banking family in bringing together brilliant people from difference spheres of art and enterprise. His thesis: at the intersection of different disciplines and cultures, remarkable idea combinations are generated to drive innovation. Interesting things happen when diverse individuals and groups with different experiences, skills and interests collaborate. Creativity thrives when we connect to others with diverse perspectives and aspirations.

And the evidence base is pretty unequivocal in indicating that exposure to different cultural experiences and backgrounds increases creative performance. Individuals with higher levels of multi-cultural experience are more likely to:

- challenge their own assumptions and expectations of what is possible
- discover new information and access a broader repertoire of cognitive and behavioural scripts in tackling the situations and problems of life
- develop that sense of humility that comes from assimilating new ideas which is receptive to the unfamiliar and unusual

factors all key to the creative process.

*“When you step into an intersection of fields, disciplines and cultures, you can combine existing concepts into a large number of extraordinary ideas.”*

**Frans Johansson**



## Diversity and creativity: the evidence base

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So why is the evidence base examining team diversity and innovation so mixed?

Research in this area is of course difficult. Problems of definition and measurement, disentangling the different permutations of diversity, establishing cause-effect relationships make for a jumble of research outcomes. But the most accurate reading of the available research indicates that diversity gives rise to both positive and negative outcomes.

The problem for diversity is that, human nature being what it is, we don't like it too much. Diversity makes us uncomfortable and it is difficult. It heightens anxiety levels and challenges us, incorporating as it does the potential for greater miscommunication and misunderstanding, disagreement and conflict.

Homogeneity in which we work with those who are like us and who like us and share our values, is much easier.

But the downsides of homogeneity are well known.



*"No study showed a clear, direct relationship between demographic diversity and innovation."*

Report for EEO Trust, 2008

## Homogeneous work groups and creativity

In the short-run, groups made of team members who share similar experiences, values, operating styles are more likely to work together in a cohesive way. In the longer-term, the drawbacks are:

**Consensus that reaches early closure.** When team members share similar perspectives, there is social pressure to agree with the majority view, and close down debate before the full range of ideas have been debated. The work group, keen to maintain harmony, looks for the “good enough compromise” rather than search for the optimal solution.

**Group polarisation.** This is the phenomenon in which groups made up of like-minded individuals are more likely to move to extremes. When similar individuals work together they confirm and amplify each others' views, raising their level of certainty and become more confident in adopting extreme positions. This explains why, for example, people who tend to show racial prejudice show even more racial prejudice after speaking with each other, and why investment clubs who spend time socialising together perform worse than clubs with limited social interaction.

**Creative decline.** Team creativity needs the friction that comes from multiple perspectives and options. Similarity of background, values and outlook begins to produce lazy thinking, thinking that converges on what is familiar and comfortable. And the quality of ideas falls.

*“Diversity appears to be a double-edged sword, increasing the opportunity for creativity as well as the likelihood that group members will be dissatisfied and fail to identify with the group.”*

F Milliken



## Creativity and productivity: what we know

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Historically, the focus in creativity research was on the lone genius, that heroic individual who, through a combination of talent, dedication, and hard work, pioneered the big breakthroughs. The research task was to identify the life experiences, cognitive and personality traits and motivational patterns of these individuals to identify a creative profile.

We know that creative individuals:

- balance in-depth expertise with a breadth of knowledge. This is creativity as the “**T shaped mind**”, mastery of one domain but with the curiosity to direct interest towards other fields. This is innovation, in Isaiah Berlin’s famous classification, part hedgehog (those who know one thing and know it well) and part fox (know many small things and are flexible in “ad hocery”)
- deploy **thinking skills** to accommodate uncertainty and contradiction, tolerate ambiguity, and manage the disagreement of different perspectives
- combine **open mindedness with conscientiousness**. Open mindedness helps generate initial ideas. Conscientiousness is needed to persevere to elaborate on the ideas and turn them into useful innovation
- operate best when motivation is **intrinsic** (driven by interest, satisfaction and the sheer enjoyment of the challenge of the task) rather than extrinsic (the external pressure to perform and the associated reward or punishment)
- make a **decision to be creative**. This is creativity as a life choice. Individuals with the potential to become highly creative realise that potential when they define themselves as creative types



## Creativity and productivity: what we know

Later research moved on to the tactics and techniques of creativity. Rather than asking: what are creative people like, the agenda was on investigating what they did, and using this knowledge to develop practices and processes for the enhancement of creativity.

And from this we know more about the specific creativity techniques that work and don't work, and that, for example, classic brainstorming is worse at generating usable ideas than individuals working independently.

In the mid '90s research interest moved to the group factors of creativity, and the importance of social dynamics within sustainable organisational innovation. This was a response to the recognition that the days of the solo genius are over. Increasing levels of complexity and the demand for greater coordinated effort suggest that creative collaboration is the name of the game.

The challenge is identifying which factors explain why some work groups are more innovative than others in generating ideas and translating them into organisationally useful outcomes?

*"The heart of the matter is that group creativity is not the sum of the individuals' creativity within the group."*

Eleanor Glor



Team innovation arises from the combination of:

- a critical mass of team members, with the expertise, enthusiasm and commitment to contribute creatively
- attention to creative processes to ensure that individuals' creative input is encouraged and valued
- an organisational infrastructure that is supportive of innovation, and communicates overall priorities and coordinates efforts to a collective purpose

# The factors of team creativity

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**Positive emotions to open up horizons.** Creativity is enhanced when team members feel personally positive and enthusiastic, and are also committed to the task and its overall purpose. The negative moods of anxiety and fear trigger the kind of vigilant and analytical thinking that over-examines situations, becomes bogged down in unnecessary detail and leads to narrow and rigid thinking.

**Balance of challenge and support.** This is the Goldilocks theory of creativity. Too much challenge is overwhelming and the work group is intimidated by the scale of the task. Too much support and a comfortable life becomes the lethargy of creative decline.

**Trust to elicit tacit knowledge.** Much important information within the work group is implicit and unspoken. And if this knowledge remains within team members' heads, the creative exchange of different perspectives to build on others' ideas is constrained. Trust within the team is the dynamic that encourages individuals to disclose ideas, and collaboration to access the "insights, intuitions and hunches" of others. This is more than trust as an expectation of others' knowledge and competence to get the job done. This is trust as emotional closeness and the extent to which team members feel comfortable with each other.

**Autonomy and freedom.** "Just be creative" is an appeal likely to result in confusion. Innovation is enhanced when there is clarity of purpose about long-term goals, but sufficient freedom is allowed to be flexible about the means. Groups are at their most creative when they have enough "degrees of freedom" to apply their initiative. Give creative individuals the "what" that is important, and let them surprise you with the "how".

**Space to breathe with the discipline of time.** Creativity is infinite. There are always more avenues to explore, ideas to build on and options to review. Team innovation needs space to think without the knock on the door of "are we done yet?" Although fake or impossibly tight deadlines create distrust that is damaging, creativity also needs the discipline of closure. The trick seems to be to set "generous but strict deadlines".

**Maturity of conflict resolution.** Conflict is intrinsic to creativity. Team innovation arises out of the battle of ideas and the challenge of competing perspectives. But conflict is difficult and must be managed to avoid destructive interpersonal dynamics. Innovative teams negotiate ways of resolving any interpersonal and task conflict.

**Leadership direction.** This is team innovation reinforced by line managers who in turn are supported by leaders at senior levels who value innovation. Team creativity requires leaders to accept the realities of risk and recognise that failure is part of the innovation process

**Organisational support.** At one level, this is about the nuts and bolts of resource to ensure groups have the tools to work productively together. At another level this is about physical work-place design and organisational structures to create opportunities for interaction and to facilitate information flows up, down and across work units. Rigid hierarchies, structured around functional silos and political fiefdoms provide a significant drag on innovation.

# Team creativity and the impact of positive feelings

No doubt the dynamics of creativity will vary for different teams tackling different challenges. However the one theme we highlight is the importance of positive feelings in creating a climate of confidence, curiosity and courage.

Historically, the research interest has largely addressed the role of negative feelings in creativity.

The “deficit model” - owing much to the pessimism of psychoanalytical theory - argues that our creative efforts are a defence against feelings of personal inadequacy. Feeling that we are destined for failure, creativity is our escape route to higher levels of self esteem. Another view - “the mad genius theory” - links creativity to the negative feelings of neuroticism and psychoticism. And for endeavours (particularly in the realm of arts), there is evidence of a slight but significant correlation between depression and creative output.

But the overwhelming finding for innovation within mainstream organisational life: positive, not negative, affect drives creativity.

One trigger to the research that produced this conclusion was the question, “what good are positive emotions?” Negative feelings, by keeping us alert to threat and danger, are powerful forces for evolutionary survival. What’s the adaptive value of positive feelings?

In her “broaden and build” theory, Barbara Frederickson suggests that the positive emotions of happiness and joy help us go beyond survival to growth. First they **broaden** our repertoire of thoughts and actions, a repertoire that is able to pursue novel and creative ideas. Second they **build** our cognitive and social resources to provide greater flexibility and versatility.

Positive emotions enhance creativity because:

- the scope of our attention widens. We move from a narrow focus on threat to open up our horizons and identify new sources of information
- our thinking space increases. Negative emotions overload our cognitive capacity. When we feel positive we have more mental space to think flexibly about the issues and to generate options
- there is a shift in our attitudes to risk. If negative emotions help us survive by minimising risk, positive emotions take us out of our comfort zone to be more accepting of ambiguity and uncertainty.

*“Timidity is not conducive to creativity.”*

Raymond Nickerson

## How diversity management can undermine the dynamics of creativity

The agenda for diversity should be positioned as a positive dynamic for organisations. Unfortunately, sometimes in the implementation, other implicit messages surface:

- make sure you comply with the detail of employment law and our organisational procedures. Whatever you do, don't get us into any trouble
- in all likelihood you are prejudiced. Our diversity workshop will demonstrate your prejudice and how it affects your interaction with colleagues
- be careful what you say and do. Any comments or actions that colleagues interpret as inappropriate or offensive will be investigated
- go by the book and document everything. Don't leave us exposed in the event of any employee dispute or legal action

And of course for some organisations with a history of bad practice or with “unconscious incompetence”, key messages need to be communicated in a way that sets the tone for zero tolerance of discriminatory behaviour, highlights the importance of operating to professional and ethical standards, and addresses those individuals whose lack of respect and manners are objectionable.

But badly positioned and communicated it is easy to see why the diversity agenda is unlikely to build the levels of confidence, curiosity and courage that underpin innovation in diverse work groups.



Faced by a compliance agenda “fear moves into the driving seat”. This is:

- the fear of embarrassment that may say something inappropriate
- the fear of failure, making mistakes and getting it wrong
- the fear of taking risks to experiment and explore new directions which may end in failure
- the fear of disagreement that may open up conflict that is difficult to resolve
- the fear of isolation from questioning the priorities of diversity compliance that is labelled difficult and troublesome

And when fear is in the driving seat, creativity and innovation are left behind.

## Rethinking diversity for greater team creativity

Social and psychological theory and research consistently point to the potential benefits of diversity. But the evidence from real life case studies is mixed, with as many results pointing to negative as positive outcomes.

For us a key explanatory factor is the way in which diversity is positioned. The agenda is largely framed as compliance to avoid risk rather than as the opportunity to do things better, and to achieve greater innovation and productivity.

Diversity is stuck in a pattern that combines confusion, uncertainty and fearful suspicion. And until it finds a way to articulate an authentic message of the genuine gains, the theme of compliance will constrain efforts to generate higher levels of innovation and productivity.

*“It is the approach to diversity, and not the diversity itself, that determines the actual positive and negative outcomes.”*

H Lane & J Distefano



# Strategies to rethink diversity for greater team creativity

**Start with the customer** and end users of your services and products. The diversity agenda has the potential to be an introspective exercise, bogged down in internal debates about policy and procedure, and the pros and cons of what is best for different groups within the work-force. Look out to your current and emerging patients, students, customers, public to identify how diversity is shifting their perceptions and expectations. What service improvements will enhance their lives, and what innovation is needed to drive this change?

Look at the **organisational structure and culture** to ask:

- is innovation a valued asset? In what ways is it being reinforced?
- how easy is it for anyone in any work area to be creative?
- what is blocking the free flow of information and ideas, up, across and down the organisation?

**Revisit how diversity is positioned** within your overall strategy and operating philosophy? Is it:

- an annoying add-on to placate key legislative requirements and satisfy the demands of stakeholders?
- an initiative we support because it sounds right, but we haven't worked through the practical implications?
- a key factor throughout our operating processes, from induction to succession, embedded within our values and culture?

Review how the **top team role models diversity and innovation** in action. Does it:

- avoid this discussion because it will trigger a series of awkward discussions
- talk the issues through in a professional way but only at a surface level and doesn't debate the fundamental challenges
- possess the intellectual and emotional maturity to ensure different and conflicting views are aired and resolved



## Tactics to rethink diversity for greater team creativity

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Revisit your **recruitment criteria and processes** to set the expectation of creativity within a diverse context. If we're selecting candidates with low levels of confidence, curiosity and courage, maybe we shouldn't expect too much openness to diversity or work-group innovation.

**Invest in induction.** Typically induction is little more than a short welcoming video, distribution of the corporate manual, some paper work to complete, and a quick tour of the building. Use the induction process to set expectations for new recruits, outline the importance of diversity and innovation, and make introductions to the wider community (not just the immediate work area). But make sure your induction of rhetoric is matched by the reality.

**Encourage creative conversations.** As Virpi Haavisto notes: "Creativity is a conversation where surprising conversations become the starting point for new conversations." If we're not having surprising conversations, the chances are we're speaking to like minded colleagues and having a conversation with ourselves. This is productivity not as a set of policies, procedures and process maps, but as the outcome of the interpersonal encounters of day to day to day life and the moments of: objective setting, performance reviews, career discussions and talent planning meetings.

**Practice small decencies.** Small decencies are the moments of appreciation and gratitude, care and helpfulness, support and assistance. Patricia Kreitz suggests that "successful diversity is built out of the often small, everyday actions taken by people at all levels of an organisation."

Develop the **skills of managing team creativity**. Genuine group innovation is more than a collection of smart and motivated people. It requires shrewd insight and capability in the processes of goal setting, feedback, coaching and conflict resolution. Provide your managers and professionals with the tools to enhance their understanding and effectiveness of diversity in creative action.

**Encourage hedgehogs to interact with foxes** to use, for example, job rotation to keep introducing new perspectives. Established work groups build proficiency through shared experience, familiar operating processes. Established work groups also have the potential to stay with out dated practices that are familiar but lower productivity. Don't allow work groups to become stale. Make the changes to redeploy individuals to other work units and introduce the freshness of new team members.

# Creativity and innovation the Pixar way

The story of Pixar's success is well known. Pioneers of technology in computer animation in the early '90s, its string of hits includes: A Bug's Life, Toy Story 1,2 and 3, Monsters Inc, Finding Nemo, The Incredibles and Ratatouille. Two decades of sustained innovation.

Ed Catmull, the studio's President, outlines the dynamics that work for Pixar:

**Creativity is not a mysterious solo act.** It involves a large number of people from different disciplines working effectively together to solve a great many problems. The initial "high concept" is one step in a long arduous process.

**Avoid the management tendency to avoid or minimise risks.** The role of management is not to prevent risk but to build the capability to recover when failures occur.

**Build a community** in the true sense of the word. Lasting relationships matter, but it takes time to build trust and respect. Get that right and the result is a "vibrant community where talented people are loyal to one another and their collective work. In this culture everyone is fully immersed in helping everyone else turn out their best work.

**Break down barriers to great work.** Barriers are the "class structures" that arise in organisations when one function perceives itself to be more important than others. Make it easy for individuals to communicate with each other; there are no "proper channels." Use physical space in the building to encourage employees from different work areas to interact through "inadvertent encounters".



**Reject mediocrity**, however painful the process might be. Establish a quality bar and don't compromise on it.

**Create a brain trust.** This is a small group which is available to support anyone in need of assistance. This is an opportunity to review work in progress and identify any problems, and a give-and-take discussion about improvements. The Brain Trust has no authority; it's simply access to expert opinions to provide help with no egos involved.

Be willing to **analyse yourself to ask tough questions**, especially when you're successful. "Systematically fighting complacency and uncovering problems when your company is successful have got to be two of the toughest management challenges there are." After successes and failures, conduct post-mortems to list out the top five things you would do again, and the top five things you wouldn't do.

## Summary

Ed Catmull's analysis of creativity at Pixar reminds us that creativity doesn't just happen. It has to be orchestrated, everything from recruitment practice to the design of physical space. And Station X is a reminder of the power of a compelling goal to unite diverse effort.

Creativity is complex. Add to the mix the dynamics of diversity, the range of different tasks work groups face, and it is obvious that we shouldn't expect any simple solutions to team innovation.

An away day facilitated by a team building consultancy to share MBTI results or build a bridge may be fun, but it may also be a superficial response to the issues.

We know that work groups made up of similar individuals work better - in the short-term. We also know the hazards for the longer-term. Diversity - with its potential for greater anxiety, confusion over goals and expectations, and conflict - may be difficult, but the gains in greater innovation and productivity make it a critical dynamic of organisational growth.

If we are serious about diversity as a force in enhancing organisational innovation and productivity we need:

- as a top team to conduct an authentic debate about the issues and the role of team diversity and innovation within the organisation's overall game plan
- as line managers accept our responsibility for the proactive management of team diversity and the facilitation of innovation within the work group
- as individuals recognise that confidence, curiosity and courage possess risks, but that they're better than the opposites: fear, indifference and withdrawal

*"Diversity enhances performance only when the group flow factors are present: shared knowledge, culture of close listening, and open communication, focus on well defined goals, autonomy, fairness and equal participation."*

Keith Sawyer



# About Us

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Diversity Gains is a unique enterprise, integrating an in-depth insight into the opportunities and challenges of diversity, broad-based organisational development experience, and advanced levels of psychometric expertise to combine robust assessment with state of the art technology.

Diversity Gains is led by Professor Raman Bedi, Foundational chair in Transcultural Oral Health (University of London) and Chair, NHS Specialist Library on ethnicity and health, and director of the Global Child Dental Fund, and Andrew Munro, Director of AM Azure Consulting.

If you are interested in our products and services, access [www.diversitygains.com](http://www.diversitygains.com) for further information, or even better, email [admin@diversitygains.com](mailto:admin@diversitygains.com) or call us on: 01608 654007.

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| <h3>Cultural Confidence and Creativity Index</h3>  <p><a href="#">More Information</a></p> <p>The Cultural Confidence and Creativity Index utilises survey methodology for work-force completion and by informed constituents/stakeholders to identify outcomes and the organisational capabilities of proactive diversity.</p> | <h3>Team Diversity Index</h3>  <p><a href="#">More Information</a></p> <p>The Team Diversity Index is completed by the senior management team and incorporates stakeholder perceptions of team interaction, effectiveness and impact.</p> | <h3>Diversity Dynamics</h3>  <p><a href="#">More Information</a></p> <p>Diversity Dynamics is a personal review for individuals with option of integrating peer (other) perceptions. The results provide an overall score as well as analysis of components.</p> |
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