WORKGROUP INCLUSION, DIVERSITY, AND PERFORMANCE

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ABSTRACT

This conceptual paper explores the potential interactive effects of workgroup inclusion and diversity on workgroup performance. Building on prior theory and research focusing on individual-level inclusion, we put forth the construct of collective experience of inclusion, the overall degree to which members of a group feel valued by, engaged with, and able to express themselves authentically within their workgroup, both as individuals and as members of multiple identity groups. We propose that collective experience of inclusion will be positively associated with indicators of the group’s performance. This relationship, we further propose, will be moderated by the diversity of the group’s membership, such that, as diversity increases, the positive effects of the collective experience of inclusion on performance will be enhanced. Finally, we propose that variation in the degree to which individuals experience inclusion in the group, as assessed with an index of dispersion in the experience of inclusion, will further moderate this effect, and attenuate the positive interactive effects of collective experience of inclusion and diversity on performance.

Keywords:
Inclusion; Diversity; Workgroups
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Diversity in the workplace is a reality that is here to stay. Companies are recognizing the need to leverage their diversity in the context of globalization to maintain a competitive edge in the marketplace (Roberson, 2006). However, organizational scholars have not been able to establish a definitive empirical link between diversity and performance in groups (Milliken & Martins, 1996; O'Reilly, Williams, & Barsade, 1998), because investigations of the direct relationship have produced mixed results. Some studies have shown that diversity can have negative effects on performance (e.g., Ancona & Caldwell, 1992), whereas other studies have shown that diverse groups outperformed homogenous groups (e.g., Cox, Lobel, & McLeod, 1991). Milliken and Martins put these contradictory results succinctly when they said, “. . . 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” (1996: 403). Indeed, studies in the last ten years have continued to show such mixed results, and contemporary investigations of the diversity-performance link (e.g., Jehn & Bezrukova, 2004) typically find that the relationship depends on various process and contextual factors.

Despite mixed results in studies of diversity and performance, group differences have been found to encourage creativity and engagement (Haner, 2005; Yap, Chai, & Lemaire, 2005). Human development and growth is a continuous process that does not stop once one enters the workplace. In fact, organizational life poses new developmental challenges to both the individual and the group. Piaget, a developmental psychologist, established the idea that children process new information and learn through the processes of assimilation and accommodation. Accommodation signifies a higher-level developmental stage than assimilation because the child has to restructure his or her cognitive schema to incorporate new environmental information (Piaget, 1968). We believe that a similar developmental process happens to adults at work, because both individuals and work groups are constantly faced with new challenges and novel ways of interpreting situations. Group development, like individual development, requires people to enter unfamiliar territory and to reconcile their old beliefs with the new presenting information. At the same time, maintaining the stability of a group and consistency in its ongoing work also requires the ability to assimilate. In this sense, members of workgroups also go through their own growth process of assimilating and accommodating to new ideas about each other along with new ideas about the environment. The idea of inclusion in work groups—the sense of being safe, valued, and engaged—encourages the process of human development at work because it entails a sense of being at ease while at the same time it encouraging and even requiring individuals to stretch beyond their comfort zones.

While Piaget researched the development of the human mind, organizational theorists have examined the development of workgroups. In Tuckman’s (1977, as cited in Robbins, 2003) five-stage group development model, for example, the forming and storming stages characterize a time when members must assimilate or accommodate their beliefs and perspectives into the group as a whole. These beginning group stages are characterized by intra-group conflict, uncertainty of roles, and the development of relationships between group members (Robbins, 2003). These early periods of group development require members to expose their uniqueness, confront each other’s differences, and build new bonds and new relationships. In the process of “forming,” and in the development of the group more generally, individuals may equally and paradoxically feel both comfortable and stretched by the new relationships being built.

Although research has found varying and sometimes contradicting results for the relationship between diversity and performance, a trend has emerged in the literature connecting
these two concepts. Intervening group processes such as voice, fairness, and communication have been shown to be the common thread linking the positive associations between diversity and performance (e.g., Jehn & Bezrukova, 2004; Mor-Barak, Cherin, & Berkman, 1998; Pearce & Randel, 2004). Perhaps, the frequently asked question of the relationship between diversity and performance should be refocused to consider the impact of group process variables. We are interested in studying the construct of a group’s experience of inclusion and we believe that such a conception is multifaceted. Thus, rather than focusing on the effects of diversity, we have reframed the question to consider how a group’s experience of inclusion might affect performance, in the context of the group’s diversity.

INCLUSION

The challenge of facilitating effective workgroups has been studied in several diverse contexts and research suggests that group performance is directly affected by the quality of interactions among group members (Stewart & Johnson, 2006; Swann, Kwan, Polzer, & Milton, 2003). Recent research has more closely evaluated the relationship among specific group processes, the manner in which groups operate, and group performance (Mannix & Neale, 2005). This shift in focus from task-related outcomes to the nature of the interaction among group members has opened a new realm of investigation into enhancing performance. Nevertheless, such studies tend to focus on specific or isolated group processes, such as communication (Mannix & Neale, 2005), quality of interaction between leaders and followers (Stewart and Johnson, 2006), and individuation (Swann et al., 2003).

Direct relationships have been demonstrated between indicators of group processes such as communication, conflict, exchange of information, and group cohesiveness on the one hand and performance on the other (Mannix & Neale, 2005). Further, groups with members who exhibited both the willingness and ability to engage in constructive interactions with one another maximized their performance as a group over groups with members unwilling or unable to do so. In essence, these findings illustrate that the quality and nature of group processes have direct effects on the group’s overall performance.

The positive relationship identified between group processes and performance is congruent with existing theories of the effects of positive intra-group interactions. The integration and learning perspective described by Ely and Thomas (2001) outlines the value in the processes of sharing diverse skills and experiences among group members in an effort to work towards the same goal. This perspective highlights the importance of the experience of working with others rather than only the work itself. In other words, the integration and learning model indicates that performance is enhanced through fostering a work environment of learning and adaptive change among workgroup members. Such a supportive environment for groups may be built on the group processes such as communication, willingness to engage, and cohesiveness identified by Mannix and Neale (2005).

Stewart and Johnson (2006) specifically examined the quality of the interaction between leaders and group members. They found that the quality and perceived support of the leader was positively associated with performance of the overall group, suggesting that enhancing interpersonal connections within the group increases overall performance. Where Stewart and Johnson emphasized the relationship between the leader and members, Swann et al. (2003) further explored the relationships between all group members regardless of their position within the group. Swann et al. found that increased individuation of group members, the recognition of the uniqueness of each individual, was positively related to group performance. These studies
illustrate the positive impact that recognizing group members for their unique attributes can have on group participation and performance.

Examinations into the effect of various group processes on performance have been researched separately; yet, the theoretical underpinnings of the group processes share a common thread. Communication, the willingness to engage, recognizing unique contributions of members, and the quality of interactions are positive exchanges between members that are geared at improving participation (e.g. Mannix & Neale, 2005; Stewart & Johnson, 2006; Swann et al., 2003). Pearce and Randel (2004) argued that their Workplace Social Inclusion Scale tapped into the number of informal ties employees had with others at work, as well as how included employees perceived themselves to be in their workgroups. Workplace Social Inclusion was positively associated with job performance in two samples.

**Defining Inclusion**

Theorists have proposed various definitions for the construct of inclusion. Hayes and Major, for example, defined inclusion in the workplace “as an individual’s collective judgment or perception of belonging as an accepted, welcomed and valued member in the larger organization units, such as a work group, department, and overall organization” (2003: 5). Mor-Barak and Cherin define inclusion as consisting of “the degree to which individuals feel part of critical organizational processes” (1998: 48). Davidson and Ferdman wrote that “experiences of inclusion result when policies, structures, practices, and norms of behavior are aligned in such a way that every member of a given collective (community, organization, or network) has a fair and equal opportunity to access the joint resources of that collective” (2004: 1), and predicted that inclusive groups would benefit from enhanced commitment and effectiveness. Building on this prior work, Ferdman, Barrera, Allen, and Vuong (2006) included multiple intra-group processes under the umbrella construct of inclusion, to attempt to fully capture the effect of positive interpersonal interactions in groups on individual performance. They defined the experience of inclusion as a “perception based on the extent that a person feels respected, accepted, supported, valued, trusted, safe, fulfilled, engaged, and authentic in working environments” (Ferdman et al., 2006). Overall, inclusion values the interaction of people and the authentic connection of employees to their workgroups. An integral aspect of inclusion is the connectedness that individuals feel to their workgroups and how that perception encourages further contributions of that individual to the team (Ferdman et al., 2006; Davidson & Ferdman, 2002; Hayes & Major, 2003; Roberson, 2006).

**Collective Experience of Inclusion and Performance**

Previous investigations into the perception of inclusion have studied this construct at the individual level. Although inclusion has some demonstrated effects at the individual level, intuitively its full impact occurs at the group level. Collective Experience of Inclusion (Collective EOI) is the overall or additive sense of the extent to which people in a group feel accepted, engaged, safe, and valued. We propose that a group’s Collective EOI will affect overall performance. Collective EOI consists of multiple variables that have previously been studied separately. Here, we amalgamated these previously distinct, yet intrinsically linked ideas about group processes into Collective EOI. Collective EOI is focused on the extent to which individuals feel connected to the group processes and goals, and represents the ability to successfully contribute to the organization.

Given the relatively inconclusive findings of prior studies focusing on the diversity/performance link, we reframe the question to consider the potential moderating effects of diversity on the relationship between a group’s experience of inclusion and the group’s
performance outcomes. We ask the question: To what extent does the collective sense of the experience of inclusion predict performance in diverse groups, and how do diverse identities and divergent experiences within the group affect that relationship? We theorize that, in diverse groups, the experience of inclusion is particularly important to performance. We argue that, in a diverse team, inclusion is a strong predictor of performance because the group has access to increased resources from different members to the degree that they experience a sense of belonging, safety, voice, and participation in decision-making.

The group’s Collective EOI should have a positive relationship with group performance for multiple reasons. When people feel included, they will apply themselves more to the task at hand, resulting in increased contribution to the group’s resources. In addition, if these resources are shared, there will be better level of performance efficiency such as more sales, fewer customer complaints, and less absenteeism. If there is an increased level of application from each member in the workgroup, there will likely be higher motivation among group members because they will see a lot of effort being exerted by their peers. This would encourage them to perform better. These two aspects will result in more efficiency on interdependent tasks that require collaboration such as marketing teams or restaurant employees. Being motivated by the group itself increases the propensity to contribute.

In addition, people who feel more engaged and valued and who believe they have more voice will exert more effort on behalf of the group, thereby increasing performance as well. At the group level, there is a climate of positive group energy that contributes beyond the individual level. When people feel included, they see the positive outcome; they see that there is a more positive frame within which they can envision their own goals. As a result, there is a sense of safety to express their ideas, which then further supports the likelihood of higher performance.

On the other hand, a lack of inclusion can entail a sense of fear and hopelessness. In this regard, there might be difficulty in communication, possibly resulting in increased error or counterproductive behavior at work. As a result, performance would suffer. An open evaluation of each other on what worked best fosters an environment where individuals can depend on each other openly and honestly without the fear of judgment. Human engagement and creativity require interdependence, which affects performance; people are not wasting energy on unhealthy conflict, unconstructive arguments, or criticism. Creativity is more likely to be tapped in such an environment.

Finally, effective communication is critical for a strong level of performance. Ely (2004) found that quality of team processes (mainly communication and teamwork) had a moderating effect on the relationship between diversity in groups (consisting of various ages and tenure) and performance, as measured by customer goals and branch productivity. Keeping this in mind, the group with higher EOI level should have more individual members who feel open to express their opinions and communicate freely with other members in the group, resulting in more efficient productivity. Based on these arguments, we present the following proposition:

**Proposition 1**: Collective EOI in a group will be positively associated with the group’s overall performance.

**THE MODERATING EFFECTS OF DIVERSITY**

Roberson (2006) spoke to this distinction between diversity and inclusion, suggesting that diversity focuses more on organizational demography, while inclusion focuses on creating an environment that enables full participation of every member in the organization. As organizations strive to understand and manage the diversity in their workplace, it is important to
make this distinction. The amount of diversity in the workplace and the extent to which employees differ may not be as important as the extent to which these individuals feel included.

Diverse groups are present in all organizations, and yet managers and researchers struggle to conclusively identify the direct effects of diversity on performance (Milliken & Martins, 1996; Webber & Donahue, 2001; O’Reilly, Williams, & Barsade, 1998). Although results have been inconclusive, workplace diversity is an issue that all contemporary organizations face (Agars & Kottke, 2004), and capitalizing on this diversity is becoming increasingly imperative. The “business case” for diversity has shown organizations that, when properly managed, diversity in the workplace can increases profitability for the company (Hays-Thomas, 2004) and inclusion in the workplace has been found to impact organizational effectiveness (see Ferdman & Davidson, 2002). The direct effect of diversity in groups, however, continues to be elusive.

Researchers have investigated the effects of group diversity on performance in the work settings with mixed results. A positive relationship between diversity and performance has been found in some studies (Cox et al., 1991; Mannix & Neale, 2005). Harrison and Klein (forthcoming) cite the work of Finkelstein and Hambrick (1996) and Hoffman and Maier (1961), who argued that diverse groups foster integrative insights, creativity, and innovation thereby improving performance. Other studies have indicated that diversity and performance are positively correlated only in the presence of moderators such as collectivist and cohesive group cultures (Jehn & Berzukova, 2004), problem solving tasks (Jackson & Joshi, 2004), appropriate team processes (Ely, 2004), and education levels in information and academic settings (Jehn, Northcraft, and Neale, 1999).

Conversely, diversity and performance have been found to be either not related, or negatively related. Researchers have shown that conflict and negative interactions during decision making processes (Elsass & Graves, 1997) may interfere with the group’s processes and performance. Division and dissolution are other factors that can interfere with the group’s processes and performance (Chatman, 1991, and Tajfel & Turner, 1979, cited in Harrison & Klein, forthcoming). Negative interactions during decision making processes can be time consuming, break down the effectiveness of communication, and interrupt the efficiency of the work flow.

One difficulty in comparing the effects of diversity on performance across studies has been the varied ways researchers have defined diversity. Diversity has been investigated according to visible versus unobservable characteristics (Mor-Barak, 2005; Mohammad & Angell, 2004; Milliken & Martins, 1996) and cultural variations among people (Cox, 1993). Hays-Thomas described diversity as the “differences among people that are likely to affect their acceptance, work performance, or progress in an organization” (2004:12). Given the variety of definitions, it becomes evident that the nature of diversity is complex and that no one definition encapsulates all aspects of diversity.

In an effort to capture the differences among individuals that are salient in the workgroup context, we propose to examine the effects of diversity in a collective sense among individuals. We have adopted Harrison and Sin’s definition: “Diversity is the collective amount of differences among members within a social unit” (2006: 196). By defining diversity in this manner, the concept is broad enough to allow for any unique aspects individuals bring to work without excluding differences that some people may value. Previous researchers have often examined diversity in a narrower sense; however an expanded understanding of the concept of
diversity enables us to have a better understanding of the potential moderating effects of diversity on the relationship between collective EOI and performance.

As discussed above, diversity has not been found to be reliably associated with performance on a consistent basis (Webber & Donahue, 2001). While competing definitions of diversity may account for some of this variability, another explanation may be that the relationship between diversity and performance is more complex than a simple main effect. More specifically, diversity may not influence performance directly, but rather enhance the effects of other variables on performance. When examined in this manner, diversity can function as a moderator of the effect of experience of inclusion of group members on the overall performance of the group.

Given the mixed results of the relationship between diversity and performance, we believe that the collective amount of differences among members within a social unit will not directly influence the group’s performance; rather, it is in how these collective differences are utilized that impact the group (Thomas & Ely, 1996). The amount of diversity has the potential to strengthen the relationship between the group’s experience of inclusion and performance because the more diverse the group, the greater the range of differences available to be maximized as resources by the experience of inclusion.

As the diversity of a group increases, there is more varied knowledge and experience on which the group to draw. Diverse members bring unique points of view, different perspectives, and contribute new ways of looking at the task or project. In increasingly diverse groups with high levels of Collective EOI, the full range of contributions and perspectives are made available by members of the group, resulting in an outcome that should exceed the quality of any one individual’s output. Diversity “creates positive environments for constructive conflict and debate, in which ideas synergistically resolve into higher-level outcomes than would be achievable in homogenous teams” (Mannix & Neale, 2005:33). We believe it does so by facilitating the effects of inclusion.

Furthermore, different perspectives in diverse groups have a positive impact on performance; however, unless there is a strong sense of inclusion between group members, none of the unique perspectives and inputs of each individual will come to fruition. Group members must feel safe to express their different perspectives, diverse points of view must be consistently encouraged and explored, and constructive, critical dialogue must be supported in order to foster an environment of inclusion. A group whose members feel included, respected, valued, trusted, and safe from ridicule and discrimination will be more likely to capitalize on the diversity of its members.

When group members are inclusive and report high levels of Collective EOI, their performance, as stated in our first proposition, is expected to improve. This improvement, however, is likely to be dependent on the amount of diversity within the group. When the group is homogenous, there may be less variety of opinions, backgrounds, and access to resources that would otherwise benefit the group. The inclusive group with members of diverse backgrounds, on the other hand, will profit more from its inclusion and therefore have higher measures of performance than would an inclusive group without diverse members. Thus, we propose that the amount of diversity in a group will moderate the relationship between Collective EOI and performance.

Proposition 2: The relationship between the Collective EOI and performance will be strengthened by the level of diversity present in the group.
**DISPERSION IN EXPERIENCE OF INCLUSION AS A MODERATOR**

The degree of dispersion in the experience of inclusion (as assessed, for example, using an index of variance) is a reflection of how much members of the group differ from one another regarding their experiences of inclusion. As with collective EOI, this is a group-level construct, used to characterize the group as a whole (Chan, 1998; Klein, Dansereau, & Hall, 1994). EOI dispersion is the degree to which members of the group vary in their individual experiences of inclusion. We believe that this construct will further influence the associations among diversity, Collective EOI, and performance.

To determine these group-level effects of consensus and variation with regard to the experience of inclusion, we propose assessing the three-way interactive effect of Collective EOI, diversity, and EOI Dispersion on performance. Stewart and Johnson (2006) used a similar design when they examined collective effects of LMX together with the moderating effects of LMX dispersion scores.

When there is low dispersion in EOI scores, such that group members are generally similar with regard to how much they feel included in the group, diversity should have the greatest impact on the relationship between EOI and performance. In this instance, most members of the group share an overall agreement regarding how safe, valued, and engaged they feel. As a result, in groups with high collective EOI, they may feel more comfortable to share different ideas and perspectives without fear of scrutiny. This has a positive effect on performance because energy is not being wasted on issues that are trivial, ideas are not being suppressed, and time-consuming miscommunications are avoided. On the other hand, if everyone similarly feels relatively low levels of inclusion in the group, performance should be particularly low. In contrast, high group diversity is expected to have a more negative impact on the EOI-performance relationship when group members vary in the extent to which each they experience inclusion. On the other hand, low dispersion (everyone has similar EOI) should strengthen the moderating effect of diversity on the relationship between performance and collective EOI, we expect.

Diverse groups with lower EOI Dispersion are likely to demonstrate higher performance because group members, as a whole, agree on feeling safe, valued, engaged and accepted. To the extent that group members report similar experiences of inclusion, the influence of the Collective EOI, moderated by the high diversity level in the group, should have a positive effect on the group’s performance, compared to groups in which experiences of inclusion are less similar across members. When members feel similarly included, the group should be better able to capitalize on the strengths of its diverse members. More specifically, when there is agreement among members in EOI (low EOI dispersion), especially in diverse groups, the full potential of diversity is more likely to be utilized in inclusive groups and less likely in exclusive groups. A variety of novel ideas, creativity, as well as insightful approaches and inputs that are unique will be capitalized by the group, which will be greater in groups where members differ on feelings of inclusion. Also, the diverse group’s capacity for pooling their ideas and leveraging their differences is amplified when they can all agree that they are experiencing a high level of inclusion.

As dispersion increases, the interaction between diversity and inclusion will be weaker, resulting in an attenuated effect on performance. When there is high EOI dispersion, it would appear that some members in the group feel more included than others. This result may lead to a misconception of how they are being perceived by other members in the group as well as the way in which they perceive others. Groups that have this misconception of the way inclusion is
being experienced by others will underperform those groups that have a stronger, more widely shared, sense of the inclusive processes occurring within the group. Ultimately, members in a group with a high level of dispersion might even disagree on the way they would rate their peers’ performance on accomplishing group goals. If members in the group feel that their peers do not exhibit the same level of communication or collaboration, they may choose to perform the tasks independently, resulting in decreased level of efficiency in interdependent or collaborative tasks.

Groups that are lower in diversity do not experience the same positive impact on the EOI-performance relationship because homogenous groups already have a decreased rate of conflict due to diversity issues, regardless of whether or not they are in agreement about their Collective EOI. Each individual in the group may feel differently as to how strongly his or her peers collaborate, value, or accept each other. Therefore, there will be a lower level of performance efficiency than groups composed of members with a higher awareness of inclusion-related processes, such as communication and feeling valued. This leads to our third and final proposition:

Proposition 3: High EOI Dispersion will attenuate the moderating effect of workgroup diversity on the relationship between Collective EOI and performance.

CONCLUSION

Although many studies have focused on understanding the impact of diversity on performance, few studies have examined diversity as a moderator and inclusion as a predictor. The theoretical basis of this paper is that intervening group processes such as voice, fairness, and safety account for the link between positive associations of diversity and performance (e.g. Mor-Barak et al., 1998; Pearce & Randel, 2004; Jehn & Bezrukova, 2004). Empirical research would contribute to further understanding the propositions in this paper, and possibly to increased organizational effectiveness.

The propositions in this paper are geared toward examining the effects of diversity on the Collective EOI/performance relationship at the group level. We are interested in looking at the group average score of the Collective EOI in order to increase our understanding of the contemporary workforce. Given the reality of organizations today, human resources are both diverse and are increasingly working collaboratively on tasks, requiring group cooperation (Thomas & Ely, 1996). Therefore, future theorizing and research should take into consideration the importance of analyzing the group level aspect of performance because individuals no longer have the option of working in a vacuum.

Individuals in both homogenous and heterogeneous groups should display differences in the degree to which they experience inclusion. In our third proposition, we theorize that this discrepancy will moderate the effects of diversity on the relationship between Collective EOI and performance. Despite inherent differences within any group, we believe that the greatest benefit on performance will be derived in groups with high diversity, high Collective EOI, and low EOI dispersion. Thus, research on performance and EOI dispersion should focus on the group in the context of their diversity.

Future research efforts could examine different aspects of diversity to identify different or greater effects on the relationship between inclusion and performance. For example, researchers could look at continuous diversity variables such as tenure instead of categorical, surface-level aspects of diversity. In addition, future research could explore similar propositions in the context of specific work-related tasks in order to examine differences in the relationship among diversity, collective EOI, and dispersion. Empirical research focused on the three propositions outlined in
this paper would significantly contribute to the knowledge about effective organizational functioning and offer an increased understanding about the underlying processes of workgroups.

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