

Catalyst

# Why Diversity Matters

Research studies 2005-2010

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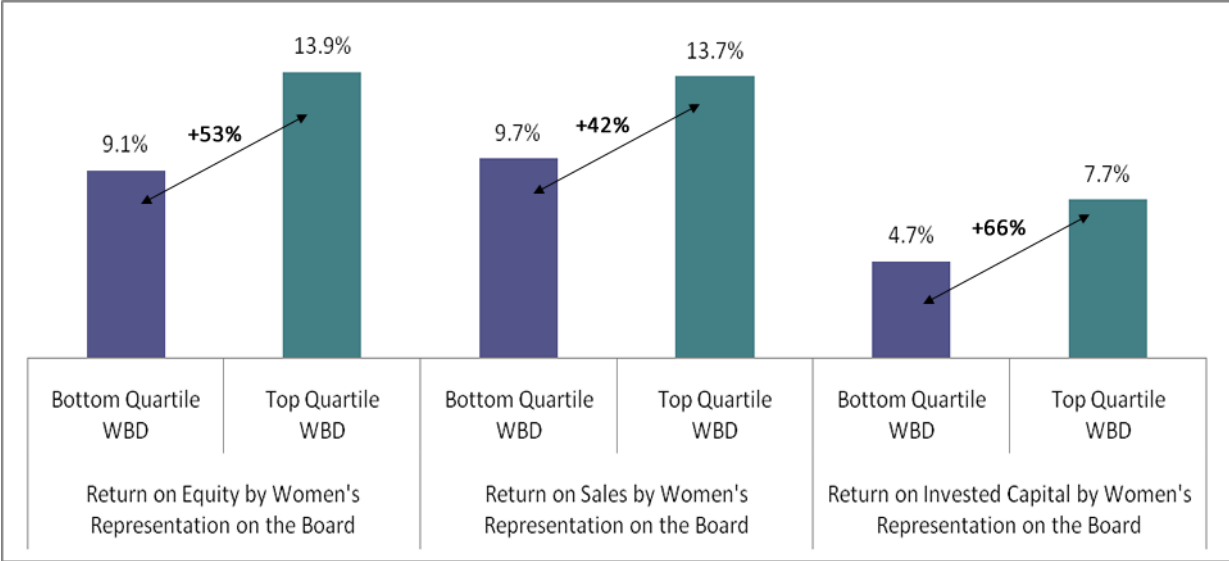
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**Diversity matters because multiple studies have linked greater gender diversity to better financial performance.**

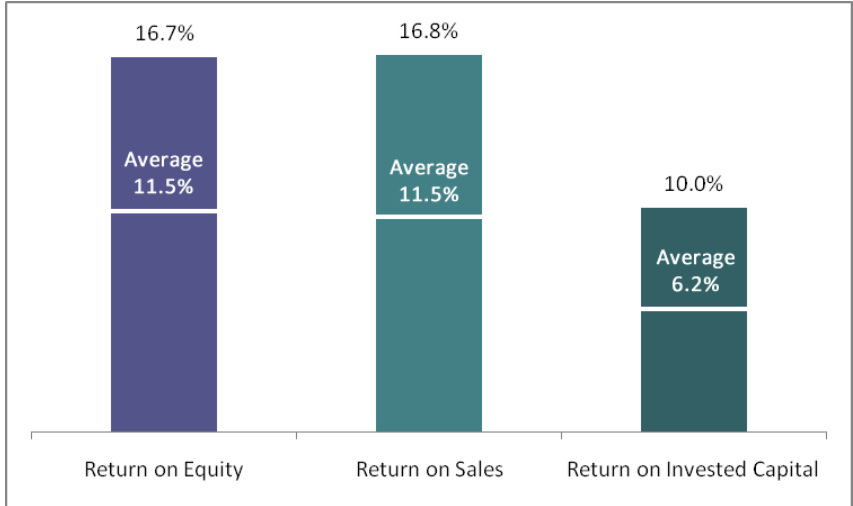
**Catalyst, *The Bottom Line: Corporate Performance and Women’s Representation on Boards*<sup>1</sup>**

- *The Bottom Line: Corporate Performance and Women’s Representation on Boards* linked profitability to women in leadership. This study found that companies with more women board members, on average, significantly outperform those with fewer women, by 53 percent on Return on Equity, 42 percent on Return on Sales, and a whopping 66 percent of Return on Invested Capital:<sup>2</sup>

**Corporate Performance and Women’s Representation on Boards<sup>3</sup>**



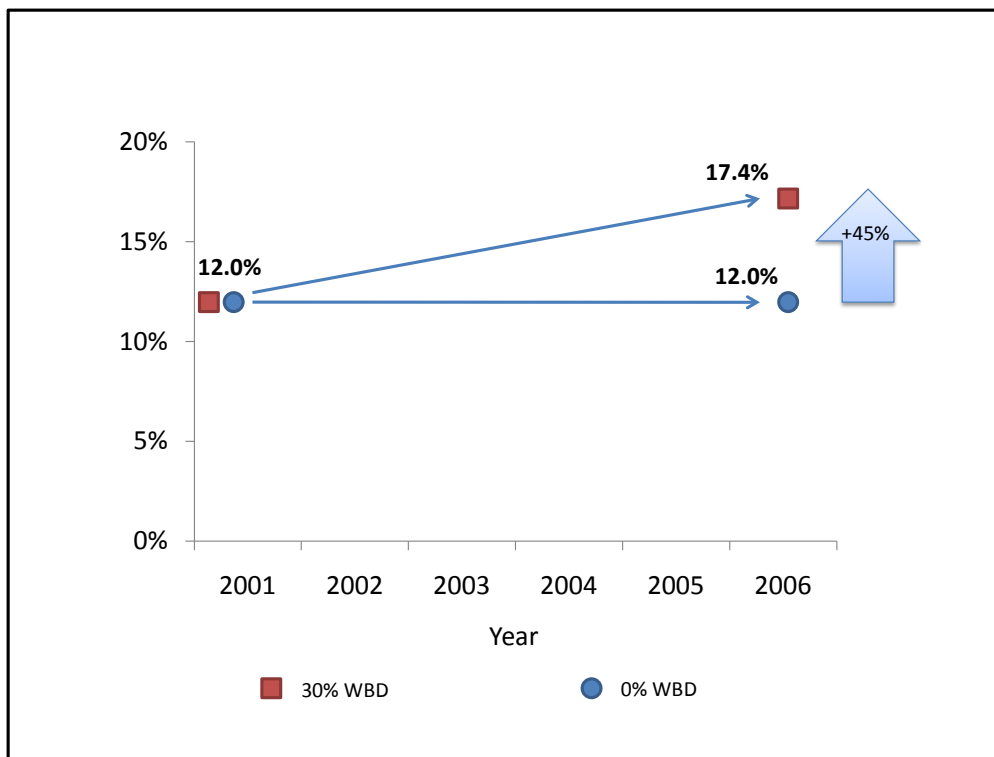
**Financial Performance at Companies with Three or More Women Directors<sup>4</sup>**



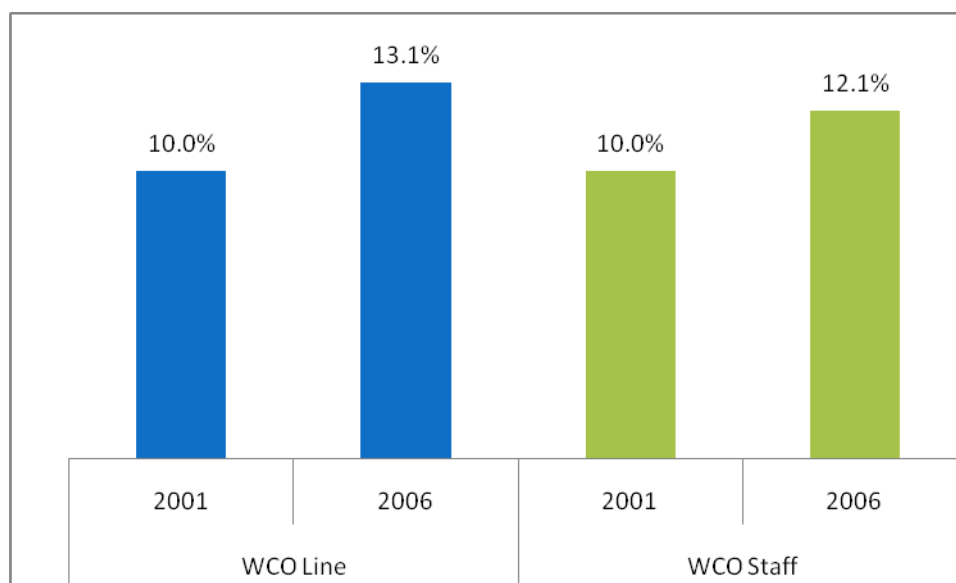
### Catalyst, *Advancing Women Leaders: The Connection Between Women Board Directors and Women Corporate Officers*<sup>5</sup>

- *Excerpt from press release:* Catalyst's latest research shows a clear and positive link between the percentage of women board directors in the past and the percentage of women corporate officers in the future:
  - Companies with 30 percent women board directors in 2001 had, on average, 45 percent more women corporate officers by 2006, compared to companies with no women board members.
  - Companies with the highest percentages of women board directors in 2001 had, on average, 33 percent more corporate officers in 2006 than companies with the lowest percentages.
  - Companies with two or more women members on a company's board in 2001 had 28 percent more women corporate officers by 2006 than companies with one woman board member in 2001.
  - Furthermore, the presence of women on boards had a stronger impact on the growth of women in line positions than in staff positions. Line experience is necessary for advancement into CEO and top leadership positions, and Catalyst's annual Censuses show that women are historically underrepresented in these roles. This research demonstrates the important contribution that women board directors play in making sure women get this critical experience.

### Percent of Women Directors Predicts Future Percent of Women Corporate Officers<sup>6</sup>



## Women Directors Predict More Women Officers in Line Positions<sup>7</sup>



### Girls Rule<sup>8</sup>

- *Excerpt:* *Forbes* examined the stock performance of the 26 publicly-traded companies headed by the women on the 2010 “Power Women 100” list and found that as a group, they outperformed the overall market- companies dominated by male chief executives – by 28%, on average, and topped their respective industries by 15%.

### Soapbox: Why Women Managers Shine<sup>9</sup>

- *Excerpt:* My research project<sup>10</sup> on companies from the French CAC 40 stock exchange index pointed out that the more women there were in a company’s management, the less the share price fell in 2008. A significant coefficient of correlation links the two variables.

### McKinsey, *Women Matter*<sup>11</sup>

- The “*Women Matter*” study aims at assessing the impact of gender diversity on companies’ performance. It shows that the companies where women are most strongly represented at board or top-management level are also the companies that perform best, on both organizational and financial performance. Companies with the most gender diverse management teams outperformed the industry average on different financial measures, with:
  - 10% higher ROE
  - 48% higher EBIT
  - 1.7x stock price growth (versus Eurostoxx 600)

### Study conducted in Finland linking companies led by women with better financial performance<sup>12</sup>

- Less than a tenth of Finnish firms’ CEOs and chairmen of the board are women; less than a fourth of Finnish firms’ board members are women. An empirical regression analysis of a

large firm-level data set suggests *that a company led by a women CEO is on average about ten per cent more profitable* than a corresponding company led by a man, even after taking into account a number other factors (such as firm size and industry) possibly affecting profitability. The share of woman board members also has a similar impact. The effect of the chairman's gender is statistically insignificant. These findings are partial correlations; due to data limitations neither causality nor underlying factors are studied.

### **Profit, Thy Name Is ... Woman?<sup>13</sup>**

- Using the list of the “100 Most Desirable MBA Employers” for women reported by *Fortune* magazine, the researchers measured various profitability measures:
  - For profits as a percent of *revenue*, the results showed 55 percent of the companies were higher than the median, 36 percent were lower and 11 percent were tied.
  - For profits as a percent of *assets*, the results showed 50 percent were higher than the median, 28 percent were lower and 23 percent were tied.
  - For profits as a percent of *equity*, the results showed 59 percent were higher than the median, 30 percent were lower and 11 percent were tied.

### **USA Today Research<sup>14</sup>**

- According to USA Today calculations, in 2009 stocks of the 13 Fortune 500 companies that had women CEOs were up an average of 50%, compared to a 25% increase for the S&P 500.

### **Demographic Diversity in the Boardroom: Mediators of the Board Diversity–Firm Performance Relationship<sup>15</sup>**

- *Abstract:* Whereas the majority of research on board diversity explores the direct relationship between racial and gender diversity and firm performance, this paper investigates mediators that explain how board diversity is related to firm performance. Grounded in signalling theory and the behavioural theory of the firm, we suggest that this relationship operates through two mediators: firm reputation and innovation. In a sample of Fortune 500 firms, we find a positive relationship between board racial diversity and both firm reputation and innovation. We find that reputation and innovation both partially mediate the relationship between board racial diversity and firm performance. In addition, we find a positive relationship between board gender diversity and innovation.

### **Girl Power: Female Participation in Top Management and Firm Performance<sup>16</sup>**

- *Abstract:* [We studied] the relationship between female participation in senior management and firm performance as measured by Tobin's Q. We find a positive association between firm performance and female participation below the CEO level, even when controlling for unobservable firm heterogeneity, but no positive effects from having a female CEO. We then show that the positive results for female participation are entirely driven by firms pursuing an “innovation intensive” strategy, where creativity and collaboration may be especially important. Our findings thus provide evidence for a “female management style” that enhances firm performance by facilitating teamwork and innovation but is rendered less effective by the leadership attributes of the CEO position. Given these results, the fact that not all firms have women in senior positions also suggests that an ability to identify, attract, and develop female managerial talent may be a source of competitive advantage.

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## Diversity matters because increased diversity can lead to increased innovation.

### Capitalizing On Thought Diversity For Innovation<sup>17</sup>

- *Abstract:* The multiple and often contradictory team dynamics that arise in diverse teams present organizations with major challenges. For example, while a team's functional diversity can help produce innovation, it also leads to detrimental team dynamics. This study of 28 innovation teams found that strategies to foster a team's innovation include increasing its functional diversity, reducing the team's tendency to think sequentially and increasing its tendency to engage in connective thinking. Team members should be encouraged to learn from each other and to voice divergent opinions. They should also be cautioned about relying on a single, shared mindset if they want to be better prepared to innovate and to achieve breakthrough innovation.

### The Difference: How the power of diversity creates better groups, firms, schools, and societies<sup>18</sup>

- *Book summary:* The Difference is about how we think in groups--and how our collective wisdom exceeds the sum of its parts. Why can teams of people find better solutions than brilliant individuals working alone? And why are the best group decisions and predictions those that draw upon the very qualities that make each of us unique? The answers lie in diversity--not what we look like outside, but what we look like within, our distinct tools and abilities.

The Difference reveals that progress and innovation may depend less on lone thinkers with enormous IQs than on diverse people working together and capitalizing on their individuality. Page shows how groups that display a range of perspectives outperform groups of like-minded experts. Diversity yields superior outcomes, and Page proves it using his own cutting-edge research. Moving beyond the politics that cloud standard debates about diversity, he explains why difference beats out homogeneity, whether you're talking about citizens in a democracy or scientists in the laboratory. He examines practical ways to apply diversity's logic to a host of problems, and along the way offers fascinating and surprising examples, from the redesign of the Chicago "El" to the truth about where we store our ketchup.

### The New Diversity<sup>20</sup>

#### Highlights:

- PepsiCo estimates that in 2004 about one percentage point of the company's 8% revenue growth came from new products inspired by diversity efforts. Among these: guacamole-flavored Doritos chips and Gatorade Xtreme, aimed at Hispanics; Mountain Dew Code Red,

which appeals to African-Americans; and a newly launched wasabi-flavored snack aimed at Asians.

- IBM – Achieving this takes time, persistence and commitment from senior management. International Business Machines Corp. for decades has supported equal employment. But 10 years ago, then-CEO Lou Gerstner took a look at his senior executive team and concluded it didn't reflect either IBM's customers or talent pool. He launched a new diversity initiative, which continues today under CEO Sam Palmisano and which seeks to understand and appeal to a much broader group of employees and customers.
- Since 1995, the number of IBM's U.S.-born minority executives has more than tripled, and the number of women executives has grown nearly fivefold. Some 52% of IBM's Worldwide Management Council, the top executives who determine corporate strategy, are women, U.S.-born minorities or non-U.S. citizens.
- The benefits to IBM's bottom line have been dramatic. With more women and minorities in its management ranks, IBM has sharply increased the amount of business it does with the growing number of small and midsize minority- and women owned companies in the U.S. This niche accounted for more than \$300 million in revenue in 2001 (the most-recent number available), up from \$10 million in 1998.
- IBM's diversity effort extends to all the countries where it does business. It currently has employees in 75 countries. "No matter where you do business, you have to ask, 'Who are our customers and employees, and what do they look like?'" says Ted Childs, IBM's vice president of global work-force diversity. "We should see women, the disabled, gay and lesbian people, and ethnic minorities," he adds.

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## Diversity matters because *diversity* includes diversity of thought and avoidance of "groupthink."

### **E&Y, Groundbreakers: Using the strength of women to rebuild the world economy<sup>21</sup>**

- Adopting new ways of thinking will help overcome the challenges to the world economy and assist in realizing the vast economic potential of women.

### **Benefiting from deep-level diversity<sup>22</sup>**

- In two experiments we show how teams can benefit from the presence of multiple sources of deep-level task-related *diversity*. We manipulated differences (vs. similarities) in task information and personal decision rules in dyads (Study 1) and three-person teams (Study 2). The results indicate that when both sources of *diversity* are present, partners and team members integrate their unique knowledge and decision rules into the collaboration and report perceptions of common interests, commitment and outcome satisfaction afterwards. This is not the case when there is just one source of *diversity*, causing the partners and team members to possess different information, but endorse similar decision rules or vice versa. The results are discussed in light of research on congruency and identity processes.



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## Diversity matters because it is linked to increased productivity, “collective intelligence,” and group’s problem-solving abilities.

### The Difference: How the power of diversity creates better groups, firms, schools, and societies<sup>23</sup>

- Diversity does not have a one-time effect on productivity, but a potential permanent increase in productivity. This is due to the effects of diversity on problem-solving – diversity trumps homogeneity. Different perspectives create different approaches, and different approaches in turn create different solutions. However, it is also the ability to collaborate that turns an idea into a solution.

### Number of Women in a Group is Linked to Effectiveness in Solving Difficult Problems<sup>24 25</sup>

- A study from researchers at MIT, Carnegie Mellon University, and Union College found a group’s general collective intelligence factor is correlated with the social sensitivity of the group members, the equality in distribution of conversational turn-taking, and the proportion of female members of the group.
- The group’s collective intelligence accounted for about 40% of the variation in performance on a wide range of tasks.
- Average and maximum intelligence of individual group members did not significantly predict performance of their groups overall.
- It is social sensitivity that is important, not gender. Although women on average exhibit higher social sensitivity, groups benefit as well from men with high social sensitivity.

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## Diversity matters because diversity and inclusion is connected to overall employee satisfaction/engagement.

### Diversity and Engagement: Attention to Diversity Pays Off<sup>26</sup>

- HR Solutions conducted a study using extensive employee data from three of its most popular diversity survey items. The research unveiled a correlation between diversity satisfaction and overall job satisfaction/engagement. In fact, the findings indicate that a positive and significant relationship does exist between job satisfaction and employees’ satisfaction with diversity. (See the table below.)

| Employee Opinion Survey Item  | Pearson Correlation with Overall Job Satisfaction |
|---|---|
| Diverse customers (differences in race, gender, age, religion, sexual orientation, etc.) are treated fairly at this organization. | 0.415   |

|  |       |
|--|-------|
| Diverse employees are treated fairly with regard to their career advancement at this organization. | 0.410 |
| Diverse employees are treated fairly with regard to their career advancement at this organization. | 0.400 |

**Catalyst Award Winner: Campbell Soup Company—Winning in the Workplace, Winning in the Marketplace, Winning With Women<sup>27</sup>**

- In this Catalyst Award-winning practice, Campbell’s attributed much of its enormous improvement in employee engagement scores to diversity and inclusion.
- *Excerpt:* Since 2005, the company has focused on increasing all employees’ engagement, and promoting and developing women and people of color. This, in turn, helped revitalize Campbell’s stagnant sales and replace some of the lowest Gallup engagement scores of any Fortune 500 company with world-class employee engagement and the achievement of Gallup’s “Great Workplace Award” in 2008 and 2009.

**Leveraging Employee Engagement for Competitive Advantage: HR’s Strategic Role<sup>28</sup>**

- *Excerpt:* Levers for Employee Engagement – Employee engagement, as a work-related state of mind, can be characterized by vigor, dedication and absorption. Vigor means high levels of energy and mental resilience on the job, persistence in the face of difficulties and a willingness to invest effort in one’s work. Dedication refers to a sense of inspiration, pride, significance, enthusiasm and challenge at work. Absorption is being happy, fully concentrated and deeply engrossed in one’s work so that time passes quickly, with difficulty detaching from work. Certain levers drive employee engagement and reflect factors that promote vigor, dedication and absorption. *Engagement is also strongly influenced by organizational characteristics, such as a reputation for integrity, good internal communication and a culture of innovation.*

**Driving performance and retention through employee engagement<sup>29</sup>**

- The Corporate Leadership Council conducted a global survey of more than 50,000 employees and found that employees’ commitment to their managers is a critical factor in engagement and that the converse is also true: the manager is a crucial enabler of engagement.

Managers are an important link between the employee and the organization. The most effective managerial characteristics as lever for engagement are:

1. shows strong commitment to diversity
2. demonstrates honesty and integrity
3. adapts to changing circumstances
4. clearly articulates organizational goals
5. possesses job skills
6. sets realistic performance expectations
7. puts the right people in the right roles at the right time
8. help find solutions to problems
9. breaks down projects into manageable components

10. accepts responsibility for successes and failures
  11. encourages and manages innovation
  12. accurately evaluates employee potential
  13. respects and cares for employees as individuals
  14. demonstrates passion for success
  15. has a good reputation within the organization
  16. is open to new ideas
  17. defends direct reports
  18. is an analytical thinker
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## Diversity matters because clients are demanding it.

### Pushed by clients, law firms step up diversity efforts<sup>30</sup>

- *Excerpt:* The nation's largest law firms, long dominated by white men, have struggled to attract, keep and promote minority and women lawyers.

Now these firms have a powerful incentive to do better: Some of their biggest corporate clients are demanding that they increase the number of minority and women associates and partners.

Indeed, for some companies, diversity is as important as cost-cutting and performance when evaluating which law firm to hire. And they are threatening to fire firms that do not show enough progress....

...Lorraine S. McGowen, the chairwoman of the diversity committee at the law firm of Orrick, Herrington & Sutcliffe, said clients had asked not just for information on the diversity statistics for the firm, but also for the numbers relating to the team of lawyers working on a matter and the hours billed by minority lawyers.

"It goes without saying that you can't go to a beauty contest with a token lawyer in order to try and demonstrate diversity," she said. "If you don't have a meaningful role for every attorney, you are doing yourself a disservice. Clients are off put by that. They see through it so quickly."

### Demanding Diversity: Corporate Pressure Is Changing the Racial Mix at Some Law Firms<sup>31</sup>

- Some companies consider outside law firms as an extension of their own company, so if diversity is valued internally it must be externally as well. This will probably lead to slow progress, but as more companies demand diverse attorneys working on their cases, it will continue to put external pressure on law firms.

### Firms told: no lip service<sup>32</sup>

- *Excerpt:* In the 26 years since Joan Guggenheimer got her J.D. from Columbia University, the nation's law schools have graduated growing numbers of women and minorities. Yet the vast majority of the partners at the top New York law firms are still white men.

Ms. Guggenheimer, co-general counsel at J.P. Morgan Chase & Co., wants to see that staffing dynamic change, and she regularly makes her views known in speeches to bar associations and law schools. But her real bully pulpit is her job: Beginning later this year, law firms vying for a piece of the giant bank's business will be asked about their minority hiring.

Share commitment

The data firms provide will help determine which of them her company hires, Ms. Guggenheimer says. "We are willing to favor those that share our commitment to diversity," she adds.

Over the past year, more clients have begun using the power of the purse to advocate for diversity at firms that represent them.

Many of the general counsel leading the movement work for publicly traded companies and therefore must meet broader corporate diversity goals. They want to know how many minorities and women firms employ, and how many are used on major cases. And they're threatening to fire firms that don't take the matter seriously.

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## **Diversity matters because it allows companies to fully represent their client base and better connect with different communities of people.**

### **Human Resources: The Business Case for Diversity<sup>33</sup>**

- *Excerpt:* Of the more than 21,000 people RBC has hired since 2006, 52 percent have been women and 26 percent have been "visible" minorities. It also actively recruits immigrants and has some 2,600 interpreters on call to help translate 180 different languages, including indigenous Canadian languages like Cree and Inuktitut.

"There's no reason a man can't do a better job of serving a female customer, or a Chinese Canadian can't do a better job of serving an East Indian customer," Nixon says. "But as an organization, we need to ensure that our makeup reflects the overall makeup" of the customer base. "It just makes good business sense."

...What the company encourages is for hiring managers to think creatively. Say, for example, a minority vying for a branch manager position in an ethnic neighborhood doesn't have the necessary technical skills for the job but speaks the language and understands the community's culture. When making the hiring decision, department heads are urged to take into account such things as how much business the less-seasoned candidate can bring in.

“Financial services is a business of trust,” Hirji says. “That’s what you need to earn people’s business.” The technical skills, she adds, can always be taught.

**Catalyst Award Winner: RBC—Client First Transformation: Achieving Business Results and Cultural Revitalization Through Diversity – Catalyst Award-winning initiative<sup>34</sup>**

- In this Catalyst Award-winning practice, the RBC has positioned itself as the “financial institution of choice for Newcomers” to Canada and was the first financial institution to put a full-service bank on an Aboriginal reserve.

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**Diversity matters because companies that don’t take control of making diversity effective internally risk expensive discrimination and harassment lawsuits, lower company morale, and loss of reputation.**

**Catalyst Quick Take: Sex Discrimination and Sexual Harassment<sup>35</sup>**

- *Excerpt:* The cost of sexual harassment to the employer:
  - Decrease in employee productivity.
  - Higher staff turnover.
  - Increase in sick leave and other types of leave, as well as higher medical payouts.
  - Damaged company reputation (leading to difficulties associated with retention and attraction of employees).
  - Less teamwork.
  - Poorer staff morale.
  - Possible legal and consultant costs.
  - Omitting monetary benefits obtained through litigation (a cost difficult to determine), sexual harassment has cost U.S. employers \$48.8 million in 2006.

A brief sampling of some large discrimination lawsuit settlements and cases that are drawing/drew publicity:

- **Novartis Unit Settles Gender Suit for About \$175 Million<sup>36</sup>**
- **Judge Encourages Coca-Cola To Maintain Diversity Efforts<sup>37</sup>**
  - A federal judge encouraged Coca-Cola Co. to maintain its commitment to diversity in the workplace after receiving the final report from a task force created after a \$200 million discrimination settlement by the beverage maker.
- **EEOC Backs Plaintiffs in Wal-Mart Discrimination Case<sup>38</sup>**
- **Citigroup Is Sued for Discrimination<sup>39</sup>**
  - Six current and former female employees sued Citigroup Inc. on Wednesday, claiming the company operates at an outdated “boys club” and turns a blind eye to discrimination against women.
- **Strip Clubs, Golf Trips in Goldman Sachs Gender-Bias Suit<sup>40</sup>**

- The suit, filed in federal court in the Southern District of New York, alleges that the firm pays and promotes women less than their male counterparts in the same roles and that men are given the “most lucrative and promising opportunities [and] assignments.”
  - **Junior partner sued law firm McCarthy Tétrault for \$12 million<sup>41</sup>**
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## **Diversity matters because it has a positive impact on recruitment, retention, and an organization’s ability to get the best people (women and men).**

### **Effects of Gender Diversity Management on Perceptions of Organizational Attractiveness: The Role of Individual Differences in Attitudes and Beliefs<sup>42</sup>**

- The study reviews numerous prior academic articles organizational attractiveness in relation to diversity management programs and the signals those programs send to key constituents. In this article, the authors also found that whereas there were no significant between-sex differences in the effects of gender diversity management on organizational attractiveness, there were strong within-sex differences based on individual attitudes and beliefs. Specifically, within the sexes, centrality of one’s gender identity, attitudes toward affirmative action for women, and the belief that women are discriminated against in the workplace moderated the effects of gender diversity management on organizational attractiveness. The findings, combined with prior research, suggest that it is critical for organizations to incorporate efforts to manage perceptions of gender diversity management programs into their diversity management strategies.
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### **Special Topic: Diverse Teams**

As demographics change, diverse teams become more standard and can lead to exciting benefits for the company. Critical, however, is successful management and inclusive leadership to properly harness the power of diversity.

### **Recognizing the benefits of diversity: When and how does diversity increase group performance?<sup>43</sup>**

- *Abstract:* Diversity does not only bring positive consequences. It has often been recognized that heterogeneity in teams can reduce intra-group cohesiveness, and that it can lead to conflicts and misunderstandings which, in turn, can lower employee satisfaction, citizenship behaviors and increase turnover. On the other hand, there is also evidence for performance-increasing effects of diversity because it can improve creativity and innovation through the team members' greater variety of perspectives. Little is known, however, about the conditions and the psychological mechanisms required for increasing group performance under diverse settings. Answers to research questions such as how and when

diversity influences performance at work are still limited. The purpose of the paper is to provide theoretical answers to these questions by proposing a model of managing diversity which draws on social psychology theories. The model brings a new perspective by identifying the process of learning from one another's identity within a group. This process underlies two different levels of mechanisms (individual and group level). The model proposes that when these social psychological mechanisms are activated, diversity will lead to an increase in group performance. The model also suggests that collective identity is salient and when psychological safety climate are the psychological conditions that activate these mechanisms.

#### **Paving the Path to Performance: Inclusive Leadership Reduces Turnover in Diverse Work Groups<sup>44</sup>**

- *Excerpt:* This study examines how leadership—specifically, inclusive forms of leadership—is critical for successfully leveraging diverse human capital to improve performance. In addition to the moral argument for developing an inclusive work environment, the results of this study suggest that inclusive leaders can also help the bottom line.
- Inclusive leaders—characterized by the high-quality relationships they form with their employees—can significantly reduce the high turnover costs seen in diverse work groups.

Also:

#### **Do Inclusive Leaders Help to Reduce Turnover in Diverse Groups? The Moderating Role of Leader-Member Exchange in the Diversity to Turnover Relationship<sup>45</sup>**

- These findings highlight the important role that leaders play in influencing the relationship between diversity and turnover through the patterns of inclusion that they create in their units.

#### **Managing Diversity and Enhancing Team Outcomes: The Promise of Transformational Leadership<sup>46</sup>**

- *Abstract:* In a sample of 62 research and development (R&D) teams, the authors examined transformational leadership as a moderator of the relationship of age, nationality, and educational background diversity with team outcomes. When levels of transformational leadership were high, nationality and educational diversity were positively related to team leaders' longitudinal ratings of team performance. These relationships were nonsignificant when transformational leadership was low. Age diversity was not related to team performance when transformational leadership was high, and it was negatively related to team performance when transformational leadership was low. Two mediated moderation effects help explain these findings. Transformational leadership moderated the relationship of the 3 examined diversity dimensions with the elaboration of task-relevant information, which in turn was positively associated with team performance. Moreover, transformational leadership moderated the relationship of the 3 diversity types with collective team identification, which in turn was positively related to the elaboration of task-relevant information. The authors discuss the theoretical and practical implications of these results. Overall, this study suggests that transformational leadership can foster the utilization of the potential, but frequently untapped, benefits entailed by both demographic and informational/cognitive team diversity.

### **National and cultural diversity in transnational innovation teams<sup>47</sup>**

- *Abstract:* Global firms promote innovation success by using transnational innovation teams (TNIT). TNIT members have diverse cultural backgrounds. Their rich knowledge base triggers creativity and the integration of profound international market knowledge into global new product development. Yet, the high risks of misunderstanding and conflicts in TNIT can impede success. We research TNIT processes and their faultlines based on a two-year longitudinal case study. The model developed from our qualitative data gives firms guidance in finding a successful team composition, understanding conflict laps and achieving learning laps in TNIT.

### **Managing Culturally Diverse Teams<sup>48</sup>**

- *Abstract:* The article explores approaches that research and development (R&D) managers can adopt to manage culturally diverse teams. According to the author, R&D managers usually face multicultural situations and in such situations they should be able to deal with the potential for multiple cultural clashes among team members. The fusion approach allows members to make his or her contribution to achieve a team's goals. This also allows differences to coexist and be talked about. Another approach is the integration and/or identity model wherein all team members are required to sublimate their cultural identities to the entire team by adopting superordinate goals based on their common interests.

### **The Black-Box Deciphered: A Meta-Analysis Of Team Diversity, Conflict, And Team Performance<sup>49</sup>**

- *Abstract:* Using a sample of over 20,000 teams across 178 studies we meta-analyze the relationships between team diversity, conflict, and team outcomes (performance and morale). Notwithstanding a consistent negative association between conflict and outcomes, we find positive associations between informational-diversity and task conflict, and under certain conditions, task conflict and performance.

### **When And How Diversity Benefits Teams: The Importance Of Team Members' Need For Cognition<sup>50</sup>**

- *Abstract:* In a study of 83 teams from eight organizations, we examined team need for cognition-- the tendency to engage in and enjoy effortful cognitive endeavors--as a moderator of the relationships between both age diversity and educational specialization diversity, and elaboration of task-relevant information, collective team identification and, ultimately, team performance. Age and educational diversity were positively related to these outcomes when team need for cognition was high, rather than low. Both the elaboration of task-relevant information and collective team identification mediated a moderating effect of need for cognition on the relationship between both types of diversity and team performance.



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- <sup>1</sup> Lois Joy, Nancy M. Carter, Harvey M. Wagner, and Sriram Narayanan, [The Bottom Line: Corporate Performance and Women's Representation on Boards](#) (Catalyst, 2007).
- <sup>2</sup> Lois Joy, Nancy M. Carter, Harvey M. Wagner, and Sriram Narayanan, [The Bottom Line: Corporate Performance and Women's Representation on Boards](#) (Catalyst, 2007).
- <sup>3</sup> Lois Joy, Nancy M. Carter, Harvey M. Wagner, and Sriram Narayanan, [The Bottom Line: Corporate Performance and Women's Representation on Boards](#) (Catalyst, 2007).
- <sup>4</sup> Lois Joy, Nancy M. Carter, Harvey M. Wagner, and Sriram Narayanan, [The Bottom Line: Corporate Performance and Women's Representation on Boards](#) (Catalyst, 2007).
- <sup>5</sup> Lois Joy, [Advancing Women Leaders: The Connection Between Women Board Directors and Women Corporate Officers](#) (Catalyst, 2008).
- <sup>6</sup> Lois Joy, [Advancing Women Leaders: The Connection Between Women Board Directors and Women Corporate Officers](#) (Catalyst, 2008).
- <sup>7</sup> Lois Joy, [Advancing Women Leaders: The Connection Between Women Board Directors and Women Corporate Officers](#) (Catalyst, 2008).
- <sup>8</sup> Michael K. Ozanian, "Girls Rule," *Forbes* (October 25, 2010).
- <sup>9</sup> Michel Ferrary, "Soapbox: why women managers shine," *The Financial Times* (March 2, 2009).
- <sup>10</sup> Michel Ferrary, [CAC 40 : les entreprises feminisees resistant-elles mieux a la crise boursiere?](#) (Ceram Business School, 2009).
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