Unlock Innovation, Creativity, Productivity, and Collaboration

DE&I as the Catalyst to a More Sustainable Culture

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Abstract

Diverse teams and organizations solve problems and bring more creative and innovative ideas than homogeneous ones. Therefore, it is important to create a culture of inclusion and psychological safety that empowers people to share ideas and challenge the status quo. This is also the key to unlocking untapped productivity potential and improve intra organizational collaboration. Building on the ROI of Diversity, Equity, and Inclusion (DE&I) in our previous article, this article explores the importance of DE&I in relation to improving organizational outcomes and success.

Introduction

We have found that there is a connection between DE&I and innovation, creativity, productivity, and collaboration. Each of these four elements also impact the outcomes and outputs of an organization or team, and research shows that increased diversity has a positive impact on the ability to solve problems and innovate. As you read each section, consider the thought-provoking questions marked in blue to delve into how you or your organization can boost innovation, creativity, productivity, and collaboration.

Key Insights

To unlock innovation, creativity, productivity, and collaboration requires several elements to be in place. Diverse teams tend to unlock hidden ideas and opportunities that otherwise would be missed by homogeneous groups. The right mindset creates environments where idea-generation thrives. Lastly, ensuring a psychologically safe working environment increases productivity and improves retention rates. The sections below explore each of these topics in more depth.

Better Results Require More Diverse Teams

Gaining market share to beat out competitors, or finding new ways to serve clients' needs requires not only producing value to customers (often through innovative solutions), but also providing exceptional service to them. Innovation combined with exceptional customer service enables organizations to meet or beat customers' needs, wants, and expectations, and organizations who have the right mix of people can better innovate and serve market demand. As our associate consultant, Lauren McClain, puts it, "organizations need to enable employees to bring their full selves to work, so that they can take care of the customer" (2022).

Groupthink is the Achilles' heel that stymies innovation and can, in worst-case scenarios, topple organizations (Solomon & Ertel, 2014, 59). When organizations or teams get too comfortable in their ways, have overly homogeneous teams, or expect better results from the

same old ways of working, they are stuck in groupthink. Contrastingly, diversity is the fuel to creativity and innovation.

Solomon and Ertel (2014, 59) give their recipe for innovation:

1. "bring together the right perspectives,
2. create a common platform for collaboration, and
3. carefully lean into the most important differences of opinion in a way that sets off a 'controlled burn' [or healthy tension] of contained and productive conflict."

Rather than looking for the ideal team, organizational leaders should ensure that they create teams with a mix of **sponsors** to support the initiative, **experts** to bring the know-how, **doers** to move the work along, and **vetoes** who can bring in constructive feedback to nix ideas that fall short of fulfilling pre-defined requirements. This diversity of roles that combines collaboration with healthy conflict is one part of boosting creativity and innovation through diversity and simultaneously enables development of team members as they take on roles that may be outside of their comfort zone (Sullivan, 2022). It is also recommended to bring in outsiders to bring fresh perspectives (Page, 2008), such as consultants or peers from other departments or organizations, as well as create job rotations to share knowledge within the organization and learn from other departments. Intentionally bringing people from different disciplines makes it possible to create something that otherwise could not have been achieved without cross-pollination of knowledge, skills, and experience.

Teams whose members have a broad network tended to have better ideas, according to a University of Chicago study (in Solomon & Ertel, 2014, 61). For leaders, having access to a diverse pool of people increases awareness and inclusion of diversity at an individual level; being with people who are not like themselves increases leaders' personal approach to inclusion. Further, those with field-adjacent knowledge (understanding of a related field) have brought about groundbreaking innovations such as Wikipedia (founded by two Internet experts with no publishing experience), or Albert Einstein's revolutions in theoretical physics, despite having been a patent clerk. Therefore, bringing together experts from multiple disciplines can prove fruitful. Other lenses of diversity also ensure that teams can produce more innovative ideas and fuel creativity. These include, but are not limited to:

- **Organizational Diversity** - area of expertise, role/title, experience, seniority, stakeholder type, geographic location, etc.
- **Social Diversity** - gender and gender identity/expression, age, race/ethnicity, culture, language, socio-economic status, etc.
- **Psychological Diversity** - personality type, learning style, thinking style, personal motivations, etc. (Solomon & Ertel, 2014, 63).

Organizations and teams should review their unique needs and situations to determine the right diversity mix. While many organizations tend to be (or say they are) strong in organizational diversity, the social diversity aspect is also important, as there tends to be gaps in the hiring and other processes with respect to this lens. This leads to a more homogeneous organization, which as we have seen from the aforementioned research leads to less creativity and innovation.

One example of developing psychological diversity came when a large manufacturing organization approached Inspirus Consulting with a challenge: staff perceived leadership as a "good ol' boys" network, where only members "in the club" received recognition or support. To change the perception, the leaders also had to change their behavior. Inspirus presented 15 different DE&I inclusive leader competencies, and the leadership team chose six to focus on. Now the organization uses these six competencies to make hiring decisions, develop leaders, and assess leaders' performance. Because the leaders changed their thinking, their feelings and behavior became more aligned and connected to each other. The perception then changed to a more positive one because of this change in behavior.

Section Recap and Self-Reflection
- Diverse teams enabled and trained on how to engage in healthy conflict outperform homogeneous ones in finding effective solutions
- This diversity comes in three varieties: organizational, social, and psychological diversity

In what ways does your current team or organization intentionally seek out healthy tension in order to boost creativity and innovation?

> **What is one creative idea / innovation that you could run a beta test on and then grow and develop further after gleaning the initial insights?**

Eight Strategies to Foster Creativity

Creativity can take place at an individual, organizational, or even industrial level (Csikszentmihalyi, 1996). Individuals who are very curious and yet also obsessed with excellence tend to be the most creative and generate fresh ideas. Although it is unclear whether nature (genetics), nurture (upbringing/culture), or a combination of the two impact the ability to be more creative, providing more opportunities to stretch these muscles can help.

This can include, for example, creating environments that encourage excellence and allow for experimentation, giving constructive feedback that pushes boundaries, and exposing individuals to diverse experiences and cultures. Getting involved in a topic or field at a young age increases an individuals' likelihood to become experts in a field and to become more creative. Therefore, industries and organizations should seek to foster young individuals' interest in the field early, especially in those from various backgrounds and demographics, as they will have different experiences to draw upon.

Organizations and industries can contribute to creating an environment that fosters individuals' creativity. These include:

- Training to develop talent,
- setting expectations to achieve excellence,
- allocating resources to foster learning and development,
- recognizing and validating efforts to give motivation to continue,
- encourage hope to be able to apply talent and creativity in a chosen field in the future,
- provide opportunities to work in a chosen area, and
- reward effort and contributions (Csikszentmihalyi, 1996, 330).

Using these strategies combined with Appreciative Inquiry[1] (Watkins & Mohr, 2001, 43-45) enables organizations to generate ideas and then select the best one. The Appreciative Inquiry 4D Model is one that unleashes creative ideas using a positivity approach. The Model stands for Discover, Dream, Design, and Deliver. The **Discover** phase includes defining the challenge or area to focus on and then getting a deep understanding of what is currently working well. Knowing what's going well now will be useful in later phases. Next, the **Dream** phase includes thinking of an *ideal* future state, ignoring limitations of resources, time, etc. There may be challenges along the path forward, and AI does not ignore them. Instead, AI aims to find solutions or options to make positive changes and improve through data collection, analysis, feedback, and decision making based on the data and what works and what does not work to solve the problem.

Moving into the **Design** phase, the organization considers different options for how to reach the ideal future that was defined in the Dream phase. Creating an environment where all ideas are welcome will generate a pool of diverse ideas. Next, it is important to assess those ideas against some criteria to sift through them to find the diamonds in the rough (eg: pros and cons analysis). Judgment of these ideas should be avoided (no idea is "right" or "wrong"). Lastly, leaders select the best option and create an action plan to move forward. Lastly, in the **Deliver** phase, the organization implements the idea selected in the Design phase.

Appreciative Inquiry is one way to explore options and surface ideas that might otherwise go overlooked, which is especially important as the environment continues to evolve. An outcome of Csikszentmihalyi's psychology study and research is the need to foster creativity in individuals in order to boost evolution of ideas needed as the environment changes at a seemingly ever faster pace. When something piques our curiosity, we should follow the path, as we might learn or discover the answer to a burning question or solution to a challenge. Paraphrasing recommendations from this research are a few questions to aid our cultivation of curiosity in ourselves and others (*see the questions in the summary box below*)

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[1] Appreciative Inquiry is an approach to change and transformation that focuses on what is working to reach an ideal future state or vision. It takes into consideration the complexity of the organization or system, while also considering multiple possibilities and viewpoints.

Section Recap and Self-Reflection
- The eight strategies listed above, along with Appreciative Inquiry, are solid tools for leaders to rely on to foster creativity and innovation
- Exploring possibilities and positive thinking, while understanding what has not worked in the past, unlocks new, realistic options to reach goals and solve problems

What am I curious about?

What surprised me / what did I learn today?

How can I surprise others today to spark their curiosity?

How can I take charge of my routine to add space for relaxation and reflection?

Remembering the People Side of Leading an Organization

Running a business requires a diverse skill set of competencies and oversight of different aspects of the organization. One area that can be easy to overlook is psychological safety[2]—the concept of "knowing that the things you say and do won't be used against you — as long as you mean well" (Danise & Martin, 2021). When members of the organization feel psychologically safe, they are more likely to bring their full selves to work, share ideas that help the organization evolve, and are more invested in their work and therefore have increased productivity. However, Gallup found that *just three in 10* US workers agreed that their opinions matter at work (Herway, 2017).

If leaders create a work environment and culture where ideas are dismissed, individuals are chastised for constructively challenging decisions, microaggressions are permitted without consequences, or people are discriminated against because of their identity group, then members of the organization are less likely to be as productive as they could be. The mental

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[2] Psychological safety can also be defined as the way "leaders reduce anxiety by helping employees feel the new way of being is achievable and the learning process will not be too demanding or create excessive anxiety" (Schein, 2010)

health of individuals throughout the organization is critically important for the success of the organization. Afterall, "lack of trust" is one of the two leading factors that cause employees to seek other employment (Navarra, 2022).

Section Recap and Self-Reflection

- There are many ways to foster psychological safety, and they start with leadership. In Appendix A - Assessment of Steps to Create Psychological Safety eight steps to creating psychological safety (Schein, 2010, 305-307)
- Take a moment to rate yourself on these steps in Appendix A and then come back to reflect on the following questions:

After reviewing your results for the eight steps listed above, where would you start on developing a growth plan for yourself?

Who in your network would be helpful to give feedback and/or coaching?

Would an external coach be helpful to you?

Busting Silos to Increase Collaboration

While it is relatively easy to create boundaries within an organization (eg: divisions, departments, and projects), ensuring that these boundaries do not become silos can be quite challenging—especially if the organizational culture has evolved to value strict barriers. Interestingly, these boundaries do have many advantages: it is easier to manage budgets when there is a clear assignment of which division has access to specific funds; individual contributors assigned to one department and one manager may find it easier to do their job; project teams with their own authority over timelines can more easily meet deadlines. However, when these boundaries are too strong, knowledge- and information-sharing are stymied, decision-making becomes fractured across the organization leading to inconsistent product or service delivery, and internal competitions for budget can cause inefficiencies.

Therefore, it is important to create cultures where knowledge, information, communication, and even people can flow across organizational boundaries in a balanced and healthy way. This can take the form of job rotations or cross-division mentoring to build internal networks, knowledge bases that are accessible across departments, or team-building at the executive level, for example. Maintaining healthy boundaries while also allowing for cross-collaboration can boost productivity where inefficiencies exist.

Section Recap and Self-Reflection
- Healthy interactions across organizational boundaries improve the ability to innovate and increases productivity

In what ways do I foster cross-division/department/team collaboration?

How could my clients or customers benefit from increased collaboration from my organization's divisions/departments/teams?

Noteworthy Findings

Diversity Solves Problems Better than Ability

Counterintuitively, a group of experts will solve a problem less effectively than a diverse group (Page, 2008, 137). This is because each expert is likely to approach or solve a problem similarly and to have the same blind spots. On the other hand, a diverse group will approach a problem with many different perspectives and go down different paths to find the best result— which very likely lies in the blind spot of the group of experts. The results come from a study of both computational modeling and real-world problem-solving tests.

Section Recap and Self-Reflection
- Diversity is critical to effective problem-solving

> **How could a different perspective help you get "unstuck" solving a problem you are working on?**

System Productivity Is More Important than Individual Productivity

Harvard Business Review (HBR) found that, even though the tech boom has brought trillions of dollars in investment, US productivity has only increased 1-2% per year during this period (Fuller, 2016). Executives are focusing more on individual productivity when they should focus on organizational productivity. This means, rather than managing each individual's contributions for their specific role, there should be a balance between individual contribution impacts and ensuring that the overall productivity of the entire organization as a system should meet business outcomes and results (eg: profit, revenue generation, meeting service demands, etc.).

One organization HBR consulted, who wanted to understand the cost and revenue customer-facing individuals generated, underestimated the number of employees in a customer-facing role by a factor of 10. They also were unaware of how many person hours were spent on redundant tasks that did not generate any revenue, equal to approximately 500 full-time employees' effort per year–a significant cost to the company.

Section Recap and Self-Reflection
- Measuring and managing both individual and organizational productivity are important to increasing efficiency

How much effort is spent across the organization on tasks that detract from / do not support meeting organizational objectives?

Unlock Innovation, Creativity, Productivity, and Collaboration

Call to Action

As your organization looks for more ways to tap into unrealized productivity potential, we stand ready to help you create sustainable strategies to unleash the creative and innovative ideas that are already inside your organization or find ways to bring in fresh, outside perspectives. We can also help you improve collaboration between individuals and across teams and divisions to facilitate results-oriented dialogue. Whether through individual leadership or executive coaching, team training, or a system-wide transformation, contact us for more information on how we can partner with you to design a custom solution for you.

Inspirus Consulting has 15+ years of experience coaching leaders and guiding organizations on planning effective and impactful diversity, equity, and inclusion initiatives.

We help you achieve results because we value research-backed methodologies and data-based decision-making.

Contact us today for more information on how Inspirus Consulting can help you with your challenges and opportunities. https://inspirusconsulting.com/contact/

Al Sullivan
Founder & CEO

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Appendix A - Assessment of Steps to Create Psychological Safety

Step	Rating (1 = not strong; 5 = very strong)
"A compelling positive vision - The target of the change must believe that the organization will be better off if they learn the new way of thinking and working. Such a vision must be articulated and widely held by senior management and must spell out in clear behavioral terms what "the new way of working" will be. It must also be recognized that this new way of working is non negotiable."	1 2 3 4 5
"Formal training - If the new way of working requires new knowledge and skill, members must be provided with the necessary formal and informal training. For example, if the new way of working requires teamwork, then formal training on team building and maintenance must be provided... This is especially relevant in multicultural groups."	1 2 3 4 5
"Involvement of the learner - If the formal training is to take hold, the learnings must have a sense that they can manage their own informal learning process. Each learner will learn in a slightly different way, so it is essential to involve learners in designing their own optimal learning process. The goals of the learning are nonnegotiable, but the method of learning can be highly individualized."	1 2 3 4 5

"Informal training of relevant "family" groups, and teams - Because cultural assumptions are embedded in groups, informal training and practice must be provided to whole groups so that new norms and new assumptions can be jointly built. Leaders should not feel like deviants if they decide to engage in the new learning."	1 2 3 4 5
"Practice fields, coaches, and feedback - Learners cannot learn something fundamentally new if they don't have the time, the resources, the coaching, and valid feedback on how they are doing. Practice fields are particularly important so that learners can make mistakes without disrupting the organization."	1 2 3 4 5
"Positive role models - The new way of thinking and behaving may be so different from what learners are used to that they may need to be able to see what it looks like before they can imagine themselves doing it. They must be able to see the new behavior and attitudes in others with whom they can identify."	1 2 3 4 5
"Support groups in which learning problems can be aired and discussed - Learners need to be able to talk about their frustrations and difficulties in learning with others who are experiencing similar difficulties so that they can support each other and jointly learn new ways of dealing with the difficulties."	1 2 3 4 5
"Systems and structures that are consistent with the new way of thinking and working - For example, if the goal of the change program is to learn how to be more of a team player, the reward system must be group oriented, the discipline must punish individually aggressive selfish behavior, and the organizational structures must make it possible to work as a team."	1 2 3 4 5