



## COLLECTIVE EXPERIENCE OF INCLUSION, DIVERSITY, AND PERFORMANCE IN WORK GROUPS<sup>1</sup>

### EXPERIÊNCIA COLETIVA DE INCLUSÃO, DIVERSIDADE E DESEMPENHO EM GRUPOS DE TRABALHO

#### **BERNARDO M. FERDMAN**

*Ph.D. em Psicologia pelo Departamento de Psicologia da Universidade de Yale.  
Professor da Faculdade de Administração Marshall Goldsmith da Universidade Internacional Alliant.  
10455 Pomerado Rd. – San Diego – United States of America – CA 92131  
E-mail: bferdman@alliant.edu*

#### **AVI AVIGDOR**

*Ph.D. em Administração pela Faculdade de Administração Marshall Goldsmith da Universidade Internacional Alliant.  
10455 Pomerado Rd. – San Diego – United States of America – CA 92131  
E-mail: aavigdor@alliant.edu*

#### **DEBORAH BRAUN**

*Doutoranda em Administração pela Faculdade de Administração Marshall Goldsmith da Universidade Internacional Alliant.  
10455 Pomerado Rd. – San Diego – United States of America – CA 92131  
E-mail: dbraun@alliant.edu*

#### **JENNIFER KONKIN**

*Doutoranda em Administração pela Faculdade de Administração Marshall Goldsmith da Universidade Internacional Alliant.  
10455 Pomerado Rd. – San Diego – United States of America – CA 92131  
E-mail: jkonkin@alliant.edu*

#### **DANIEL KUZMYCZ**

*Doutorando em Administração pela Faculdade de Administração Marshall Goldsmith da Universidade Internacional Alliant.  
10455 Pomerado Rd. – San Diego – United States of America – CA 92131  
E-mail: dkuzmycz@alliant.edu*

<sup>1</sup> Avigdor, Braun, Konkin, and Kuzmycz contributed equally to this paper and are listed in alphabetical order. A previous version of this paper was presented at the Annual Meeting of the Academy of Management, Philadelphia, August 2007. We are grateful to the anonymous reviewers for their helpful comments on a prior version of this paper.

## ABSTRACT

This conceptual paper addresses the presumed interactive effects of work group inclusion and diversity on work group performance. Building on prior theory and research focusing on individual-level inclusion, we put forth the construct of *collective experience of inclusion*, the aggregated degree to which members of a group feel valued by, engaged with, and able to express themselves authentically within their work group, 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; Work groups; Group performance; Organizational psychology.

## RESUMO

Este trabalho teórico se refere aos efeitos interativos presumidos da inclusão e diversidade do grupo de trabalho no seu desempenho. Com base na teoria e pesquisa anterior sobre inclusão no nível individual, propõe-se o construto *experiência coletiva de inclusão*, grau no qual membros de um grupo sentem-se valorizados, engajados e hábeis a se expressarem autenticamente dentro do grupo de trabalho tanto como indivíduos, como membros de múltiplos grupos sociais.

Propõe-se que a experiência coletiva de inclusão seja positivamente associada a indicadores de desempenho do grupo, para que a relação seja moderada pela diversidade do grupo. Propõe-se que o aumento da diversidade aumenta os efeitos positivos da experiência coletiva de inclusão no desempenho. Por fim, propõe-se que a variação no grau em que os indivíduos experimentam inclusão no grupo, medido por meio de um índice de dispersão da experiência de inclusão, irá também moderar esse efeito, atenuando os resultados interativos positivos da experiência coletiva de inclusão e diversidade sobre o desempenho.

## **PALAVRAS-CHAVE**

Inclusão; Diversidade; Grupos de trabalho; Desempenho do grupo; Psicologia organizacional.

## **1 INTRODUCTION**

As leaders become more aware of diversity and its implications for organizations, a key question that arises has to do with diversity's potential benefits. Although many organizations see a need to leverage their diversity in the context of globalization, so as to maintain a competitive edge in the marketplace (ROBERSON, 2006), organizational scholars have not been able to establish a definitive link between diversity and performance in groups (e.g., MILLIKEN; MARTINS, 1996; O'REILLY; WILLIAMS; BARSADE, 1998; VAN KNIPPENBERG; SCHIPPERS, 2007), because investigations of the direct relationship have often produced mixed results. Some studies have shown negative effects of diversity on group performance (e.g., ANCONA; CALDWELL, 1992), but others have shown that diverse groups outperformed homogeneous groups (e.g., COX; LOBEL; MCLEOD, 1991). A number of years ago, Milliken and Martins (1996, p. 403) summarized the often contradictory results of studies looking at diversity and performance as follows: "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". Indeed, a range of studies over the last decade has 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. For example, in a widely reported series of studies focusing on the relationships of gender and racial diversity with business performance, Kochan

et al. (2003) found relatively few direct effects of diversity, whether positive or negative. Instead, the effects of diversity on performance seemed to depend on group processes and some aspects of the organizational context.

Despite mixed results in studies of diversity and performance, differences within groups have been found to encourage creativity and engagement (HANER, 2005; YAP; CHAI; LEMAIRE, 2005), and theorists (e.g., PAGE, 2007) continue to make potent arguments regarding the benefits of diversity. Certainly it stands to reason that there should be important differences between heterogeneous and homogeneous groups. Yet the mixed results in studies of the diversity-performance link suggest that the connection is better addressed by considering the process variables involved (see, e.g., VAN KNIPPENBERG; SCHIPPERS, 2007). Simply incorporating diversity in a group, by itself, is unlikely to be sufficient to obtain its potential benefits, because outcomes for the group will depend on how that diversity is addressed and handled by the group members and by the group's environment. Indeed, group processes such as voice, fairness, and communication, among others, have been shown to be one common thread linking positive associations between diversity and performance (e.g., JEHN; BEZRUKOVA, 2004; MOR-BARAK; CHERIN; BERKMAN, 1998; PEARCE; RANDEL, 2004). Thus, in this paper, we refocus the frequently-asked question regarding the relationship between diversity and performance to consider the impact of group process variables, and particularly the process of *inclusion*. Specifically, we develop the construct of a group's collective experience of inclusion; rather than focusing on the direct effects of diversity, we consider how a group's experience of inclusion might affect performance, in the context of the group's diversity. In this perspective, diversity in a group has to do with the amount of heterogeneity that is present; Harrison and Klein (2007, p. 1199), for example, define diversity as "the distribution of differences among the members of a unit with respect to a common attribute" and argue that diversity in a group may indicate the presence of separation, variety, and/or disparity. Inclusion, in contrast, is a process involving human relationships and the ensuing experience of those who partake in those relationships; thus, while inclusion is most interesting in the context of diversity, it is a process that can be distinguished from the degree of diversity in a group.

Before turning to the construct of inclusion in more detail, we frame our question in the larger context of individual and group development. Certainly, individual human development and growth are continuous processes that do not stop once people enter the workplace. Indeed, organizational and group life often present new developmental challenges both to individuals and groups. In this regard, we see as quite relevant the concepts of assimilation and accommodation applied by the developmental psychologist, Jean Piaget (1968),

to describe the processes by which children learn and develop in the context of new information and developmental challenges. Assimilation, in Piaget's construction, involves taking in and fitting one's perceptions and images of the world to one's pre-existing cognitions, structures, and schemas. In contrast, accommodation involves adapting to the external world in ways that result in new or changed schemas, perceptions, and cognitive structures. Although assimilation is necessary and useful, accommodation often signifies and triggers higher-level development than assimilation, because the child has to restructure his or her cognitive schemas 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, much like individual development, requires people to enter unfamiliar territory and to reconcile their old beliefs with new information and new realities. In this sense, the ability and willingness to accommodate, in the Piagetian sense, are quite useful and important, and can allow members of groups to address novel situations and challenges that require new approaches and perspectives. At the same time, maintaining the stability of a group and consistency in its ongoing work also requires the ability to assimilate. Thus, members of work groups, as they interact and work together, necessarily go through a process of assimilating and accommodating to information about each other and their environment, a process that involves continued growth. Kegan and Lahey (2009), who focus on the processes of change and development in adults, convincingly argue that mental development can continue throughout adult life, and involves increasing mental complexity and more sophisticated and complex ways of making sense of the world. They describe the highest level of mental complexity in their model – the self-transforming mind – as one in which:

[...] we can step back from and reflect on the limits of our own ideology and personal authority; see that any one system or self-organization is in some way partial or incomplete; be friendlier toward contradiction and opposites; seek to hold on to multiple systems rather than projecting all but one onto the other (KEGAN; LAHEY, 2009, p. 469).

At its core, inclusion (which we describe in more detail later) involves creating the conditions in which individuals can feel safe, valued, and fully engaged, while believing that they can be fully themselves in ways that recognize, honor, and appreciate their full range of social identities. Thus, in this

sense, inclusion in work groups encourages the process of human development at work because it entails a sense of being at ease and engaged while at the same time 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 work groups. In Tuckman's (1977 apud 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 in the context of the group as a whole. These early group stages can be characterized by intra-group conflict, uncertainty of roles, and the development of relationships among group members (ROBBINS, 2003), and, to be effective, require members to expose and recognize their uniqueness, confront and learn about each other's differences, and build new bonds and new relationships (see also SMITH; BERG, 1987). In the processes of forming and storming, and in the development of the group more generally, individuals may paradoxically feel at once both comfortable and stretched by the new relationships being built.

In the context of intergroup relations, intercultural interactions, and acculturation (e.g., BERRY, 2008), the concept of assimilation has been used somewhat differently than as described above. Berry (1997, 2008), for example, describes assimilation as involving a process by which newcomers or cultural minorities lose or give up their distinctive cultural identity and cultural traditions as they become absorbed into and full participants in the larger society. A similar process can be described for work groups; thus, a newcomer may be said to assimilate to the group when he or she simply blends in to the group and adopts its previously held norms and values and ways of behaving. While this is certainly one approach to inclusion, particularly when this process is voluntary, we do not see it as the best way to obtain the potential benefits of both diversity and inclusion. In contrast, an integration approach (BERRY 1997, 2008) involves both interacting collaboratively with the larger society or group and at the same time maintaining one's distinctive identity and culture. This perspective is closer to our view on inclusion, which we discuss in detail below, and is more likely to preserve the positive aspects of diversity in a collective—whether a work group or society at large.

## **2 INCLUSION AND PERFORMANCE**

The challenge of facilitating effective work groups has been studied in several diverse contexts; research (e.g., STEWART; JOHNSON, 2009; SWANN

et al., 2003) suggests that group performance is directly affected by the quality of interactions among group members. Recent investigations have 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 often focus on specific or distinct group processes, such as communication (MANNIX; NEALE, 2005), quality of interaction between leaders and followers (STEWART; JOHNSON, 2009), and individualization (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 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. More directly related to diversity, Homan et al. (2007) showed that groups that were heterogeneous with respect to information and expertise performed better when their members valued diversity, compared to similarly heterogeneous groups whose members valued similarity.

The positive relationship identified between group processes and performance is congruent with current theories regarding the effects of positive intra-group interactions, particularly in diverse teams. For example, the integration and learning perspective described by Ely and Thomas (2001) outlines the value gained through the processes involved in sharing diverse skills and experiences among group members in an effort to work toward 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 work group members. Such a supportive environment in groups is built on group processes such as communication, willingness to engage, and cohesiveness identified by Mannix and Neale (2005).

Stewart and Johnson (2009) 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 (2009) emphasized the relationship between the leader and members, Swann

et al. (2003) explored the relationships among all group members, regardless of their position in the group. Swann et al. (2003) found that increased individualization 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 conducted separately; yet, many of these group processes share a common theoretical thread. Communication, willingness to engage, recognition of the unique contributions of members, and engaging in quality interactions all involve positive exchanges among members geared at improving participation (e.g., MANNIX; NEALE, 2005; STEWART; JOHNSON, 2009; SWANN et al., 2003). Pearce and Randel (2004), for example, 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 work groups; they found that Workplace Social Inclusion scores were positively associated with job performance in two samples. Thus, we use inclusion as an overarching construct to incorporate many of these positive processes.

### 3 DEFINING INCLUSION

Theorists have proposed various definitions for the construct of inclusion. Hayes and Major (2003, p. 5), 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”. Mor-Barak and Cherin (1998, p. 48) defined inclusion as consisting of “the degree to which individuals feel part of critical organizational processes”. Holvino, Ferdman, and Merrill-Sands (2004, p. 248), taking a multilevel perspective and considering inclusion in the context of diverse organizations, described it as follows:

Inclusion in multicultural organizations means that there is equality, justice, and full participation at both the group and individual levels, so that members of different groups not only have equal access to opportunities, decision making, and positions of power, but they are actively sought out *because* of and with their differences. In a multicultural, inclusive organization, differences of all types become integrated into the fabric of the business, such that they become a necessary part of doing its everyday work (*italic of authors*).



This view highlights the idea that the simple presence of diversity (as, for example, in plural organizations), does not guarantee that inclusion will also exist. Wasserman, Gallegos, and Ferdman (2008, p. 176) built on this and related views (e.g., FERDMAN; DAVIDSON, 2002; MOR-BARAK, 2005) and described a “culture of inclusion” as follows:

For us, a culture of inclusion recognizes, respects, values, and utilizes the talents and contributions of all the organization’s people – current and potential – across multiple lines of difference [...]. In organizations with cultures of inclusion, people of all social identity groups have the opportunity to be present, to have their voices heard and appreciated, and to engage in core activities on behalf of the collective.

Ferdman (2010, p. 37) summarized inclusion as follows:

In its most general sense, inclusion involves both being fully ourselves and allowing others to be fully themselves in the context of engaging in common pursuits. It means collaborating in a way in which all parties can be fully engaged and subsumed, and yet, paradoxically, at the same time believe that they have not compromised, hidden, or given up any part of themselves. Thus, for individuals, experiencing inclusion in a group or organization involves being fully part of the whole while retaining a sense of authenticity and uniqueness.

Building on this prior work, Ferdman et al. (2009) focused on the psychological aspects of inclusion, and specifically distinguished *inclusive behavior* from the *experience of inclusion* (see also DAVIDSON; FERDMAN, 2002), creating separate measures for each. Ferdman et al. (2009, p. 3) defined inclusive behavior as “the behaviors manifested by a person and his or her work group members, together with the organizational policies and procedures, that foster an inclusive climate”; such behaviors include acknowledging others, showing an ability and willingness to learn, openly dealing with conflict and differences, providing representation, and using one’s voice as well as giving voice to others. The experience of inclusion, in contrast, is “the psychological sense on the part of an individual that he or she is indeed being included” (FERDMAN et al., 2009, p. 3), and, more specifically, “‘individuals’ perception of the extent to which they feel safe, trusted, accepted, respected, supported, valued, fulfilled, engaged, and authentic in their working environment, both as individuals and as members of particular identity groups” (FERDMAN et al., 2009, p. 6).

In this view, then, the experience of inclusion is a psychological state, and is more likely to be present in situations where the organization fosters inclusive behavior on the part of its members and leaders. Indeed, Hirshberg (2009) found that respondents in his study reported experiencing more inclusion to the degree that they perceived their supervisor to behave inclusively. Davidson and Ferdman (2002, p. 1) suggested 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,

and predicted that inclusive groups would benefit from enhanced commitment and effectiveness. In line with this prediction, Ferdman et al. (2009) found positive and significant correlations between experience of inclusion and organizational affective commitment.

When we experience inclusion, we are fully present and involved, we believe that others see and value our contributions, and we feel safe and open about our multiple social identities (Ferdman et al., 2009). According to Ferdman et al. (2009), the experience of inclusion is comprised by various components: feeling valued, sensing that diversity matters in a positive way, being involved and engaged in the work group, being able to authentically bring the whole self to work, being able to influence decision-making, and feeling safe.

## **4 COLLECTIVE EXPERIENCE OF INCLUSION AND PERFORMANCE**

Previous investigations into the experience of inclusion have typically focused on this construct at the individual level. Although inclusion has some demonstrated effects at the individual level (e.g., FERDMAN et al., 2009; HIRSHBERG, 2009), intuitively its full impact occurs at the group level. In other words, we believe that the effects of inclusion are more likely to be manifested in groups that – across members – experience more inclusion. That is because in such groups, inclusion is more likely to be a cultural feature of the group as a whole, rather than an idiosyncratic perspective of solitary members. This is also consistent with Wasserman, Gallegos, and Ferdman (2008) views regarding cultures of inclusion, cited earlier.

We define *Collective Experience of Inclusion* (Collective EOI) as the overall or additive sense of the extent to which people in a group feel accepted, engaged, safe, and valued – essentially the aggregated experience of inclusion across all individuals in a group. Thus, we frame this as a cumulative construct – represented by the sum of the individual experiences of inclusion of all the group’s members. Although we do not conceptualize collective experience of inclusion as a group-level concept in the systemic socioanalytic tradition (WELLS JR., 1990), the latter group-as-a-whole approach does have relevance to the extent that individual members construct their individual experiences of inclusion in relationship to the whole group. (For example, Ferdman et al.’s (2009) measure of the experience of inclusion includes items that make reference to the “members of my workgroup” in general.) Essentially, collective experience of inclusion will be greater to the degree that more members of the group individually experience greater degrees of inclusion.

We propose that a group’s Collective EOI will affect its overall performance. Collective EOI consists of multiple variables that have previously been studied separately. Here, we join these previously distinct yet intrinsically linked aspects of group processes into Collective EOI. Collective EOI addresses the extent to which individual members feel connected to the group’s focal processes and goals, and in an important sense represents the ability of the group 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 collective 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 further 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 are more likely to apply themselves to the task at hand and to willingly provide inputs and resources for the benefit of the group as a whole, thus resulting in greater contributions, overall, to the group’s resources. Individuals who feel included are more likely to believe that what they do matters to others, and to be connected and identify with the group and its goals. If there is an increased level of

application to the collective task from each member in the work group, there will likely be higher motivation across the group, as members see a lot of effort being exerted by their peers. This is likely to encourage them to perform better. These two aspects will result in more efficiency and effectiveness on interdependent tasks requiring collaboration, such as those carried out by marketing teams or restaurant employees.

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 further increasing performance. In a more inclusive group there is a climate of positive group energy at the group level that contributes beyond the individual level, making it more likely that there will be synergy among group members and performance that is beyond the sum of what individual members could accomplish alone. When people feel included, they are more likely to envision a positive outcome and to experience a more positive frame within which they can envision their own goals.

Inclusion, beyond having positive motivational effects, is also likely to increase the range of perspectives, knowledge, and ideas that a group will bring to bear on its collective task, as well as the probability that it will be able to incorporate and capitalize on the unique contributions and talents of its various members (FERDMAN, 2009). The sense of safety that is part of inclusion would make it more likely that members will freely express their ideas, further enhancing the likelihood of better performance. When a multiplicity of resources is shared, there is likely to be a higher level of performance efficiency as shown in, for example, more sales, fewer customer complaints, and less absenteeism. In groups with more inclusion, there is also likely to be less energy focused on being the same, on stereotyping, or on keeping members “pigeon-holed” in particular roles or tasks, thus allowing more flexibility in the face of changing conditions (FERDMAN, 2009).

On the other hand, a lack of inclusion can entail a sense of fear and hopelessness. In groups with less inclusion, there may be difficulties in communication, which can bring about more error or counterproductive behavior and a resulting decrease in performance. An open evaluation of each other on what worked best fosters an environment where individuals can depend on each other openly and honestly without fear of judgment. Human engagement and creativity require interdependence, which positively 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, groups with higher collective EOI should have more individual members who feel open to express their opinions and to communicate freely with other members in the group, resulting in more efficient productivity and ultimately better performance.

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.

## 5 THE MODERATING EFFECTS OF DIVERSITY

Roberson (2006) spoke to the distinction we made earlier 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. This is an important distinction, particularly as diversity increases and organizational leaders strive to understand and manage the diversity in their workplace. The amount of diversity in the workplace and the extent to which employees differ may only be a useful resource to the degree that individuals feel included.

Diverse groups are present in all organizations, and yet managers and researchers struggle to identify conclusively the direct effects of diversity on performance (MILLIKEN; MARTINS, 1996; O'REILLY; WILLIAMS; BARSADÉ, 1998; WEBBER; DONAHUE, 2001). Although results have been inconclusive, workplace diversity is an issue that all contemporary organizations face (AGARS; KOTTKE, 2004; MALTBYA; POWER, 2009), 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 increase profitability for the company (HAYS-THOMAS, 2004) and inclusion in the workplace has been found to impact organizational effectiveness (cf. 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 work settings with mixed results. A positive relationship between diversity and performance has been found in some studies (COX; LOBEL; MCLEOD, 1991; MANNIX; NEALE, 2005). Harrison and Klein (2007), for example, 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; BEZRUKOVA, 2004), problem solving tasks (JACKSON; JOSHI, 2004), appropriate team processes (ELY, 2004), and task type or interdependence (JEHN; NORTHCRAFT; NEALE, 1999).

In other studies, 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 separation are other factors that can interfere with the group's processes and performance (CHATMAN, 1991; TAJFEL; TURNER, 1979 apud HARRISON; KLEIN, 2007). 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 in terms of visible versus less visible (or invisible) characteristics (MILLIKEN; MARTINS, 1996; MOHAMMEAD; ANGELL, 2004; MORBARAK, 2005) and cultural variations among people (COX JR., 1993), among many dimensions. Hays-Thomas (2004, p. 12) described diversity as the "differences among people that are likely to affect their acceptance, work performance, or progress in an organization". 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 work group context, we focus on the collective diversity in a group. We adopt Harrison and Sin's (2006, p. 196) definition, as follows: "Diversity is the collective amount of differences among members within a social unit". Defining diversity in this way allows incorporating all types of differences, including any unique dimensions that specific individuals may bring to work, and avoids excluding differences that may be valued by some group members. Although previous researchers have often examined diversity in a narrower sense, an expanded understanding of the concept of diversity may enable gaining a better understanding of the potential moderating effects of diversity on the relationship between Collective EOI and performance.

As discussed earlier, diversity has not been reliably associated with group performance (WEBBER; DONAHUE, 2001). Although 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 way, diversity can be considered a potential moderator of the effect of collective experience of inclusion on a group's overall performance.

The amount of diversity has the potential to strengthen the relationship between the group's collective experience of inclusion and performance because the more diverse the group, the greater the range of differences available to be maximized as resources in the context of the processes fostered by inclusion. As the diversity of a group increases, there is more varied knowledge and experience on which the group can 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 is more likely to be 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, p. 33). We believe it does so by facilitating the effects of inclusion.

Furthermore, different perspectives in diverse groups can have a positive impact on performance; however, unless there is a strong and shared sense of inclusion among group members, it is unlikely that the unique perspectives and inputs of each individual will be fully available or used to collective advantage. 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 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 collectively report high levels of experience of inclusion, resulting in higher Collective EOI, the group's 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, and so inclusion may not be as important a factor to the group's performance as it would be in a diverse group. A group with a diverse set of members, on the other hand, should profit more from being inclusive and therefore have higher measures of performance than a similarly inclusive group without a diverse composition. Thus, we propose that the amount of diversity in a group will moderate the relationship between Collective EOI and performance, as follows:

- *Proposition 2:* The relationship between the Collective EOI and performance will be strengthened by the level of diversity present in the group.



## 6 DISPERSION IN EXPERIENCE OF INCLUSION AS A MODERATOR

The degree of dispersion in a group's 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 individual experiences of inclusion. As with Collective EOI, this is a group-level construct, used to characterize the group, rather than individual members (CHAN, 1998; KLEIN; DAN-SEREAU; HALL, 1994). *EOI dispersion* is the degree to which members of the group vary in their individual experiences of inclusion. In groups with high EOI dispersion, the experience of inclusion is unevenly spread among the members, such that some members feel very included, and others do not feel included at all. In contrast, when there is low EOI dispersion, the experience of inclusion is relatively similar across all members of the group. We believe that this construct will further influence the associations among diversity, Collective EOI, and performance.

To determine the 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 (2009) 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 Collective EOI and performance. In this situation, most members of the group share an overall perception 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 miscommunication is avoided. On the other hand, if everyone similarly feels relatively low levels of inclusion in the group, performance should be particularly low. Thus, low dispersion (such that everyone has similar EOI) should strengthen the moderating effect of diversity on the relationship between performance and Collective EOI. In contrast, high group diversity is expected to have a more negative impact on the Collective EOI-performance relationship when group members vary widely in the extent to which each they experience inclusion.

Inclusive and diverse groups with lower EOI dispersion are likely to demonstrate higher performance because group members, as a whole, feel



similarly safe, valued, engaged, and accepted. To the extent that group members report similar experiences of inclusion, the influence of Collective EOI, as moderated by the diversity of the group, should have a more 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. Creativity, a variety of novel ideas, and insightful approaches and inputs that are unique will be capitalized upon by the group to a greater extent than in groups where members differ widely on how included they feel. Also, the diverse group's capacity for pooling members' 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, this indicates that some members in the group feel more included than others. This 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, we expect, relative to those groups that have a stronger and more widely shared sense of the inclusive processes occurring within the group. Ultimately, members in a group with a high level of dispersion may even disagree on the way they would rate their peers' performance on accomplishing group goals. If members in the group believe that their peers do not exhibit the same level of communication or collaboration as they do, they may choose to perform tasks independently, resulting in particularly decreased levels of efficiency and output in interdependent or collaborative tasks.

Groups that are lower in diversity would not experience the same positive impact on the EOI-performance relationship because homogeneous groups already have a decreased rate of diversity-based conflict, regardless of whether or not they are in agreement about their experience of inclusion. Each individual in the group may have different views regarding how much his or her peers collaborate, value, or accept each other. Therefore, there will be a lower level of performance efficiency than in 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:* EOI dispersion will attenuate the moderating effect of work group diversity on the relationship between Collective EOI and performance.

## 7 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 – together comprising the construct of inclusion – account for the link between positive associations of diversity and performance (e.g., MOR-BARAK; CHERIN; BERKMAN, 1998; JEHN; BEZRUKOVA, 2004; PEARCE; RANDEL, 2004). Appropriate 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 relationship of Collective EOI with performance and the effects of diversity on that relationship at the group level. Individuals in both homogenous and heterogeneous groups are likely to display differences with each other in the degree to which they experience inclusion. In our third proposition, we theorize that the magnitude of this discrepancy will attenuate the effects of diversity on the relationship between Collective EOI and performance. Despite inherent differences within any group, we believe that the greatest benefits on performance will be derived in groups with high Collective EOI, high diversity, and low EOI dispersion. Thus, research on performance and inclusion should focus on groups in the context of their diversity.

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

## REFERENCES

AGARS, M. D.; KOTTKE, J. L. Models and practice of diversity management: a historical review and presentation of a new integration theory. In: STOCKDALE, M. S.; CROSBY, F. J. (Ed.). *The psychology and management of workplace diversity*. Oxford: Blackwell, 2004. p. 55-77.

- ANCONA, D. G.; CALDWELL, D. F. Bridging the boundary: external activity and performance in organizational teams. *Administrative Science Quarterly*, Ithaca, New York, The Johnson School, n. 37, p. 634-665, 1992.
- BERRY, J. W. Immigration, acculturation and adaptation. *Applied Psychology: an International Review*, Malden, MA, n. 46, p. 5-68, 1997.
- \_\_\_\_\_. Globalisation and acculturation. *International Journal of Intercultural Relations*, Burlington, MA, n. 32, p. 328-336, 2008.
- CHAN, D. Functional relations among constructs in the same content domain at different levels of analysis: a typology of composition models. *Journal of Applied Psychology*, Washington, DC, n. 83, p. 234-246, 1998.
- COX JR., T. *Cultural diversity in organizations: theory, research, and practice*. San Francisco: Berrett-Koehler, 1993.
- COX, T. H.; LOBEL, S. A.; MCLEOD, P. L. Effects of ethnic group cultural differences on cooperative and competitive behavior on a group task. *Academy of Management Journal*, Briarcliff, NY, n. 34, p. 827-847, 1991.
- DAVIDSON, M. N.; FERDMAN, B. M. The experience of inclusion. In: PARKER, B.; FERDMAN, B. M.; DASS, P. (Chairs). *Inclusive and effective networks: linking diversity theory and practice*. All-Academy symposium presented at the annual meeting of the Academy of Management, Denver, 2002.
- ELSASS, P. M.; GRAVES, L. M. Demographic diversity in decision-making groups: the experience of women and people of color. *Academy of Management Review*, Manor, NY, n. 22, p. 946-973, 1997.
- ELY, R. J. A field study of group diversity, participation in diversity education programs, and performance. *Journal of Organizational Behavior*, Malden, NY, n. 25, p. 755-780, 2004.
- ELY, R. J.; THOMAS, D. A. Cultural diversity at work: the effects of diversity perspectives on work group processes and outcomes. *Administrative Science Quarterly*, Ithaca, NY, n. 46, p. 229-273, 2001.
- FERDMAN, B. M. Inclusão em organizações diversas: conceitos e aplicações. In: INTERNATIONAL KEYNOTE ADDRESS PRESENTED AT II FORUM INTERNACIONAL DE DIVERSIDADE E INCLUSÃO NAS ORGANIZAÇÕES, "UM QUEBRA-CABEÇA A SER CONSTRUÍDO". São Paulo: Universidade Presbiteriana Mackenzie, 2009.
- \_\_\_\_\_. Teaching inclusion by example and experience: creating an inclusive learning environment. In: MCFEETERS, B. B.; HANNUM, K.; BOOYSEN, L. (Ed.). *Leading across differences: cases and perspectives – facilitator's guide*. San Francisco: Pfeiffer, 2010. p. 37-49.
- FERDMAN, B. M.; DAVIDSON, M. N. Inclusion: what can I and my organization do about it? *The Industrial – Organizational Psychologist*, Bowling Green, OH, v. 29, n. 4, p. 80-85, 2002.
- FERDMAN, B. M. et al. Inclusive behavior and the experience of inclusion. In: ANNUAL MEETING OF THE ACADEMY OF MANAGEMENT, 2009, Chicago. *Paper...* Chicago, 2009.
- FINKELSTEIN, S.; HAMBRICK, D. C. *Strategic leadership: top executives and their effects on organizations*. Minneapolis: West Educational Publishing, 1996.
- HANER, U. E. Spaces for creativity and innovation in two established organizations. *Creativity and Innovation Management*, Malden, MA, n. 14, p. 288-298, 2005.
- HARRELL, S. P.; BOND, M. A. Listening to diversity stories: principles for practice in community research and action. *American Journal of Community Psychology*, New York, NY, n. 37, p. 365-376, 2006.
- HARRISON, D. A.; KLEIN, K. J. What's the difference? Diversity constructs as separation, variety, or disparity in organizations. *Academy of Management Review*, Briarcliff Manor, NY, n. 32, p. 1199-1228, 2007.

- HARRISON, D. A.; SIN, H. P. What is diversity and how should it be measured? In: KONRAD, A. M.; PRASAD, P.; PRINGLE, J. K. (Ed.). *Handbook of workplace diversity*. London: Sage, 2006. p. 191-216.
- HAYES, B. C.; MAJOR, D. A. Creating inclusive organizations: its meaning and measurement. In: ANNUAL CONFERENCE OF THE SOCIETY FOR INDUSTRIAL AND ORGANIZATIONAL PSYCHOLOGY, 18, 2003, Orlando. *Paper...* Orlando, 2003.
- HAYS-THOMAS, R. Why now? The contemporary focus on managing diversity. In: STOCKDALE, M. S.; CROSBY, F. J. (Ed.). *The psychology and management of workplace diversity*. Oxford: Blackwell, 2004. p. 3-30.
- HIRSHBERG, J. Leader-member exchange, cooperative group norms, and workplace inclusion in workgroups. *Dissertation Abstracts International*, Ann Arbor, MI, v. 70, n. 1-B, p. 725, 2009. Section B. Sciences and Engineering.
- HOFFMAN, L. R.; MAIER, N. Quality and acceptance of problem solutions by members of homogeneous and heterogeneous groups. *Journal of Abnormal and Social Psychology*, Washington, DC, n. 62, p. 401-407, 1961.
- HOLVINO, E.; FERDMAN, B. M.; MERRILL-SANDS, D. Creating and sustaining diversity and inclusion in organizations: strategies and approaches. In: STOCKDALE, M. S.; CROSBY, F. J. (Ed.). *The psychology and management of workplace diversity*. Malden, MA: Blackwell, 2004. p. 245-276.
- HOMAN, A. C. et al. Bridging faultlines by valuing diversity: diversity beliefs, information elaboration, and performance in diverse work groups. *Journal of Applied Psychology*, Washington, DC, n. 92, p. 1189-1199, 2007. doi 10.1037/0021-9010.92.5.1189.
- JACKSON, S. E.; JOSHI, A. Diversity in social context: a multi-attribute, multilevel analysis of team diversity and sales performance. *Journal of Organizational Behavior*, Malden, MA, n. 25, p. 675-702, 2004.
- JEHN, K. A.; BEZRUKOVA, K. A field study of group diversity, workgroup context, and performance. *Journal of Organizational Behavior*, Malden, MA, n. 25, p. 703-729, 2004.
- JEHN, K. A.; NORTHCRAFT, G. B.; NEALE, M. A. Why differences make a difference: a field study of diversity, conflict, and performance in workgroups. *Administrative Science Quarterly*, Ithaca, NY, n. 44, p. 741-763, 1999.
- KEGAN, R.; LAHEY, L. L. *Immunity to change: how to overcome it and unlock potential in yourself and your organization*. Boston, MA: Harvard Business School Publishing, 2009.
- KLEIN, K.; DANSEREAU, F.; HALL, R. J. Levels issues in theory development, data collection, and analysis. *Academy of Management Review*, Briarcliff Manor, NY, n. 19, p. 195-229, 1994.
- KOCHAN, T. et al. The effects of diversity on business performance: report of the Diversity Research Network. *Human Resource Management*, Malden, MA, n. 42, p. 3-21, 2003. doi 10.1002/hrm.10061.
- MALTBIA, T. L.; POWER, A. T. *A leader's guide to leveraging diversity: strategic learning capabilities for breakthrough performance*. Burlington, MA: Elsevier, 2009.
- MANNIX, E.; NEALE, M. A. What differences make a difference? The promise and reality of diverse teams in organizations. *Psychological Science in the Public Interest*, Malden, MA, n. 6, p. 31-55, 2005.
- MILLIKEN, F. J.; MARTINS, L. L. Searching for common threads: understanding the multiple effects of diversity in organizational groups. *Academy of Management Review*, Briarcliff Manor, NY, n. 21, p. 402-433, 1996.
- MOHAMMEAD, S.; ANGELL, L. C. Surface and deep-level diversity in workgroups: examining the moderating effects of team orientation and team process on relationship conflict. *Journal of Organizational Behavior*, Malden, MA, n. 25, p. 1015-1039, 2004.

- MOR-BARAK, M. E. *Managing diversity: toward a globally inclusive workplace*. Thousand Oaks, CA: Sage, 2005.
- MOR-BARAK, M. E.; CHERIN, D. A. A tool to expand organizational understanding of workforce diversity: exploring a measure of inclusion-exclusion. *Administration in Social Work*, New York, NY, n. 22, p. 47-64, 1998.
- MOR-BARAK, M. E.; CHERIN, D. A.; BERKMAN, S. Organizational and personal dimensions in diversity climate: ethnic and gender differences in employee perceptions. *Journal of Applied Behavioral Science*, Arlington, VA, n. 34, p. 82-104, 1998.
- O'REILLY, C. A. III; WILLIAMS, K. Y.; BARSADE, S. Group demography and innovation: Does diversity help? In: GRUENFELD, D.; MANNIX, B.; NEALE, M. (Ed.), *Research on managing groups and teams*, Stanford, CT: JAI Press, 1998, v. 1, p. 183-207.
- PAGE, S. E. *The difference: how the power of diversity creates better groups, firms, schools, and societies*. Princeton, NJ: Princeton University Press, 2007.
- PEARCE, J. L.; RANDEL, A. E. Expectations of organizational mobility, workplace social inclusion, and employee job performance. *Journal of Organizational Behavior*, Malden, MA, n. 25, p. 81-98, 2004.
- PIAGET, J. U. Piaget's point of view. *International Journal of Psychology*, New York, NY, n. 3, p. 281-299, 1968.
- ROBBINS, S. P. *Organizational behavior*. 10. ed. Upper Saddle River, NJ: Prentice Hall, 2003.
- ROBERSON, Q. M. Disentangling the meanings of diversity and inclusion in organizations. *Group & Organization Management*, Newbury Park, CA, n. 31, p. 212-236, 2006.
- SMITH, K.; BERG, D. *Paradoxes of group life: understanding conflict, paralysis, and movement in group dynamics*. San Francisco: Jossey-Bass, 1987.
- STEWART, M. M.; JOHNSON, O. E. Leader-member exchange as a moderator of the relationship between work group diversity and team performance. *Group and Organization Management*, Newbury Park, CA, n. 34, p. 507-535, 2009.
- SWANN, W. B. et al. Fostering group identification and creativity in diverse groups: the role of individuation and self-verification. *Personality and Psychology Bulletin*, Newbury Park, CA, n. 29, p. 1396-1406, 2003.
- VAN KNIPPENBERG, D.; SCHIPPERS, M. C. Work group diversity. *Annual Review of Psychology*, Palo Alto, CA, n. 58, p. 515-541, 2007. doi 10.1146/annurev.psych.58.110405.085546.
- WASSERMAN, I. C.; GALLEGOS, P. V.; FERDMAN, B. M. Dancing with resistance: leadership challenges in fostering a culture of inclusion. In: THOMAS, K. M. (Ed.). *Diversity resistance in organizations*. New York: Taylor and Francis, 2008. p. 175-200.
- WEBBER, S. S.; DONAHUE, L. M. Impact of highly and less job-related diversity on work group cohesion and performance: a meta-analysis. *Journal of Management*, Newbury Park, CA, n. 27, p. 131-162, 2001.
- WELLS JR., L. The group as a whole: A systemic socioanalytic perspective on interpersonal and group relations. In: GILLETTE, J.; MCCOLLOM, M. (Ed.). *Groups in context: a new perspective on group dynamics*. Reading, MA: Addison-Wesley, 1990. p. 49-85.
- YAP, C. H.; CHAI, K. H.; LEMAIRE, P. An empirical study on functional diversity and innovation in SMEs. *Creativity and Innovation Management*, Malden, MA, n. 14, p. 176-190, 2005.