



Institute and Faculty of Actuaries

Cognitive diversity

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The case for and against greater diversity

For	Against
<ul style="list-style-type: none"> • Social and moral: <ul style="list-style-type: none"> - Under-representation at senior / board level - Inequality of pay - Bias • Economic: <ul style="list-style-type: none"> - Bigger talent pool - Stronger culture? - Improved performance 	<ul style="list-style-type: none"> • Social and moral: <ul style="list-style-type: none"> - Discrimination issues • Economic: <ul style="list-style-type: none"> - Reduced individual motivation - Reduced cohesion - Slower decision making - Dilution of corporate values? - Doesn't improve performance

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Reframing the problem

Conventional

Objective: improve diversity

↓

Benefit: better organisational effectiveness

Reframed

Objective: improve organisational effectiveness

↓

Outcome: greater diversity

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Collective intelligence

- The ability of a group to *consistently perform well across a wide array of tasks*.
- Groups, like individuals, have characteristic levels of intelligence, which can be used to predict the groups' performance on future tasks.

Source: Woolley, Chabris, Pentland, Hashmi & Malone, Science, 2010

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Explanatory variables for team performance

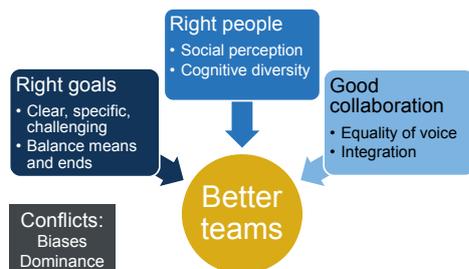
- Not:
 - Maximum intelligence of group members (weak predictor)
 - Average intelligence of group members (weak predictor)
 - Group satisfaction
 - Team motivation
- But:
 - Turn-taking / democracy of voice
 - Social sensitivity
 - Number of women in team

Source: Woolley, Chabris, Pentland, Hashmi & Malone, Science, 2010

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The elements of highly functioning teams



Source: Anita Williams Woolley, 2015

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Cave diversitatem

- Applying diversity
 - Process-focused teams: cohesion, standardisation critical
 - Outcomes-focused teams: insight, innovation critical
- What type of diversity?
 - Surface-level diversity: observable factors that lead to the formation of social categories
 - Deep-level diversity: differences in perspectives, opinions, information, and values
 - Cognitive styles: object-dominant, verbal dominant, spatial dominant

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Conclusions

- There is a level of intelligence that resides within groups – the c-factor
- Cognitive diversity can enhance collective intelligence if managed carefully
- Conditions for CI to develop:
 - Right mix of people
 - Clear and appropriate goals
 - Active integration of team members

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