



DIVERSITY

How Diversity Boosts Agile Teams

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DIVERSITY AND INNOVATION
GAME
DIVERSITY PUT INTO PRACTICE



Diversity: the art of thinking
independently together.

Malcolm Forbes

DIVERSITY Why it is worth our effort

NEW BUSINESS CIRCUMSTANCES NEEDS DIVERSITY

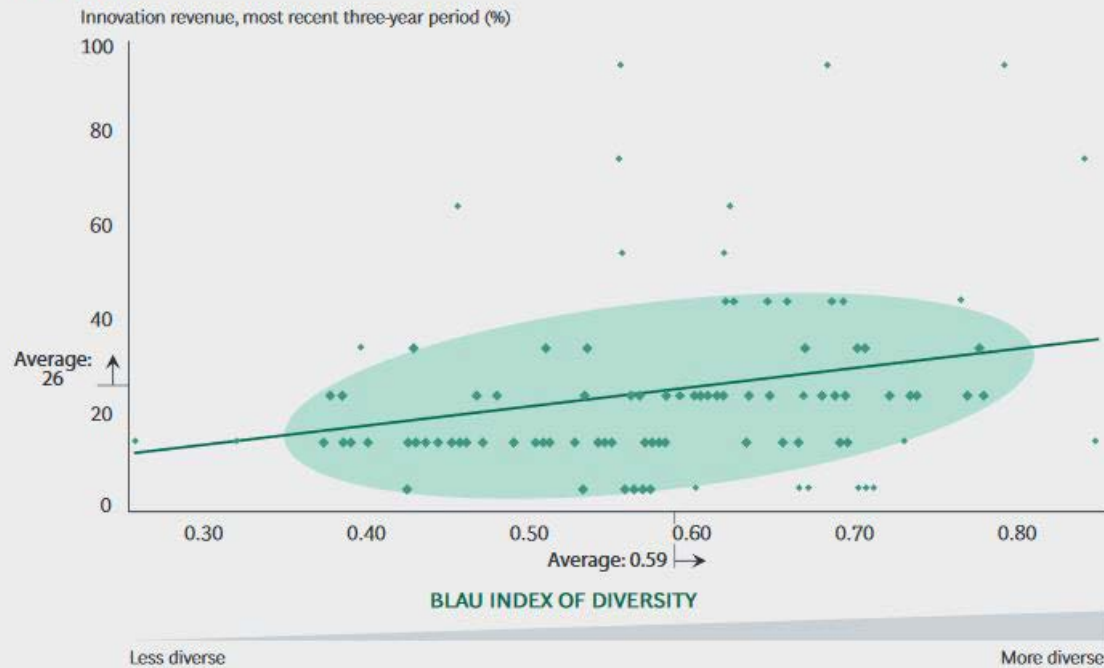
- Openness
- Innovation and Creativity is boosted
- Increase in Business Success
- Access to new markets
- Employee satisfaction
- Attract better talent



DIVERSITY boosts Innovation

Source: 2016 survey of German, Swiss, and Austrian companies by BCG and Technical University of Munich.

EXHIBIT 1 | The Relationship Between Diversity and Innovation Is Positive and Statistically Significant



- BCG and the Technical University of Munich plotted 98 companies according to two variables: their diversity (expressed as a Blau index number) and their innovation revenue.
- The diagonal line shows the relationship between those two variables—that is, the average innovation revenue associated with each diversity number.
- The diamonds represent the 98 companies' individual diversity number and innovation revenue, and show how innovation revenues deviate from the general trend.

EXHIBIT 2 | The Four Types of Diversity That Bolster Innovation—And Two That Don't

DIVERSITY DIMENSION		RELATIONSHIP TO INNOVATION	
		Direction of relationship	Statistical significance of relationship
	Industry background	↑	Very high
	Country of origin	↑	Very high
	Career path	↑	Very high
	Gender	↑	High
	Academic background	~	None
	Age	↓	High

↑ Positive significant relationship

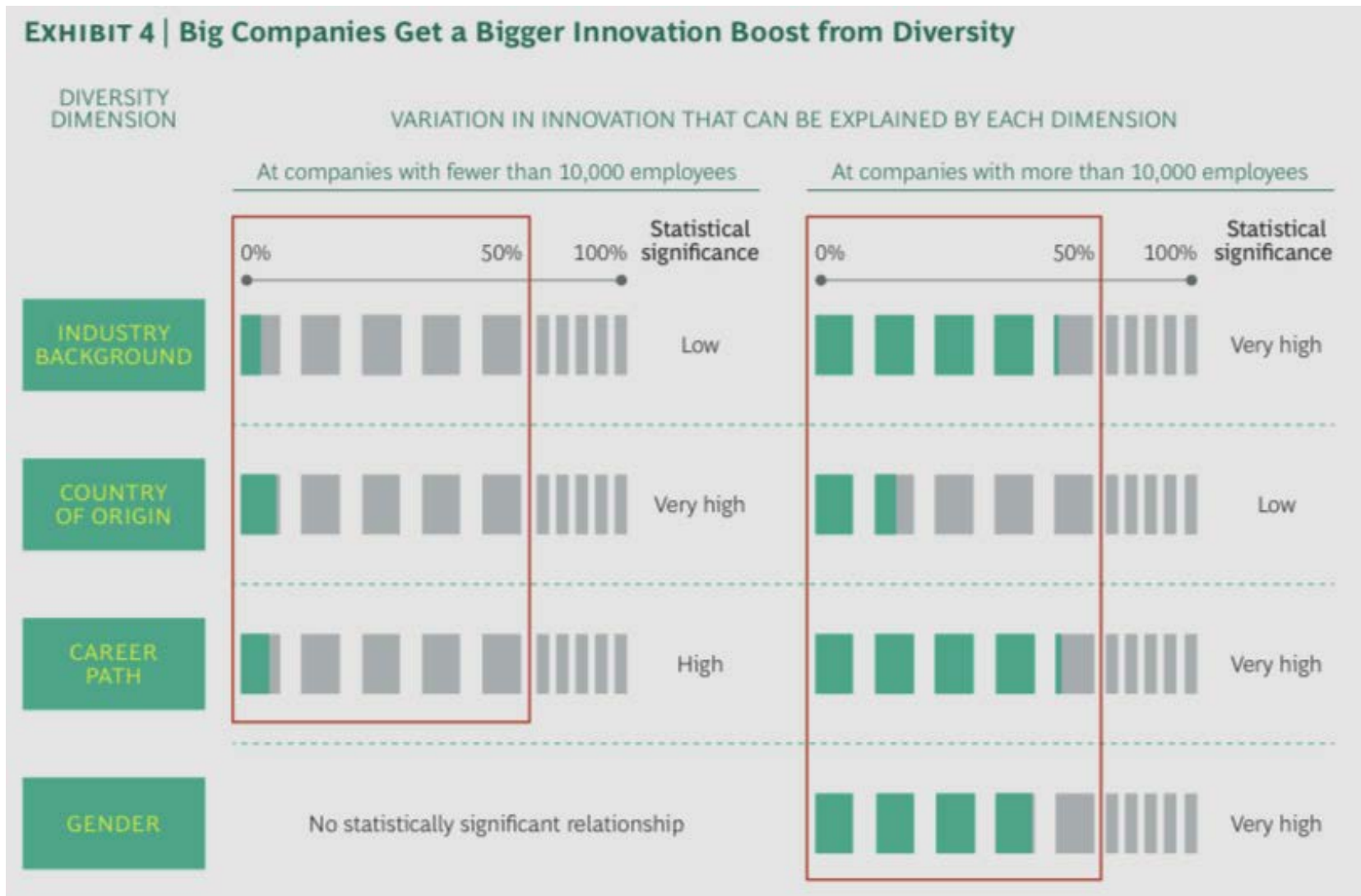
↓ Negative significant relationship

~ No significant relationship

Source: 2016 survey of German, Swiss, and Austrian companies by BCG and Technical University of Munich.
 Note: Innovation = the percentage of revenue from new products or services in the most recent three-year period. Very high statistical significance = a p value <0.01. High statistical significance = a p value <0.05.

How much DIVERSITY is needed?

Source: 2016 survey of German, Swiss, and Austrian companies by BCG and Technical University of Munich.



INNOVATION and Female Managers

Source: 2016 survey of German, Swiss, and Austrian companies by BCG and Technical University of Munich.

EXHIBIT 5 | Innovation Increases as the Proportion of Female Managers Rises

SHARE OF WOMEN IN MANAGEMENT

An average of 39% among the top 20 companies in the study



INNOVATION REVENUE



An average of 5% among the bottom 20 companies in the study



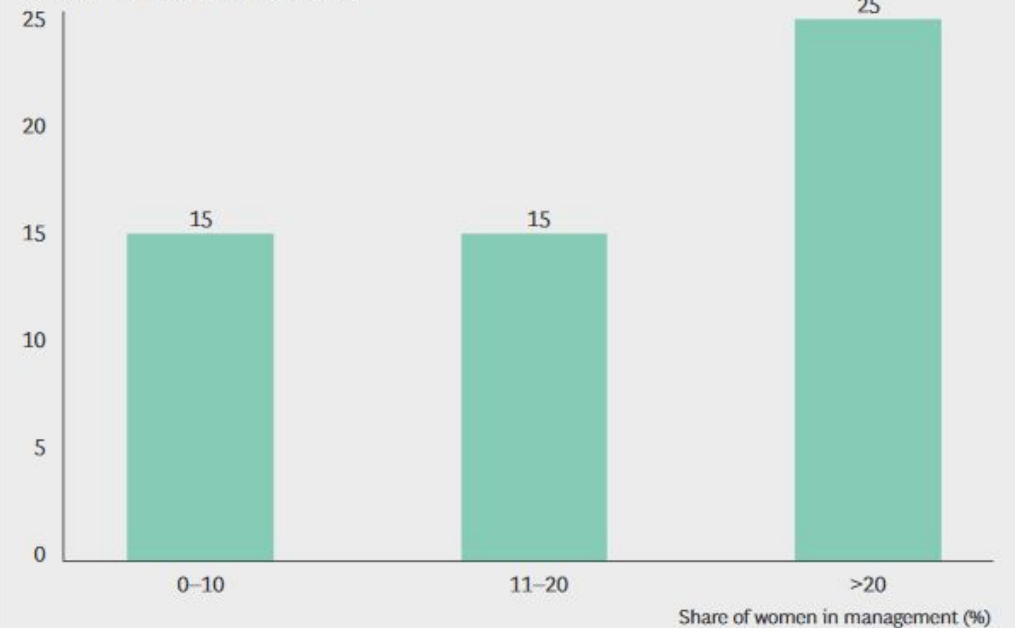
25%



Source: 2016 survey of 171 German, Swiss, and Austrian companies by BCG and Technical University of Munich.
Note: Innovation revenue = the percentage of revenue from new products or services in the most recent three-year period.

EXHIBIT 6 | Innovation Jumps Once the Proportion of Female Managers Rises Above 20%

Median level of innovation revenue (%)



Source: 2016 BCG survey.
Note: Innovation revenue = the percentage of revenue from new products or services in the most recent three-year period. In this analysis, the sample size in the three categories varies from 28 to 34.

Measuring DIVERSITY

Source: „Social Physics by Alex Pentland”

- Diversity in teams enhances the idea flow measurably (Bio-Feedback Systems)
- High idea flow leads to more innovation and better decision making
- Homogenous teams result in echo chambers

Uncomfort of Members of Teams with high DIVERSITY

Source: „ [Diverse Teams Feel Less Comfortable — and That’s Why They Perform Better](#)

By [David Rock](#), [Heidi Grant](#), [Jacqui Grey](#) SEPTEMBER 22, 2016

- Analysis of 506 companies found that firms with more racial or gender diversity had more sales revenue, more customers, and greater profits.
- Diversity can increase conflict, but not as much as we think
- People overestimate the amount of conflict that actually exists on diverse teams.
- Diverse teams must find ways to work together productively, and often the best ways of working may seem counterintuitive.



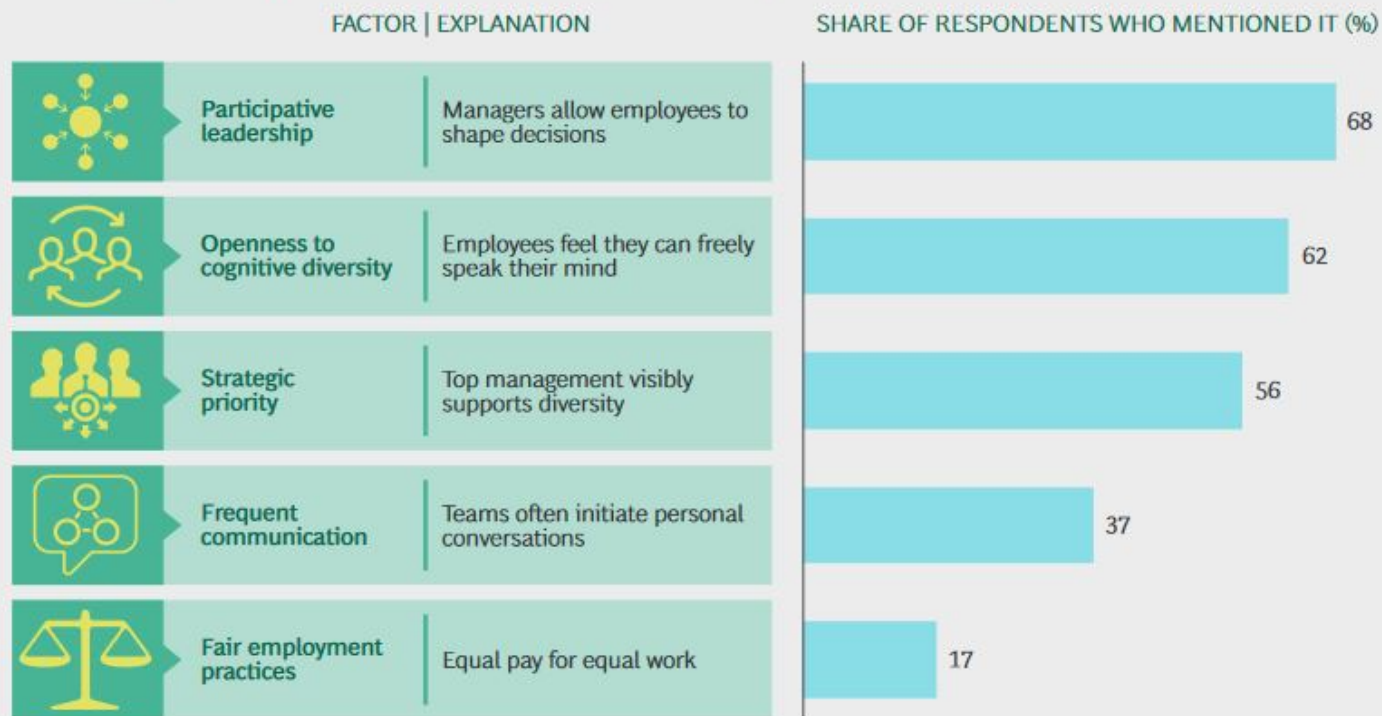
DIVERSITY IN AGILE TEAMS PUT INTO PRACTICE

Potential

INNOVATION put into Practice

Source: 2016 Technical University of Munich. and Bertelsmann Stiftung

EXHIBIT 7 | Participative Leadership Is Key in Diversity-Led Innovation



Source: 2016 survey of 171 German, Swiss, and Austrian companies by BCG and Technical University of Munich.

Agilität fördert die Schlüsselfaktoren für den positiven Effekt von Diversity

DIVERSITY in Practice

Potential

- Homogenous groups can solve problems faster, but they fall into Echo Chambers
- Heterogenous groups generate more creative ideas and better solutions because they have broader knowledgebase
- They are more critical and that feels uncomfortable.
- Emotional expression by facial mimics is universal for all human beings. This is a connecting link.



DIVERSITY in Agile Teams

Agile teams have

- Participative leadership by design
- Openness as agile value
- Frequent communication by frameworks like Scrum
- Fair employment practices in self organizing teams

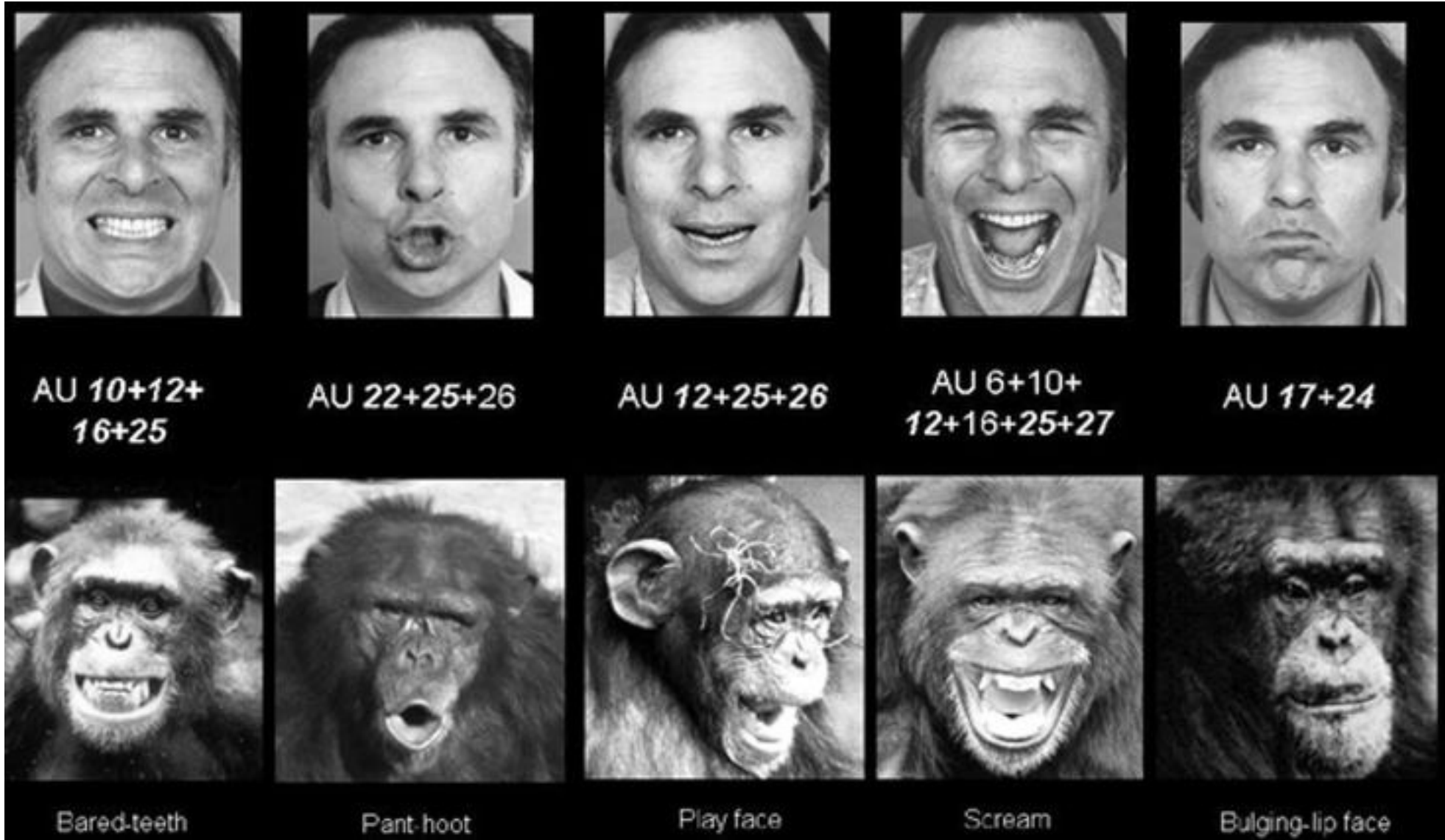


Game for demonstrating DIVERSITY

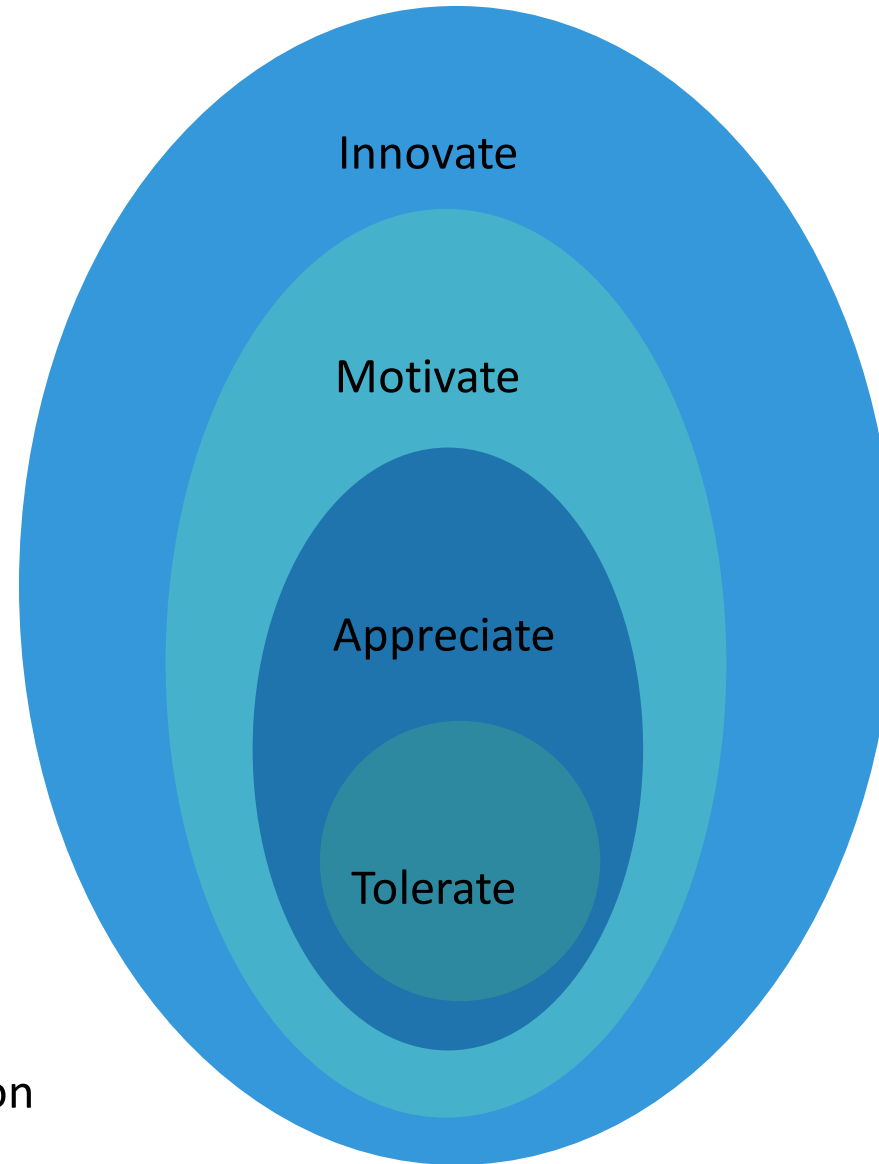


Human EMOTIONS are universal

Source: Paul Ekman



Scales of EMOTIONAL Intelligenz (EQ)



Quelle: Gunther - Verheyen Scales of valuation

Conclusion

Potential for Innovation
before
Social Responsibility

