

# 4 reasons why diverse teams are a no-brainer

By [Dr Mariheca Otto](#)

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Smart leaders know they need diversity of backgrounds, characteristics and ideas on all levels so that they can attract, retain and make the most of people's abilities.



Dr Mariheca Otto, measurement specialist and founder of Motto Business Consulting

Diverse teams are proven to out-perform homogenic teams 2:1. That's because diverse teams have a wealth of different ideas and perspectives that lead to innovation and understanding of potential markets. Although women make up more than 50% of the population, in 2018, it was recorded that [only 32% of managers](#). Only 31.5% of senior management positions are occupied by people of colour.

Here's why diverse teams are a no-brainer.

## Increased bottom line

Time and again, evidence supports the theory that gender diversity has a positive impact on the bottom line. According to McKinsey, the most gender-diverse companies are 21% more likely to experience above-average profitability.

Studies have shown that a more gender-equal private sector correlates with better business performance and greater economic growth. On average, there is a 27% higher return on equity in women-owned and led businesses, and an 18% increase in sales.

## Creativity and solutions

Every individual brings a fresh perspective to a problem and different racial, gender, political, religious and cultural perspectives add richness to a solution. Diverse teams produce more creative results than teams in which all members are similar.

Creativity is bringing something new by combining two or more pieces of information together to form something useful to solve a problem. It makes sense that the more diverse the ideas available, the more creative the solutions will be.

A Boston Consulting Group study in 2018 found that organisations with more diverse management teams have 19% higher revenues due to innovation.

## Better place to work

Women are generally team players and women on teams can help improve team processes and boost group collaboration. Researchers have observed that women have stronger skills [reading non-verbal cues](#).

Women don't generally hog the mic. Groups with more women were better at taking turns in conversation and ensuring that all voices are heard, which helps them make the most of the group's combined knowledge and skills.

Diverse teams aren't built by themselves, they are achieved by design, not accident. Diverse teams have robust conversations if they are managed in a safe and mature way, resulting in the best solutions, offering creativity, energy and

hope.

## Customer insight

It makes sense that a workforce that best reflects an organisation's customer base will have greater insight into customer needs and expectations.

If you know your customers, you communicate with them better, enlisting customer loyalty and satisfaction.

## ABOUT THE AUTHOR

Dr Mariheca Otto, the measurement guru, founded Motto Business Consulting in 2005. She consults in the field of organisation development and internal marketing (creating buy-in into vision). She works in association with independent OD consultants. She completed a B.Com (Hons: Industrial Psychology and Sociology), HED, M.Com and PhD in Business Management at the North-West University (Potchefstroom University). She has delivered papers at both national and international academic and business conferences. She has almost 20 years of lecturing, training and facilitation experience and is seen as the leader in her field thanks to her ground-breaking work.

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