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ORGANIZATIONS & PEOPLE

How to unlock the full potential of diverse teams

Organizing around a common purpose and sharing leadership encourages people to bring their authentic selves to work.

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By now, it's understood that diversity and inclusion are important attributes for any high-functioning businesses. Several recent studies have shown that diverse and inclusive operations tend to be more innovative, generate better ideas, and capture new markets. The Center for Talent Innovation found that companies with diverse employees are 70 percent more likely to report new or improved market share than companies with nondiverse employee populations. A [study](#) by Ronald Burt, a professor at University of Chicago, concluded that any diverse group will surface better, more effective ideas than a group of more homogenous "top talent."

But what exactly qualifies as diversity? As we commonly think of it, diversity is a matter of ethnicity, gender, and sexual orientation, among other inherent differences. But it can also refer to acquired diversity — that is to say, a diversity of experience that comes from individuals who have worked in different sectors, lived or worked in multiple countries, or who bring a certain functional knowledge and lens. Ultimately, diversity can be defined simply as difference, and inclusion is the ability to embrace difference. So having an organizational culture that fosters the empowerment, respect, and the full participation of people with various differences — identity-related, cognitive, affective, and behavioral differences — is critical to realizing the benefits of diversity and inclusion.

But operating in a diverse organization also has its challenges. Communication can be more difficult due to variance in language, cultural expectations, values, and assumptions. As a result, people may take longer to come to a conclusion

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or make decisions, problem solving is more complex and tedious, and people may shy away from speaking up and engaging fully.

Given these challenges, how do we encourage people to reveal diversity by bringing their whole selves and identities to work? And how do we equip them to work well together? The answer lies in fostering a real teaming capability. Real teams, as first defined in Jon Katzenbach's book *[The Wisdom of Teams: Creating the High-Performance Organization](#)* (Harvard Business Review Press, 2015) are important for many reasons. As it turns out, they play an important role in creating an environment that celebrates diversity and fosters inclusion — or not.

The attributes of real teams

Real teams are defined as having several key attributes: a common purpose, complementary skills, shared leadership roles, shared performance goals, and mutual accountability.

A common purpose. The first attribute of real teaming is fairly straightforward but also quite important and commonly overlooked. By answering the question “What is the one thing this and only this team can accomplish together?” the group shifts focus to the work itself. It is shocking how many teams skip this conversation because it seems elementary. But these talks represent opportunities to direct team members' focus toward their shared work and goals.

Complementary skills. Once purpose is agreed, the team should consider how to use the diversity of thought and experience brought forth by its members, who have been selected because of their complementary skills, to solve a

problem. Successful real teams chose members for their relevant skills, not for their positions in an organizational hierarchy — ideally, this means they have the right mix of technical/functional expertise, as well as problem-solving, decision-making, and interpersonal skills. This imperative may spur leaders to recruit members from outside their own departments, and at different hierarchical levels. Each member brings a distinctive set of ideas to the table. For example, as hospital systems aim to improve the customer experience, they often assemble teams within specific therapeutic areas made up of everyone who interacts with patients and their families: medical doctors, nurses, social workers, medtechs, and clerical staff.

Shared leadership. When team members are selected based on their complementary skills for a specific purpose, leadership can shift from one member of the team to another, depending on the situation. This approach can't help but encourage diversity of opinion. It makes sense to have a marketing expert lead a problem-solving effort on marketing, or a supply chain expert to surface potential supply roadblocks on a team meant to focus on a product development challenge. The shared leadership model encourages inclusion by making a habit out of recognizing when specific knowledge, skills, or experience is most needed and valuable for leading. It also ensures that no one voice or perspective dominates the team. We witnessed shared leadership on a project in which a client formed a subteam that included the COO to lead the institution on a continuous improvement program. The COO acted as an equal team member who shared accountability for its success, and thus a colleague with more depth on the topic took the lead.

Shared performance goals and mutual accountability. Committing to both shared performance goals and mutual accountability means that every team member owns responsibility for the success or failure of the team, encourages emotional commitment by each team member, and motivates every individual to participate fully. On a team with mutual accountability, everyone shares the responsibility to make sure the best ideas are heard. If one part of a team feels more ownership of the team's potential success or failure, they may also feel that it is acceptable to silence contrasting or controversial ideas. Knowing that everyone will fail together, without singular blame, can also encourage team members

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with unique ideas to feel safe to voice them. When a global services organization shifted its leaders' individual performance metrics to a mix of individual and shared performance goals, with heavier weighting on the shared goals, the company experienced a much higher level of collaboration and was more effective in bringing new products and services to market.

At Strategy&, PwC's strategy consulting business, when a group comes together at the start of a project, we follow a simple process to facilitate a dialogue. The kickoff discussion centers on the objectives we plan to accomplish — our purpose. Team members are encouraged to discuss how they will contribute to the project, as well as their personal interests and concerns. Their openness allows the group to plot how we can best accomplish their goals, personally and professionally, individually and as a group. For example, if a member is taking care of an elderly parent, the team is aware that he may need to leave early or step out from time to time. This social contract forms the basis of operating as a real team by creating a safe space that allows people to bring their whole selves to work. And we know that when people feel safe and are encouraged to share their ideas and personal perspectives in a team setting, that team will be better able to unlock the potential of its diverse team members. +

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