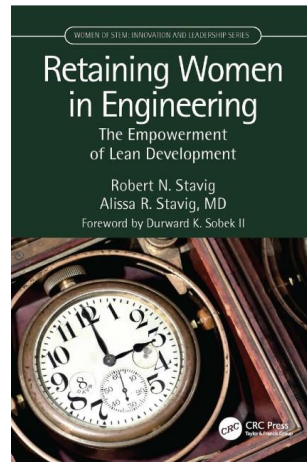


**2023 LPPDE North American Conference**  
**Creating a Culture of Innovation**  
**Oct 2-5, 2023**  
**Ann Arbor, MI**

## Diversity Drives Better Business Results



Bob Stavig  
Retired HP



# We are going to start with two piece

1. The qualitative side that has been communicating the  
\*business benefit of diversity for 20+ years
2. Some quantitative data as to if it really does increase  
business benefit

\*The focus of diversity is broader than business benefit, (profit and loss), for many the driving force is the social aspect.

# Harvard Business Review

## **Getting Serious About Diversity: Enough Already with the Business Case**

It's time for a new way of thinking.

by [Robin J. Ely](#)  
and [David A. Thomas](#)

**November – December 2020**

<https://hbr.org/2020/11/getting-serious-about-diversity-enough-already-with-the-business-case>

# From the article.....

The case for establishing a truly diverse workforce, at all organizational levels, grows more compelling each year....The financial impact—as proven by multiple studies—makes this a no-brainer.”

“The business case is clear: When women are at the table, the discussion is richer, the decision-making process is better, and the organization is stronger.”

In 1996 the authors HBR article, [“Making Differences Matter: A New Paradigm for Managing Diversity,”](#)

Communicated ....

“Such companies send a message that varied points of view are valued and don’t need to be suppressed for the sake of group cohesion. This attitude encourages employees to rethink how work gets done and how best to achieve their goals.”

# Diversity in numbers does not drive the results

**Increasing diversity does not, by itself, increase effectiveness; what matters is how an organization harnesses diversity, and whether it's willing to reshape its power structure.**

Taking an “add diversity and stir” approach, while business continues as usual, will not spur leaps in your firm’s effectiveness or financial performance.

Biology Class example..... 2014

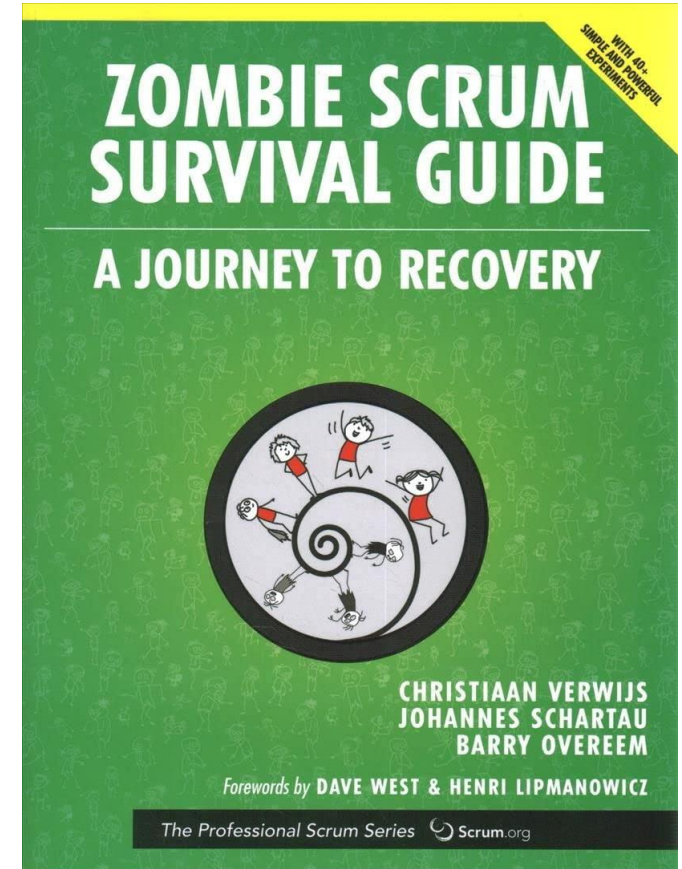
# A post on Linked In .....



Author: Christiaan Verwus of post and book

The aim of our study was to investigate how diversity in gender, role, cultural background, and age impacts the effectiveness of Agile teams.

<https://medium.com/the-liberators/in-depth-the-double-edged-sword-of-diversity-in-teams-765ff72a55da>



# From the article

Author: Christiaan Verwus

Many studies have investigated the link between diversity and team performance. **Their results are mixed.**

- [Tshetshema & Chan](#) (2019) reviewed 35 studies of diversity and concluded that a negative effect is the most reported result.
- [Similarly, Patricio & Franco](#) (2022) summarize from 80 studies that diversity has a positive influence on performance because it brings more perspective, but at the cost of increased conflict due to misunderstanding.
- [Bowers, Pharmer & Salas](#) (2000) found a negative effect of diversity for tasks of low complexity, but a positive effect for tasks of high complexity.
- A meta-analysis of 30 empirical studies by [Horwitz & Horwitz](#) (2007) found no significant effects for age, gender, and cultural background, but they did find a positive effect of role diversity

# Their model, integrated many studies

Author: Christiaan Verwus

## Influence

### Psychological Safety

(How safe do you feel to speak up)

Tim Clark - 4 stages

### Team Diversity

- Gender
- Age
- Culture
- Role

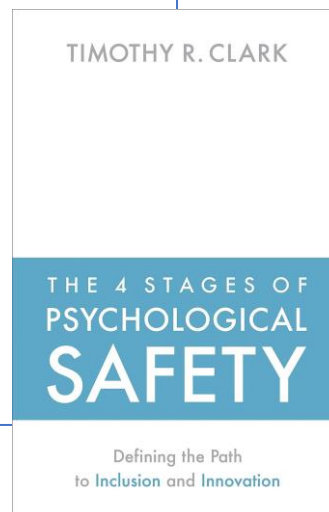


## Output

### Relational Conflict

### Team Effectiveness

- Team Morale
- Stakeholder Satisfaction



# The Initial Results

Author: Christiaan Verwus

- Only **age diversity** positively contributed to **team effectiveness**
- Only **gender diversity** increased \***relational conflict**
- We did not observe an effect of relational conflict on team effectiveness. We expected a negative effect.
- We did observe a very strong positive effect of psychological safety on team effectiveness
- Psychological safety, or the lack thereof, did not moderate the link between diversity and team effectiveness effect.

\*Relational conflict.... In Product Development

“We asked a Toyota chief engineer, “What makes a great car?” He answered, “Lots of conflict”. (Ward/Sobek page 243, “Lean Product and Process Development”

It all comes down to if you value it.....

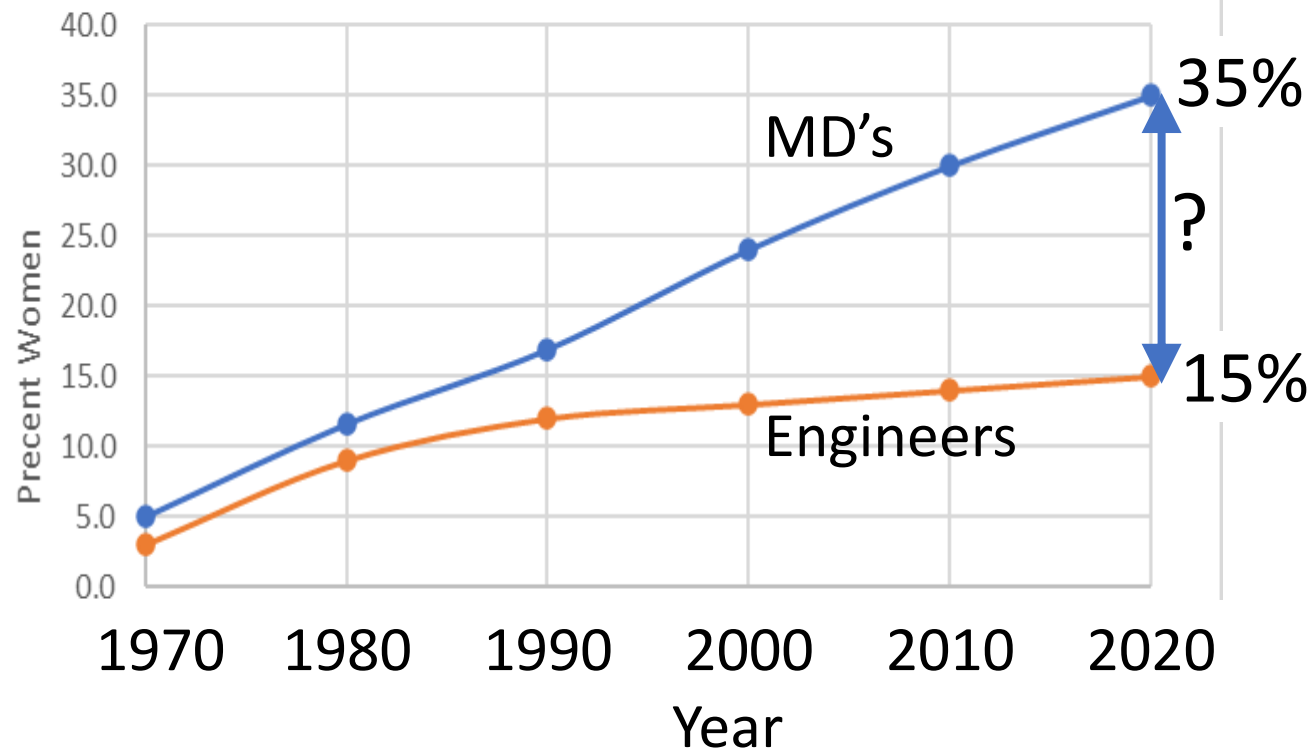
“When teams see the value and benefit of diversity, they may be much more likely to leverage their diversity effectively. “

“On the other hand, teams that see diversity as a threat or don't recognize it all, may not be able to capitalize on it.”

Author: Christiaan Verwus

# One area of diversity .... Female Engineers

\*Percent Women: MD's and Engineers



\*US Census Data

**Med Schools:**

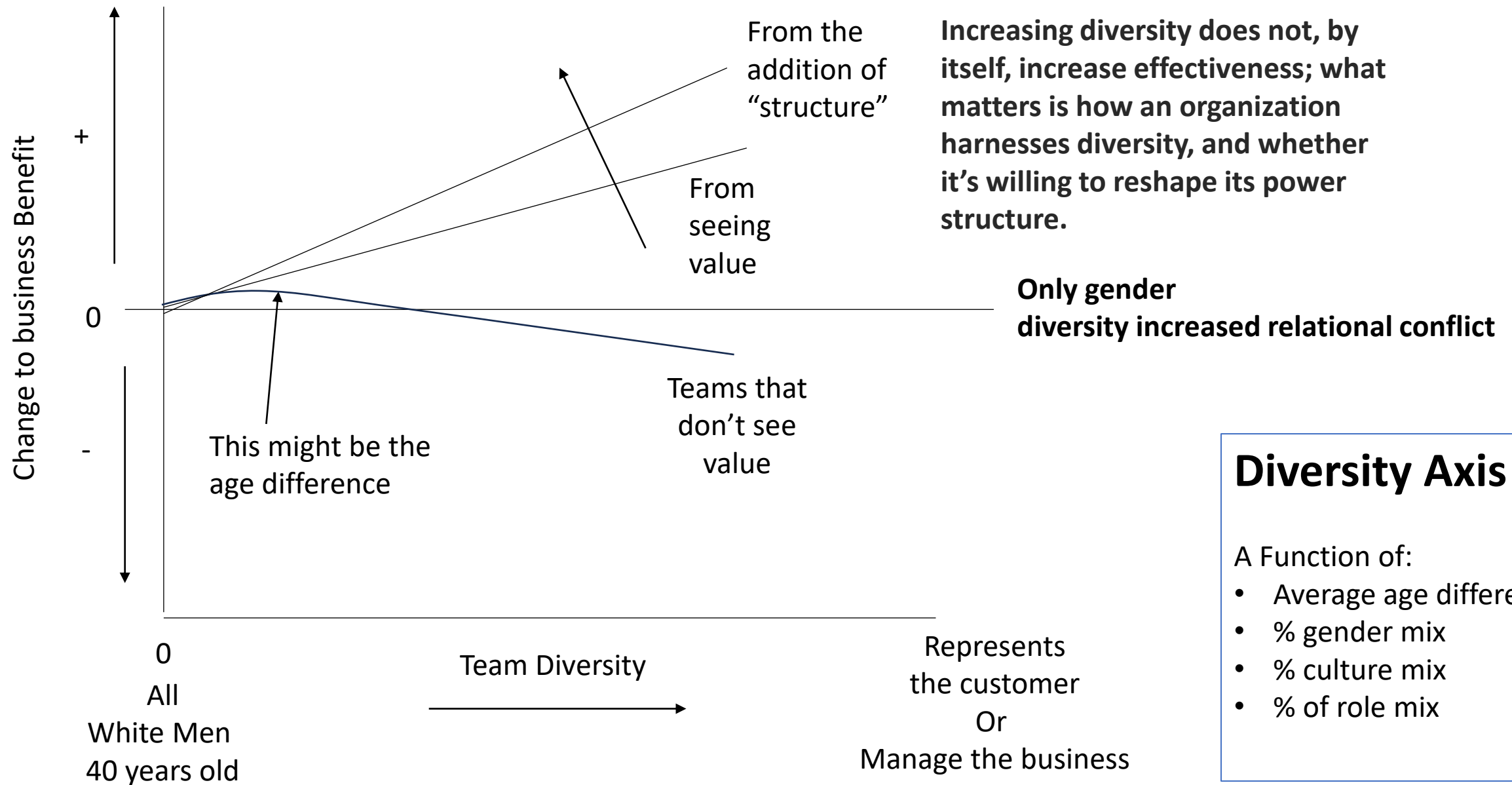
50% Women

**Engineering Grads:**

22% Women

**~350 Years to Gender Parity**

# Lets construct a trade off curve....



# So what to do with this .....

Understand that....

1. If you don't value diversity you won't see any benefit
2. The numbers are not enough you need to some sort of structure to take advantage of the diversity.
3. \*Women in engineering is an example of the biggest challenge relative to diversity.

\*Note.....

Lack of access, within engineering, to part time work is a major female engineering retention issue.