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Module 3	2
Lesson 3-1 Concepts of Group Decision Making	2
Lesson 3-1.1 The Composition Problem	2
Lesson 3-1.2 The Participation Problem.....	12
Lesson 3-1.3 The Influence Problem.....	18
Lesson 3-1.4 Diversity as a Resource.....	29



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Module 3

Lesson 3-1 Concepts of Group Decision Making

Lesson 3-1.1 The Composition Problem

MAKING DECISIONS



- One of the two critical leadership tasks is **making decisions**
- **Decision analysis** provides a systematic approach to making decisions
- But where there is subjectivity and uncertainty, it is impossible for decisions to be objective and unbiased
- No individual knows everything

One of the critical leadership skills is being able to make high quality decisions. Decision analysis provides us a nice systematic approach for thinking about how decisions get made. But where there is subjectivity and uncertainty, it is impossible for decisions to be objective and unbiased.



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WHY USE GROUPS TO DECIDE?

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Groups offer two critical benefits to quality decision making:

1. More decision makers means more information, which means **more informed** decisions
2. More decision makers means more perspectives, which means **less biased** decisions

The fact of the matter is, no one knows everything, so that's why we use groups. We use groups because they offer two critical benefits to the quality of decision making. First of all more decision makers means more information, and that means more informed decisions. More decisions makers also means more perspectives, and that means less biased decisions because people will see things a little differently and that allows us to triangulate in to see things differently than we would see them. And that will help us make more informed decisions.



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THE PROMISE OF GROUPS UNREALIZED

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The promise of groups is that we all see the world a bit differently

- Everyone brings to the table a unique constellation of experience, expertise, and perspective
 - **Additional information** (two heads are better than one, and three heads are better than two...)
 - **Additional perspectives** (we can look at the same thing and see different things)

But only if the group can **take advantage!**



Unfortunately because we all see the world a little differently, and everyone brings something a little unique to the table. We have these additional information, we have additional perspectives that allow us to make better decisions, but sometimes that doesn't happen. Sometimes groups do not take advantage of the information that is available by other people in the group.



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THE PROMISE OF GROUPS UNREALIZED



PROCESS LOSS

The inability of a group to take advantage of the additional information and perspectives available in its membership

That's what's known as process loss, process loss is the inability of a group to take advantage of the additional information perspectives available in its membership.



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SOURCES OF PROCESS LOSS

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- 1. The composition problem**
2. The participation problem
3. The influence problem



There are three sources of process loss that we are going to talk about today. The first is what's known as the composition problem, the composition problem has to do with how we form groups. And more generally how we look for information.

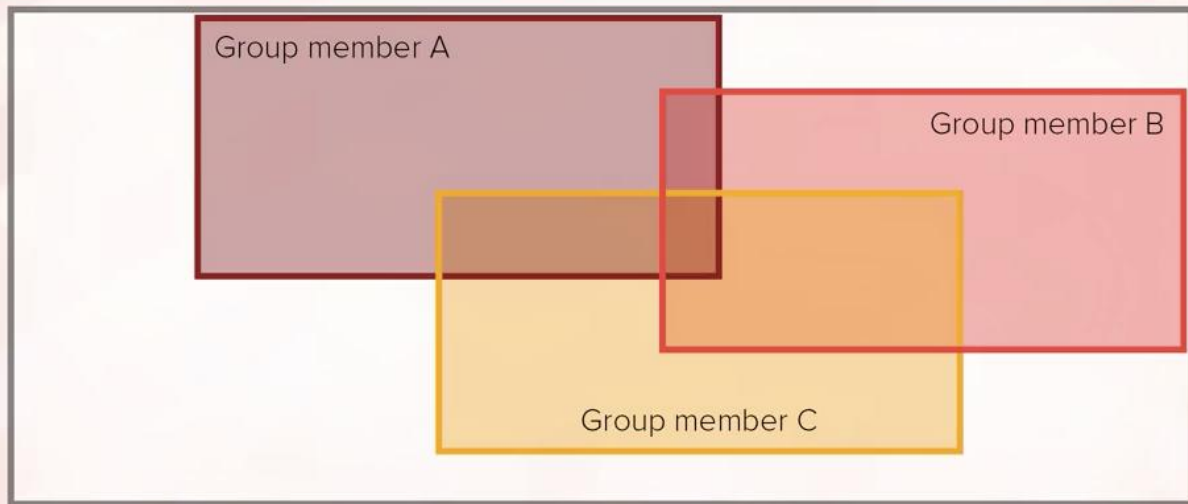


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THE COMPOSITION PROBLEM



In this picture, let's imagine that the large square is all the information you would need to make a high quality decision. Obviously, no one has all the information necessary, but if you bring together a group of people, in this case group member A, group member B and group member C. Each of them brings a little something unique to the table, and among the three of them, you are more likely to have all the information necessary to make a high quality decision.



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THE COMPOSITION PROBLEM



We are attracted to (and comfortable with) people who are like us (similar)

Similarity-attraction theory

- That's how we form groups
- That's how we look for information
- We **oversample** people like us

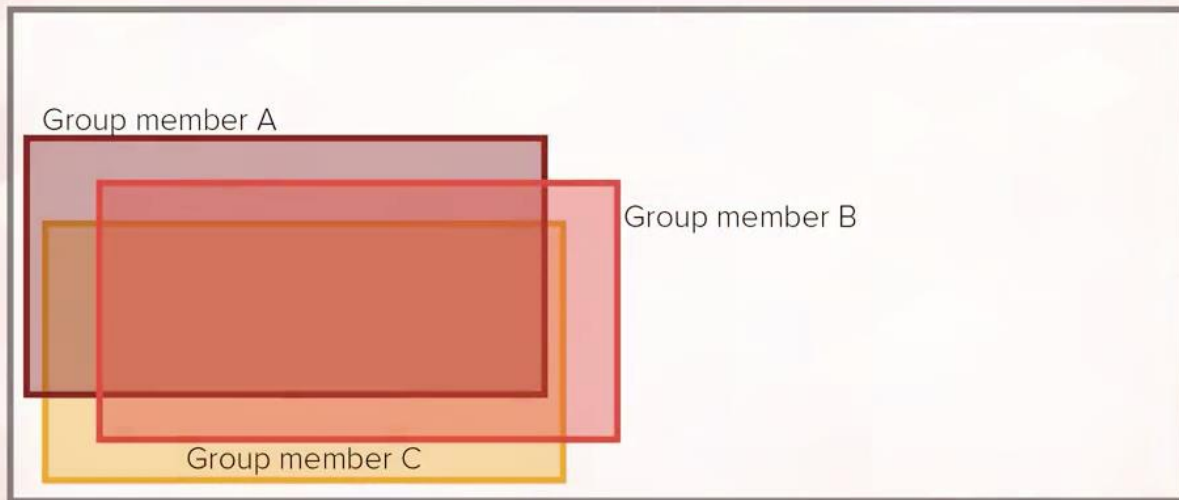


Resources:

But here's the composition problem, we are attracted to, and more comfortable with, people who are like us, people who are similar to us. In fact, there's a whole psychological theory called, similarity-attraction theory that says we spend our time with people who are most like us. That's how we form groups, that's how we look for information, and the consequence is that we oversample people like us when we look for information. So we unintentionally compose groups that lack the diversity of information perspectives that groups promise. And that creates process loss, the inability of a group to take advantage of all the information that is available to it.



THE COMPOSITION PROBLEM



So you can imagine that that's like having our problem here but instead of three people who bring a lot of different information to the table. If we select based on similarity and familiarity we're going to end up with people who pretty much bring the same information to the table. And that means we're going to over-sample similar information, and we're going to have less information available to make a highly informed decision.

Let's take an example of a composition problem. Imagine that you are the Dean of the College of Business here at the University of Illinois, and you want to create a task force to consider the idea of online education. Well you could think about some friends of yours who might be interested in participating in this task force, but that's not going to be the best way to form this. Because of your course you're likely to select people who are very similar to you and share your perspectives.

So what you might want to start by doing is thinking about what constituencies should be represented in this group. For example, maybe we want some faculty, maybe we want some students, maybe we want some administrators. And then think about how to select people into each of these three buckets who are not necessarily people who are like you, who don't necessarily share your background, your opinions. Even your perspectives on online education, we want to make sure we get diversity. But we also want to make sure that we sample comprehensively from the constituencies who'll be



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effected by the groups decision. That way we're more likely to have the information we need to make a highly informed decision.

OVERCOMING COMPOSITION PROBLEMS



Select decision making groups for diversity

- Avoid “the usual suspects” syndrome when searching  information

Think about what constituencies (and their information and perspectives) need to be represented in the discussion

How can we overcome the composition problem? Well the most important thing is to select decision making groups for diversity. So try to avoid the usual suspects, go outside of your comfort zone a little bit, and think about who else you might get involved, even people that disagree with you. Turns out people that disagree with you, people you are most likely to be able to learn from. But it takes a little courage to be able to ask them to participate in your decision making, because their of course going to disagree with you.

That's the whole point in getting them involved, because they're going to bring different information to the table. Also you might think about what constituencies and their information and perspectives need to be represented in the discussion. Here at the University we often find ourselves forming groups. Where the decisions that are made affect students but we fail to get students involved in the decision-making process. So what we need to do is think about them as a constituency and their information



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perspective their core can also be incorporated into the decision So that we are more likely to make an informed decision.



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Module 3

Lesson 3-1.2 The Participation Problem

THE PARTICIPATION PROBLEM



Doing a good job **composing** the group (diversity of information and perspective) only makes decisions more informed if group members **share** (contribute) their information and perspectives

So we can do a good job composing the group, have a good representation of diverse information available. But we're only going to make a good decision if those group members share their unique information and perspectives. So, think about the fact that sometimes in groups, let's take a group of size six. If you have a group of size six, most likely if they are discussing a problem, there are probably two people who are going to want to talk all the time. There's probably another two people who want to talk occasionally. And then there's probably two people who are simply going to watch the other four people talk.



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THE PARTICIPATION PROBLEM

I

“SPECTATORS”

Group members who do not participate in group deliberations, which equals **process loss**

A group's decisions cannot benefit from (be more informed by) information and perspectives that are not shared with the group

These two people who simply watch are what are known as spectators. And spectators spell the death of high-quality decision making because a spectator is someone who is not sharing their information with the group and that creates another source of process loss. A group's decisions can not benefit, they can't be more informed by the information perspectives that are not shared with the group. Now, what are the sources of participation problems? Turns out we know a lot about where participation problems come from because, of course, people like me spend our time teaching very large courses. My typical MBA classes that are face to face have about 60 students in them, and that creates a lot of participation problems.



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SOURCES OF PARTICIPATION PROBLEMS



The larger a group, the more diversity of information and perspectives available, **but** air-time is often at a premium

- Hard to get a word in edgewise (fighting for a chance to speak)

People learn (get comfortable) spectating

Some people/some cultures are 'naturally' less participative

Cultures of countries, cultures of companies



We know that participation problems are definitely driven by group size, the larger the group, the more diversity of information available, but also air time is at a premium. It's hard to get a word in edgewise when there are a lot of other people fighting for a chance to speak.

We also know that people learn or actually get comfortable spectating. Particularly in a classroom setting, I know that if people don't talk at the beginning of a course, often they become very comfortable not talking, and it's hard to get them to participate later on. And we also know that some people and some cultures are naturally less participative, and that culture word there both refers to culture in the sense of big C that is cultures of countries, but also cultures of companies. Some companies actually create cultures where it's very common for people to not participate. Good example of this is when I used to teach in Thailand during the summer. I would go over to University and teach for about a month during the summer after the school year here had ended.

The first time I did that I was a little unprepared for the culture of Thailand in terms of what goes on in their classrooms. So I arrived on the scene the first day and I knew I was going to be teaching two hours a day, four days a week for about a month. And the first day I was there I ran out of material to talk about 30 minutes into my class, and the reason I ran out is I could not get anybody to participate. I would actually point to people



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and say what do you think about this and people would just shake their heads at me. And this was a little perplexing for me so that at the end of the 30 minutes when I run out of material for today, I said well, I guess we'll just call this a short class today.

And I started gathering up my materials to go back to my apartment and decide what I was going to do to solve this participation problem. When I turned around and noticed there was a line of about 20 students who all had questions and comments they wanted to talk to me about. So, I waited in and answered all of these comments and questions. And when I got to the last student, I said, listen, I know you have a question you want to ask me. But before you ask me your question, I have a question for you. All of these questions and comments from your classmates would have really enriched our classroom discussion. Why didn't anybody say any of this during the class? He said, let me explain. In our culture it's considered an insult to ask questions during class. So no one's going to ask during class because we don't want you to be embarrassed or lose face or anything.

I thought about that for a minute, I said, okay fine. I answered his question and went back to my apartment, I came back the next day with two things. First thing I came back with was an announcement for the class. My announcement was that in my culture it's considered an insult not to ask questions during class. It suggests that you are not interested in the material or not paying attention and I will be very embarrassed if none of you ask questions during class. The second thing that I provided was a small piece of paper. It was about a two inch piece of paper that was bright red and passed it out to everyone in the class. And I said to pass this course you have to return this piece of paper to me.

So write your name on it, and when you are ready to make your first contribution to our classroom discussion, raise your hand with your piece of paper in it. That will signal to me that you are making your first contribution. And I will give you priority over anyone else who is trying to participate. Once you have participated I will collect your participation card and you will have fulfilled your obligation to the class. One of the things that I learned from that experience is how important it is to structure interaction in groups to ensure that everyone gets involved and participates in the discussion.



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OVERCOMING PARTICIPATION PROBLEMS



Break into smaller (“buzz”) groups to increase air-time

Start meetings by getting everyone talking – even just introducing themselves

- Biggest difference in participation is between 0 and 1; people who start talking will keep talking

Be vigilant about spectators

Be a leader by bringing them back into the discussion

So, how do we overcome participation problems? Well, one structural advantage we can use is the idea of breaking into smaller groups. So if we have a large group, we can break into smaller groups, what I call buzz groups. A buzz group might be two or three people. And if you take a class, like a 60 student class and break it into 20 groups of three and give everybody maybe five or ten minutes to buzz a little bit about the question. Then you can bring the group back together. And everybody can talk about what they discussed in their smaller groups. Now, notice this gives us two immediate advantage. The first advantage is that it multiplies the amount of air time available rather dramatically, because now instead of fighting with 59 other people for air time, you're only fighting with two other people for air time.

But the other advantage is that in a large group of 60 students in a classroom, nobody's going to notice if two or three people never talk in the class. But if you're in a group of only three people, somebody's going to notice if you're not talking and they'll be able to re-engage you in the discussion.

Another thing we can do to overcome participation problems is to start meetings by getting everyone talking. Even something as simple as just introducing yourself or saying why you're at the meeting gets people talking. And one of the things that we've found is that once you get people talking they will continue talking because in participation the biggest difference is between zero and one.



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When people don't talk they get used to not talking, they learn to speculate, the group loses their information. So if you can get people talking at the beginning, it's easier to keep them talking. And finally, the last thing we can do to overcome participation problems is to be vigilant about spectators. I always tell people that you don't have to be the leader to be a leader in a group, and this is a great example. If you notice someone is not engaged, maybe you want to say something to them. Maybe you want to say gee, you're not saying anything, are you okay with where the discussion is going. What can we do to get your thoughts incorporated into this. So being a good leader often means identifying spectators and re-engaging them in the discussion. Here at the University of Illinois we have very international classes. And one of the things that we find is that some students are a little reluctant to get involved in the classroom discussions because they're a little unsure of their language skills. They may feel uncomfortable about their ability to speak English and it may be that by the time they figure out what the question is or what their answer should be, the discussion has already moved on.

It's very important in those situations to create a little structure that helps them feel a little more comfortable and gives them a chance to get their unique information, their unique perspectives, and experience and expertise into the discussion. One of the things that I found very useful to do is I'll often go talk to those students and say, listen you don't seem to be participating. Are you uncomfortable participating? Is there something that's stopping you?

And occasionally what I'll do is try to set up a way for them to have a better chance than other students to get involved. At least for the first time, because of course once people start talking they're going to keep talking. So what I've done with a number of our international students is I'll go to them and say, listen, if you're concerned about your language skills, if you're concerned that the speed of the class is stopping you from having an opportunity to participate. I will tell you what the first question I'm going to ask next week is and I'll give you a week to think about it and I'll make sure to call on you first.

That gives them time to plan their response to the question. It gives them time to feel a little more comfortable and to get prepared, so they're more likely to get involved in the discussion. And once again, getting people involved in the discussion makes it more likely that they will stay involved in the discussion, and that the group will get the opportunity to take advantage of the unique information that they have to provide.



Module 3

Lesson 3-1.3 The Influence Problem

THE INFLUENCE PROBLEM



We use groups to make decisions when we are uncertain

- When we know the promise of more information and perspectives means more informed decisions

When we are uncertain, we are easily influenced by others

- We look to others to resolve our uncertainty

So we **want** to be influenced in groups, but that influence can lead to **process loss**



Now the influence problem is a little bit of paradox because the reason we use groups to make decisions is because we are uncertain. And when we are uncertain we want to be influenced by other people. We want their information to help us make more informed decisions. The problem is when we are uncertain we are easily influenced by others. We often look to other people to resolve our uncertainty. So we want to be influenced but that influence can lead to process loss because once people start talking in a group people start getting influenced. And that means if you are the last person to talk, what we're going to hear from you is not your unique information, we're going to hear your unique information as influenced by the people who have already talked. So we're going to lose your unique information. So the real paradox of groups is, how do you get everybody to talk first?



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A good example, this is provided by the movie 12 Angry Men. This is a movie about a jury, and the entire movie is shot in the jury's decision making room, the jurors get their instructions from the judge, they sit down, and they are trying to solve a problem, they are trying to decide whether somebody committed a murder. What I want to do is show you a very brief clip at the very beginning of the jury's deliberations.



>> Let you know that we, have a first degree murder charge here, and that we vote the accused guilty, we've got to send him to the chair. That's mandatory.

>> I think we know that.

>> Let's see who's square.

>> Yeah, we might as well.

>> Okay, anyone doesn't want to vote?

>> Fine with me.



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Okay then, just remember that this has to be 12 to nothing, either way. That's the law. Okay are we ready? All those voting guilty, please raise your hands. One, two, three, four, five, six, seven, eight, nine, ten, eleven. Okay, that's eleven guilty. Those voting not guilty? One, right. 11 guilty, one not guilty. Well, now we know where we are.

>> Oh boy, oh boy there's always one.



Now what did we see in this clip? What we saw is that at the beginning of these deliberations, some people knew exactly what they wanted. They put their hands up very quickly, indicating that they thought the person was guilty. But what we also saw were some people who were clearly uncertain. They were looking around, trying to see what other people were doing, and they weren't exactly sure whether they should raise their hands.

This is a good example of social influence in action. You have some people who are uncertain, they are turning to other people and allowing those people to resolve their uncertainty and influence them in a way which makes it less likely that they're going to surface their unique information to help the group make its decision. Turns out, there

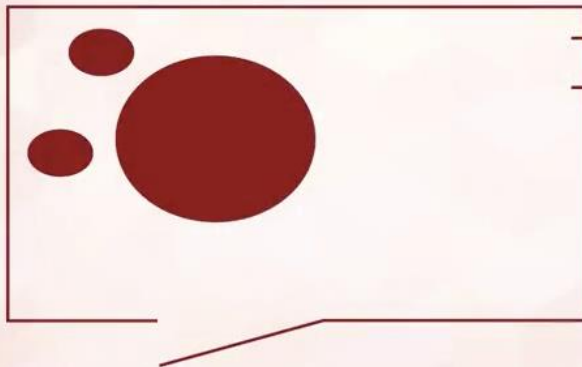


are two examples of how this social influence occurs. One example of this comes from the study of why people don't help in emergency situations. And there was a group of studies that was done by some researchers in the 60s. This research for those of you with a historical bent was actually started because of a murder in New York City which was witnessed by 50 people, none of whom rendered assistance to the person who was being murdered. And the researchers wanted to understand why this happens.

INFLUENCE IN GROUPS



Bystander apathy (Latane & Darley, 1969)



When we are uncertain, we look to others to resolve that uncertainty, which means they **influence** us

Without realizing it, that may change the way we think and/or talk about issues and decisions, which equals **process loss**



Resources:
Latane, B., & Darley, J. (1969).

So the picture I'm showing you here is a room, and what you're seeing in this room is a table, that's the big red circle, and a couple of chairs, those are the small red circles. Up in the upper right hand corner, that's a closet, and down at the bottom, that's a door in and out of the room.

So let's imagine you are going to complete a survey for me. So I bring you into this room, and I seat you at one of the chairs at the table, and I tell you it's going to take you about 15 minutes to complete this survey. If you have any questions, let me know. At that point, I leave the room closing the door behind me, you are alone in the room to fill out the survey. After about five minutes or so you are filling out the survey, suddenly some little wisps of smoke start to appear out from under the closet door. And the



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longer you stay in the room, the more smoke will pour into the room until eventually the room will actually fill up with smoke.

Now, what do people do when this happens to them alone? Well most people investigate. They get up. They go over they see is the door hot? No the door is not hot. Is the closet door locked? Yes it is locked. At that point they exit the room to find me and say listen there's something going on in the room, there's smoke pouring out of the closet. but what happens if you're doing this with someone else. And in particular what if you're doing this with someone else who I have told not to react to the smoke. So once again, you're brought into the room, there's now two of you. You're given the survey to fill out.

You sit down to start filling out the survey. I tell you okay it's going to take you about 15 minutes to fill out the survey. Remember no talking you have to do this alone. At that point I leave the room closing the door behind me you start in on the survey. After about five minutes once again the smoke starts coming in from under the closet door. What happens in this circumstance? Well, if you are filling this out, the first thing you're going to do when you see that smoke is you're going to turn your head to see what the other person is doing.

And of course, I've told that other person not to do anything, not to react to the smoke. What a lot of people do in this circumstance is they use the other person's inaction to understand what they should be doing in the situation, and so what we find is a lot of times people do not react to the smoke. They go back to the filling out the questionnaire, they see more smoke, they look at the other person, still not reacting, back to the survey, more smoke, other persons still not reacting. Some people stay in the so long that they actually have to wave the smoke away to continue filling out the questionnaire.

This is an example of influence in action, but the key to this kind of influence is that no one really knows what the right answer is. And because we're uncertain we look to that other person to try and resolve that uncertainty. But this may cause us to actually censor our own information. We may not say I'm worried about the smoke. We may not say I'm unsure about what's going on. This is an example of process loss that comes from uncertainty about how to react. Now it turns out there's another example of this problem. The other example of this problem comes from a famous study that was done a long time ago. And this particular study was done to understand how people react to group pressure.



INFLUENCE IN GROUPS



The Asch paradigm (Asch, 1951)



It can be difficult to voice public disagreement with the group

Disagreement is natural and should be expected, since everyone brings something different to the table

Failure to voice disagreement results in **process loss**



Resources:
Asch, S.E. (1951).

So once again here on the screen I have for you an example of the stimulus materials that we're actually used in the experiment. So imagine that you are subject in their study and you are told that the point of the study is to look at test lines, that's the line on the left. And compare it to the three sample lines to try and determine which sample line is closest in length to the test line. So think about it. Which line do you think is closest in length to the test line? Well most people think it's B. In fact when people do this alone almost no one gets the wrong answer. In fact 99% of the time people understand what the right answer is.

But here's the key. You don't get to do this alone. When they did this they did this in groups of six or seven people. And they set it up so that a person who was the actual subject in the study, didn't know that the other five or six people had been told how to respond. So we started in on this study. The first line comes up. It's obvious what the right answer is. Everybody seems to agree.

You get the right answer, everybody agrees. We go on, three, four, five lines, you're beginning to think this is a pretty silly experiment because the answer is always obvious and everyone always agrees until we get to the seventh line. And the seventh line flashes up there and you look at this in you're thinking in your own mind, hm the right answer must be B. B is clearly the right answer. But you don't get to answer first. You



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get to hear all the other answers. And lo and behold, everybody else starts saying that they think that the right answer is A.

And you hear this over and over again, I think the right answer is A. I think the right answer is A. I think the right answer is A. Well, by the time it gets to you, there's probably two things that are going on at this point. The first thing is that you're starting to become a little concerned that you have misperceived this situation. You're starting to become a little uncertain about what you think is clearly true. The other thing that's probably going on is you're starting to get very anxious about this because, when people disagree with you it makes people very anxious. And what they found in this study is that in a significant amount of cases, people went along with the group and said yeah, okay, the right answer is A.

Now it's not that they thought the right answer was A, they knew the right answer wasn't A. It's that they didn't want to disagree with the group. So, once again, because of the pressure of the group, or what we often refer to as the tyranny of the group, the group forces somebody to feel uncomfortable about disagreement, and as a result they are less likely to volunteer information which might help the group make a more informed decision. So how do we overcome influence problems?



OVERCOMING INFLUENCE PROBLEMS



Get group members to provide information and perspectives **before** they know what others think

- Try writing before discussing

Encourage those more susceptible to influence (younger? less experienced?) to talk first – before they know what others think

- Vertical groups

Well, the most important thing to do is to get people to provide information before they find out what other people think. So in a typical brainstorming or decision making circumstances, one of the best things you can do is to get people to write a little bit before you start talking about a problem. When people write it means two things that are very important.

The first thing it means, of course, is we've once again multiplied the air time, because all of us can write, but if we're talking, only one of us can talk. So writing gives us more opportunity to surface unique information. But it also means that you have to commit yourself to your unique information, before you find out what other people are thinking. The other thing we want to do in groups is we want to encourage people who are the most susceptible to influence to talk first before they know what others are thinking about. This is a real problem in organizations when we are dealing with decision-making in vertical groups.

A vertical group is a group where there are multiple levels of an organizational hierarchy represented. So in my organization, for example, what if you were in a decision making group where there was the Dean of the college, and a couple of very senior professors, a couple of very junior professors, and a couple of students. And that's a good diverse group. But the problem with a good diverse group is that sometimes you can get



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reporting relationships involved so that some people feel a little uncomfortable disagreeing with people who might have control over their careers. So the rule of thumb in those cases is that if you were in a vertical group, it's always a good idea to have the lower status people talk first. Find out what their ideas are first before they have a chance to find what the higher status people think which may influence what they are willing to say.

OVERCOMING INFLUENCE PROBLEMS



Make disagreement more comfortable by legitimating dissent

Devil's advocate

Another thing we can think about for overcoming influence is to make disagreement more comfortable by legitimating dissent. Some of you may have heard of the idea of the Devil's advocate. The role of a Devil's advocate is simply to disagree with a group. That's their role, is to create disagreement. And when somebody disagrees with a group, that makes everyone else that much more comfortable disagreeing with the group. Let's go back to this particular situation.



INFLUENCE IN GROUPS



The Asch paradigm (Asch, 1951)



It can be difficult to voice public disagreement with the group

Disagreement is natural and should be expected, since everyone brings something different to the table

Failure to voice disagreement results in **process loss**



Resources:
Asch, S.E. (1951).

Remember our poor subject in this study ended up in a situation where all of the group seemed to be aligned against him, they all thought A was the right answer even though our real subject thought that B was clearly the right answer. Well, let's imagine that one person said C was the right answer. Well our subject obviously thinks C is the wrong answer too, but C is an answer which disagrees with the group. So it breaks the consensus of the group. It legitimizes disagreement. And when we legitimate disagreement, that makes it much more likely and much more comfortable for people to disagree with the group. So the whole idea of the Devil's advocate is get someone to disagree with the group.

And as a consequence to break the consensus make people feel more comfortable. And therefore make it more likely that they will volunteer their unique information which will give us a more informed decision.



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THE PROMISE OF GROUPS REALIZED



Process loss is best avoided by overcoming composition, participation, and influence problems

So, groups offer the promise of more informed decisions via diversity of information and perspectives. That's the whole reason we use groups. We use groups, well we don't know what the right answer is. We use groups when we know it can help to have more people's perspectives, more people's information, a bigger collection of unique information and perspectives and experience and expertise. The problem is that the promise of groups is no realized when there is process loss, when we fail to take of advantage of the information which is represented by that group. And process loss is best avoided by overcoming the three problems we have talked about today. The composition problem, the participation problem and the influence problem.



Module 3

Lesson 3-1.4 Diversity as a Resource



Today we're going to be talking about the topic of diversity. To help us with that discussion, I've invited one of our local experts here in the College of Business. Professor Denise Lewin Loyd to help us out by talking a little bit about the topic. Denise, tell us a little bit about yourself and how you got interested in studying diversity?

Thanks, Greg. Well, I've been interested in studying diversity I guess since my past life where I worked in construction. I studied civil engineering and I worked in construction management for several years. And one of the things that I noticed as I was working was that, both being African American and being female made me equally in the minority in that context. But whereas I really navigated through space thinking more about my race, on the construction site, people interacted with me more through the lens of gender. So there was more sort of conversation interaction around gender. And that itself fascinated me, because I started to understand that diversity is really interacted. It's about interactions between people and not just about how you think



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about your space in the world around you. And when I got interested in furthering my education and looking at issues that are important to leaders and managers in the workplace, for me that was a natural one to really try to understand and unpack.

So why is it so important for leaders to know how to manage diversity effectively?

Well, one of the biggest things that I like to say about diversity, especially now in this very global and incredibly interconnected world, is diversity is. Like capital I capital S. Right, I mean this is just the space in which people are interacting these days, certainly the employees that the leaders of today are managing, are exposed on a regular and constant basis to individuals who are different from them and who likely think differently from them, and have had different experiences from them. And I think it's really incredibly important for me to just understand that this is a resource. So, rather than thinking of it as a challenge to really understand the opportunity that diversity presents because it is the space that you have to navigate.

DIVERSITY IS A RESOURCE



- Differences in experience
- Differences in expertise
- Differences in information
- Differences in perspective





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Diversity can really be a resource for a number of reasons. Because differences that people have can bring different experiences and expertise to bear on problems that are important to managers. We also know that the problems that we're having to solve are increasingly complex and we need more often groups of people to work together to solve these problems. And the benefit of working in a group is actually in bringing different perspectives and different information to the table. There's not a lot of value in bringing five people together to talk about something if everybody there thinks the same thing, that's really a waste of time and resources. But we know that individuals are likely to bring different perspectives to the table. People who are different from each other may have different experiences, have different perspectives, and can bring those to bear. And that's where the value can really come from for managers in increasing, you know, performance and other outcomes.

So, can you tell us a few things that managers need to know about managing this diversity resource to be more effective leaders?

So, one of the things that I think is important for managers to understand, and I think there's more traction around this, is the point that I was making about why diversity's valuable. So, there's been more conversation, and I think in particular, industries that are consumer-facing, where you have different consumer markets that you're trying to engage with. And acknowledgement that different markets may have different interests, may have different needs or maybe different cultural norms that organizations want to respond to. And if they respond to them well, they can actually benefit their bottom line by increasing purchases and increasing loyalty of the customer base. That suggests this basic idea that one of the reasons diversity is valuable is because people who are different from each other in some way actually have different experiences and different perspectives, and bring those to the table.



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THE UNEXPECTED VALUE OF DIVERSITY

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Diversity and inclusion help facilitate sharing of different perspectives from **all** group members



That's important and I think that's true, although when we talk about diversity, we're not really just talking about differences between people, kind of on the surface. Right, so certainly we think about differences in gender and race, as I mentioned before, my own sort of background. But we think about differences in where someone went to school, what their education was, right? What was their major? It might have differences in which department they're a part of, so if you're in a team with someone from sales and someone from marketing, we think about cross functional differences. So there are lots of differences that we can and should think about when we talk about diversity. And often times, our go to is when we bring these differences together, there are inherently different perspectives that are underlying those differences that we kind of see on the surface or the differences that we're aware of. That's good and I think of that as sort of the traditional value of diversity and that's something I think more managers are starting to think about, or maybe even thinking about a little bit now for maybe the last 10, 15 years. Something that I think is really important for them to recognize and some of the work that I've done on diversity really emphasizes this. Is that there's more than just that value of diversity. And if we take that value that people who are different from each other are expected to have different perspectives that can also be quite limiting. Because we know that people who are different from each other may not have different perspectives, and we know that people who have looked the same, may actually have different information, or different expertise, or different knowledge, that's important for the group and that the group can benefit from. But it won't benefit from that if we don't make an effort to bring those different perspectives out. What I think of is the



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unexpected value of diversity, which you could see here. Which is the idea that people who are the same on the surface may have different perspectives. And people who are different on the surface may have similar perspectives, is that we found that the presence of diversity, so the presence of some difference that's salient to people that are working together, actually helps facilitate sharing a different perspectives from everybody that's present. So the good thing about that is having this salient differences on the surface can actually help managers get the value that they want out of the diversity that they have in their organizations. And the value that they want is this value of different perspectives and different information that their employees can bring to solve important and difficult problems. >> So, surface diversity may queue people to think hard about underlying diversity, even if the underlying diversity doesn't necessarily correlate with the surface diversity? >> Absolutely, and not just think about it, but we found that the presence of service diversity actually makes it easier for people to bring up these different perspectives. One of the challenges of bringing up different perspective is that, most of us don't really want to be you know, the different one, right? The one that's saying something, that's not what everybody else thinks. Even though the best value really comes from that, right? As I said, if everybody thinks the same thing, then what's the point of having a group of people together? So even though managers desire innovation and they desire creativity and those things come about from sharing different perspectives. Often times it's difficult for people to bring up those different perspectives. And so this signal of surface level diversity not only helps remind people that there may be underlying opinion differences or perspective differences, it actually helps the people who have those different perspectives feel more comfortable sharing those different perspectives. >>

So differences at the surface level actually legitimate differences in ideas, differences in perspective and make it easier for people to raise those issues for their group so that they can become an informational resource for the group.

So I really appreciate that you used the word legitimate. Because the presence of different perspectives doesn't necessarily translate into better interactions, more innovation, more creativity without a role of an effective leader, right? A role of an effective leader in that process can help make those different perspectives seem legitimate to the different team members. What do I mean by that? Different perspectives in and of themselves may be pushed back against, right? We've all been in that context where there's somebody who you know, think something different. And people are sort of looking to the leader to see, okay, are we really open to this, you know, different idea? Or, you know, should we start making fun of this person, right? Or ostracize them in some way. So, the role that leader really have to play in helping realize the value of the diversity that's present is creating a context where those



differences are valued, are respected and demonstrating that by soliciting different perspectives from individuals. By making sure that the team understands the value that the different team members bring to the table. So it doesn't just happen naturally, right? It really does take a leader to help bring out the potential that is present in diversity teams.

TAKEAWAY



- Diversity can facilitate innovation, creativity, complex thinking, and high quality decision-making.
- Actively solicit different perspectives
- Differences need to be acknowledged, respected, and appreciated
- Individuals need to be validated



So, what should someone take away from our discussion today if they want to be a more effective leader?

So I think there are a few takeaways. I mean, the first is the good news, right?

That the diversity really has a lot of potential to facilitate things like innovation in groups, creativity. Helping individuals think in more complex ways and really improve decision making in teams, but as a leader, this doesn't just happen by itself, right? So, one thing is that differences need to be actively solicited, right? Different perspectives need to be brought to the table, and even though the presence of diversity helps make that more likely, that nudge, that push really makes a difference. So leaders need to take a role in



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making sure those are solicited. And then they need to make sure that it's a legitimate space for differences to be brought up and discussed, and interacted, and engaged with. Because if the difference is brought up, but nobody engages with it, it's not going to help benefit the team. In order for people to feel comfortable doing that, those differences need to be acknowledged, respected, and appreciated, essentially valued. So the leaders of teams have an important role to play in helping the members of the team understand that these different perspectives are desired and valued, and that's what really can make the difference. And the individuals themselves need to feel validated because in that context if you're the one with that different perspective, it's always going to feel a little bit risky to bring that up and so. To the extent that the team leader has acknowledged here's the value that each member of the scene brings to the table, it makes it a safer space and a more accepting space for you to bring up something that might be different than the other people think.

Are there some sources people might take a look at if they want to learn more about diversity and how to manage diversity more effectively?

Absolutely. One of my favorite books on diversity is called *The Difference* by Scott Page. And really helps us see one of the first points that I mentioned here, the many different context in which the presence of differences really can be beneficial for teams, groups and organizations. So I highly recommend that as a resource for students and anyone interested in understanding how to more effectively manage diverse teams

Great! Thanks Denise for coming to visit with us today, and giving us some insights on how to manage diversity more effectively to be a better leader.

Thanks for having me Greg, I really appreciate it.