Research

Diversity, Hierarchy, and Teamwork

By Daniela Blei

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“This paper identifies a devastating but critically important factor preventing women candidates from ascending to the highest levels of political office,” says Lindsay Owens, the executive director at Groundwork Collaborative, a progressive economic policy organization, and former economic advisor to Elizabeth Warren. “Political communicators and candidates should look closely at the authors’ recommendations for overcoming this bias if they want to improve their odds of electoral success.”


**Collaboration**

Diversity, Hierarchy, and Teamwork

**BY DANIELA BLEI**

Steven Gray, a professor of management at the University of Texas at Austin McCombs School of Business, has studied teams since he was a graduate student. In his work on how founding teams sort out consequential decisions about their nascent business, Gray focuses on the role of knowledge diversity—the variety of information, perspectives, and understanding among members of a team. While management researchers have long agreed that diversity is required to perform at the highest level, disparate perspectives among members can also add friction to team functioning.

To better understand how team processes are shaped by knowledge diversity, Gray wanted to focus on the role of status hierarchy, or “differences among individual members in the prominence, respect, and deference they are accorded by the team.” So he joined forces with his doctoral advisor, J. Stuart Bunderson, a professor of organizational ethics and governance at the Olin Business School at Washington University in St. Louis; Gerben S. van der Vegt, a professor of organizational and applied social psychology at the University of Groningen; Floor Rink, a professor of organizational behavior at Groningen’s Faculty of Economics and Business; and Yeliz Gedik, a professor in the Department of Business Administration at Turkey’s Firat University. Using a large sample constructed of existing work teams compiled as part of an MBA thesis course in the Netherlands, the researchers investigated whether status hierarchy strengthens diversity’s benefits or accentuates its costs. Collecting and analyzing data from 156 teams in different industries—110 organizations, including traditional companies, nonprofits, and NGOs—the researchers found that the effects of hierarchy on diversity are more complex than what scholars have previously acknowledged.

Conventional wisdom maintains that hierarchy is detrimental to diversity. “If we have many different perspectives in a team, hierarchy is likely to suppress the voices of some and amplify the voices of others,” Gray says. “The prevailing belief, then, is that diverse teams should minimize hierarchy to ensure that everyone shares their views.” But lack of hierarchy can be just as detrimental, because diverse teams can struggle to arrive at coherent solutions to problems. “That’s where hierarchy can play a more functional role in diverse teams, by helping teams sort through conflicting arguments about what decision to make,” Gray says.

To determine when the benefits of hierarchy outweigh the costs, the researchers introduced another variable into their analysis: the fluidity of the status hierarchy, or the extent to which it shifts over time. After interpreting the quantitative data gathered by the MBA students who visited the teams on-site, the researchers found that a fluid or dynamic hierarchy elevated new perspectives as tasks evolved over the course of a project. A fluid hierarchy facilitates the alignment of task demands with the expertise of group members, they concluded, allowing the team to adapt as new problems emerge.

By contrast, a stable or fixed hierarchy that barely changed over time—due to “established roles or authority structures” imposed from outside, institutional norms, or the team’s shared history—produced better team functioning when the team was homogeneous. When members had overlapping knowledge, an unstable hierarchy tended to foster competitive behavior and politicking as individuals sought to gain advantage over others, the researchers found. On teams they characterized as more stable and less knowledge diverse, more jockeying and maneuvering occurred, which undermined group performance.

“We often think about teams in terms of getting the right people together to work on a task,” Gray says. “Our work highlights the dynamics involved along the way of doing the task together. Teams benefit from dynamically shifting influence onto the team members with the most relevant expertise for addressing the team’s evolving task requirements.” In approaching teams as dynamic entities rather than static ones, the researchers suggest that creating an environment or set of norms that respond to new challenges and changing demands is paramount for a team to thrive.

Knowledge diversity alone might not help a team understand how to make the most of its informational differences. “These findings point to important advances in understanding how beliefs—in this case, beliefs about a team’s hierarchy—affect people’s engagement in teams,” Kathleen Sutcliffe, a Johns Hopkins Bloomberg professor who specializes in organizational theory, says. “This study is creative and opens new pathways for understanding why simply composing a diverse team may not have its intended effects. This is a much-needed addition to research on how to encourage member contributions in teams.”