Diversity mindsets and the performance of diverse teams

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ABSTRACT

Diversity can enhance as well as disrupt team performance. Diversity beliefs and climates may play an important moderating role in these effects, but it is unclear what form these should take to promote the positive effects of diversity. Addressing this question in an integration of research in team cognition and diversity, we advance the concept of *diversity mindsets*, defined as team members' mental representations of team diversity. These mindsets capture diversity-related goals and associated procedural implications for goal achievement. We develop theory about the accuracy, sharedness, and awareness of sharedness of mindsets as moderators of the diversity-performance relationship. We also identify the determinants of these aspects of diversity mindsets. Finally, we discuss the implications of our model for the management of diversity.

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Introduction

As the work force diversifies in cultural background and gender and companies become more reliant on cross-functional teams, team diversity is on the agenda of research and practice more than ever before. Diversity poses complex challenges, however, because it can have positive as well as negative effects on team performance (Jackson & Joshi, 2011; Williams & O'Reilly, 1998). This has led to the conclusion that the key challenge for diversity research is to identify the contingencies of these effects (van Knippenberg & Schippers, 2007). The processes underlying the positive and negative influences of diversity are well-documented: diversity may be an asset as an informational resource, and a liability as a source of interpersonal tension and intergroup biases (van Knippenberg, De Dreu, & Homan, 2004). Identifying the factors that determine which of these processes dominate in a diverse group has proven to be challenging, however (e.g., Joshi & Roh, 2009).

In this respect, a promising and recurrent theme is that diversity beliefs, attitudes, and climates can play an important moderating role in the effects of diversity on team performance (see Cox, 1993; Ely & Thomas, 2001; Jackson & et al., 1992; Kossek & Zonia, 1993; van Knippenberg & Haslam, 2003). Beliefs and climates that

are more favorable towards diversity are proposed to lead to more positive effects of diversity, but what it means exactly to be favorable towards diversity is not clear. As Ely and Thomas (2001) conclude, different perspectives that are considered favorable towards diversity may diverge in the effects of diversity they produce. So, what form should diversity beliefs and climates take to strengthen the positive effects of diversity and weaken its negative effects? Current answers to this question seem to us to be vague or even wrong.

To address this issue, we propose the concept of *diversity mindsets* in an integration and extension of diversity theory and theory in team cognition that emphasizes the importance of members' mental representations of the team and its task(s) (Cannon-Bowers, Salas, & Converse, 1993; Salas & Fiore, 2004). We define diversity mindsets as mental representations of team diversity. These capture diversity-related goals and associated procedural implications for goal achievement. Diversity mindsets capture members' knowledge of their team's diversity, of how this diversity might affect team processes and performance, and how diversity should be engaged.

We propose three aspects of diversity mindsets that moderate the relationship between diversity and performance. They are accuracy (the extent to which goals and associated actions capture an understanding of diversity as an informational resource), sharedness (similarity in mindsets among members), and awareness of sharedness. Accuracy moderates the relationship between diver-

sity and performance, and both sharedness and awareness of sharedness make this moderating influence stronger. And there are three related but conceptually distinct characteristics of mindset accuracy that co-determine the positive effects of mindsets. Those characteristics are promotion rather than prevention goals, exploration rather than exploitation goals, and team-specific understanding of diversity as an informational resource. For the development of accurate and shared mindsets, we point to the role of team leadership and identify contingencies that affect the impact of leadership on mindset development.

Defining the problem: diversity cognition and climates, and team performance

Diversity and performance: the double-edged sword of diversity

Diversity reflects the degree to which there are differences among people within a group (Jackson, 1992; van Knippenberg & Schippers, 2007). Diversity may refer to any attribute, but research has mainly focused on differences in gender, age, cultural background (i.e., including race, ethnicity, and nationality; Stahl, Maznevski, Voigt, & Jonson, 2009), tenure, educational background, and functional background (van Dijk, van Engen, & van Knippenberg, 2012; Williams & O'Reilly, 1998). The key question has always been how diversity affects group process and performance. Theory and research in diversity have identified two core processes in this respect.

Social categorization processes (complemented by similarity/ attraction processes) are typically associated with the negative effects of diversity. Based on interpersonal similarities and differences, individuals may categorize fellow team members, distinguishing "us" (*ingroup*, similar to self) from "them" (*outgroup*, different from self). Such distinctions are often consequential. People typically like ingroup more than outgroup, trust ingroup more than outgroup, and are more willing to cooperate with ingroup than with outgroup (Tajfel & Turner, 1986; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). By engendering these intergroup biases, diversity can disrupt team processes and performance. As a result, heterogeneous teams may perform worse than homogeneous teams. The double-edged sword of diversity (Milliken & Martins, 1996) becomes evident in the claim that differences in demographic or functional background are related to differences in knowledge, expertise, experience, information, and perspectives. By virtue of their diversity, more heterogeneous teams may thus possess better informational resources (Tsui & O'Reilly, 1989; Williams & O'Reilly, 1998). These resources may give such teams an advantage in task performance, enabling them to make higher-quality decisions, identify better solutions to work problems, and achieve greater creativity and innovation (Bantel & Jackson, 1989; van Knippenberg et al., 2004; Williams & O'Reilly, 1998).

For illustrative purposes, we will highlight cultural diversity, because the dual effects of diversity are particularly salient for cultural differences. Cultural background is a strong basis for a sense of identity, shaping how people see themselves and others (Earley & Mosakowski, 2000; Tajfel & Turner, 1986). And cultural background (more than most other attributes) is associated with stereotypes and discrimination (Fiske, 1998; Roberson & Block, 2001). Stereotypes give subjective meaning to perceptual groupings along cultural lines and thus render cultural differences a salient basis for social categorization and intergroup biases (Turner et al., 1987; van Knippenberg et al., 2004). Differences in cultural values (Hofstede, 2001; Schwartz, 1999) may also feed into similarity/attraction processes, rendering interactions between same-culture individuals smoother than interactions between individuals from different cultures (Triandis, Kurowski, & Gelfand,

1994). For example, to someone with collectivistic values, individualistic values may seem inappropriately selfish, whereas for someone with individualistic values, collectivistic values may seem to constrain individual freedom. The disruptive aspects of diversity thus loom large for cultural diversity. However, cultural diversity may also constitute an important informational resource (Cox, 1993; Ely & Thomas, 2001). Cultural differences may introduce unique information, insights, and perspectives through culture-specific knowledge, skills, and values that are associated with unique perspectives (Hofstede, 2001; Schwartz, 1999). Collectivistic values, for instance, may focus attention on the relational implications of alternative courses of action. The informational value associated with cultural differences need not be constrained to cultural values, however. These may for instance also include unique "local" knowledge. Consider, for instance, multicultural teams in international business. Cultural diversity may therefore be conducive to high-quality performance (Earley & Mosakowski, 2000; Ely & Thomas, 2001).

The state of the science thus suggests that diversity theory and research should identify the contingencies of the social categorization and similarity/attraction processes underlying diversity's negative effects and the information elaboration processes underlying diversity's positive effects. Research on diversity beliefs and climates seems particularly promising when it comes to managing the contingencies of both the positive and the negative effects of diversity. This research has a strong focus on cultural diversity (e.g., Cox, 1993; Kossek & Zonia, 1993; McKay et al., 2007; Mor Barak, Cherin, & Berkman, 1998), presumably reflecting a broader recognition of the fact that the double-edged sword of diversity is particularly salient for cultural diversity.

The problem with the current understanding of diversity beliefs and climates

The issue that gave rise to our development of the diversity mindsets concept is that research on diversity beliefs, attitudes, and climates hardly speaks to an understanding of what team members must actually *do* to harvest the benefits of diversity. Moreover, to the extent that this research holds behavioral implications, these tend to emphasize the prevention of negative outcomes rather than the achievement of positive outcomes. A well-established, though seldom tested notion is that diversity is more likely to have positive effects when team members believe in the value of diversity (De Meuse & Hostager, 2001; van Knippenberg & Haslam, 2003) and when organizational climate seems to support diversity (Cox, 1993; Gelfand, Nishii, Raver, & Schneider, 2005; Jackson et al., 1992; Kossek & Zonia, 1993). van Knippenberg, Haslam, and Platow (2007) for instance showed in a survey and a laboratory experiment that diversity was positively related to team identification when team members believed in the value of diversity, and Gonzalez and DeNisi (2009) showed that diversity was positively related to unit performance when diversity climate was favorable to diversity. The obvious appeal of a focus on diversity beliefs and climates is their presumed *manageability*: teams and organizations should be able to shape employees' perspectives on diversity to realize the benefits of diversity. Climates are in part defined by formal HR practices that are under direct managerial control (Gelfand et al., 2005), and diversity beliefs have been shown to respond to simple experimental manipulations (Homan, van Knippenberg, Van Kleef, & De Dreu, 2007; van Knippenberg et al., 2007). Studies of diversity beliefs and climates may differ in their levels of analysis – research on diversity beliefs focuses on individual cognition, whereas research on diversity climates includes perceptions of a team or organization that are shared among employees. What these analyses share, however, is the basic proposition that a more favorable perspective