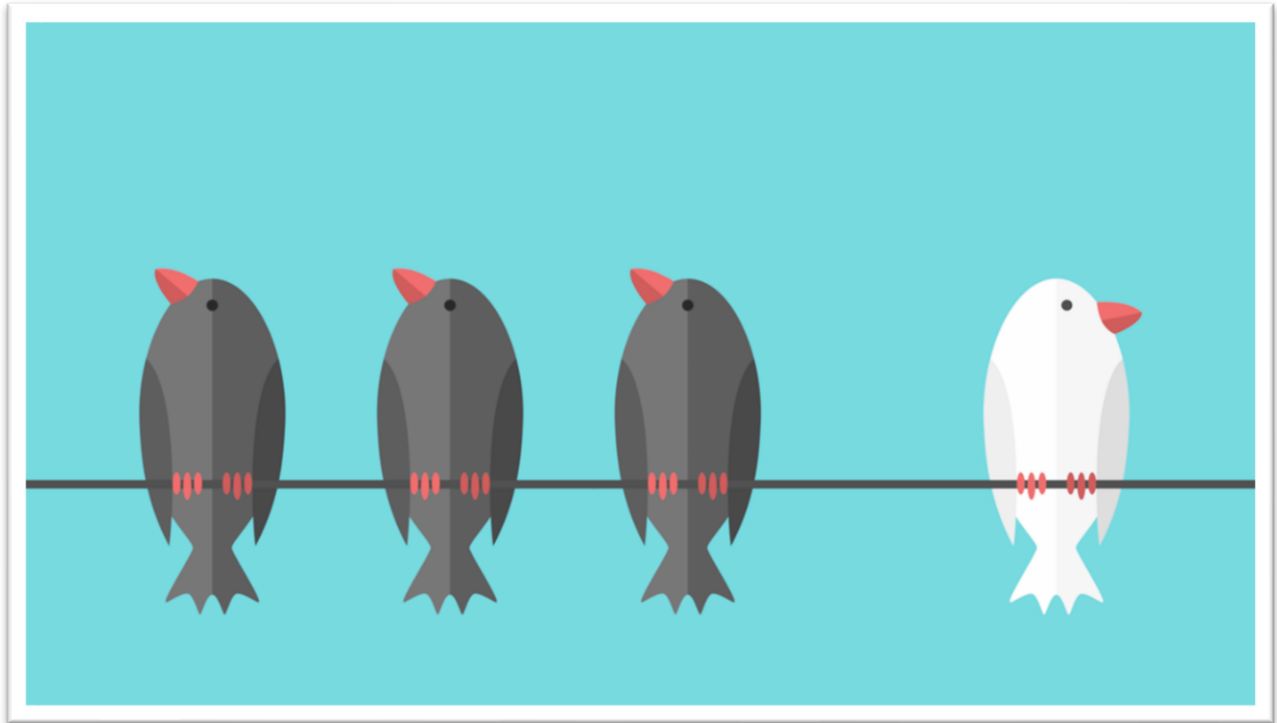# Guide to Independent Thinking

You've read the material. You've seen the presentation. You've listened to management's request.

Now it's time for the board to make a decision. It's an important decision, too. You're expecting a robust discussion.

But the room is quiet. Maybe a couple of directors ask a question or two, just for clarification. Now it looks like the board chair is about to call for a vote.

What's going on?

Groupthink, that's what. Your board has fallen victim to Groupthink.

We've all been there, at one time or another. So, what can we do about it?

First, what is it?

What is Groupthink?

The term was coined in 1971 by psychologist Irving Janis, after extensive research on group decision-making - why a team reaches an excellent decision one time, and a disastrous one the next. Dr. Janis found a lack of opposing viewpoints led to poor decisions, because alternatives weren't fully analyzed and groups didn't gather enough information to make an informed decision.

Groupthink happens when members value group harmony over critical thinking. In these situations, individuals tend to refrain from expressing doubts and judgments or disagreeing with the consensus view. As a result, they reach premature consensus and make less-than-optimal decisions, spurred by the urge to conform.

Groupthink inhibits critical thinking, genuine self-reflection, and effective problem-solving. Even in minor cases, Groupthink triggers decisions that aren't ideal or that ignore critical information. And when decisions are important, Groupthink can represent a major risk.

At the board level, when we are considering critical decisions like hiring a CEO, developing a new strategy, considering an acquisition, or choosing a technology platform, Groupthink is a risk we can't afford to take.

> *"If everyone is thinking alike, then someone isn't thinking."*
> – General George S. Patton

Recognizing Groupthink

In the boardroom, Groupthink can look like efficiency. For instance, think about the situation described in the opening paragraphs of this guide. It would be quite easy for directors to tell themselves that the lack of critical discussion resulted from the excellent quality of the pre-reading material and the thoroughness of management's presentation. These must have been so comprehensive that directors had no questions to ask and no need to discuss further. The board chair was able to call the vote quickly and the decision was made. How very efficient!

If only it were true …

But what if it's not efficiency. What if it's Groupthink?

> *"That which a team does not want to discuss, it most needs to discuss."*
> — Paul Gibbons

Consider the following symptoms:

- **Rationalization.** Board members convince themselves that, despite evidence to the contrary, the alternative presented is the best one, or maybe even the only one. Be on the lookout for statements like *'It's really the only way'* or *'It's a no-brainer.'*

- **Peer Pressure.** When a board member expresses an opposing view or questions the rationale behind a decision, other board members pressure that person into compliance. Watch for a board chair who says, *'I'd really like unanimous approval.'*

- **Complacency.** After a few successes, the board feels like any decision they make is the right one. Look for arguments like *'Our track record speaks for itself'* or *'It's always worked before.'*

- **Stereotyping.** Board members see outsiders as different and somehow inferior, and they discredit outsiders' opinions. For instance, how often have you seen board members (whose average age is definitely not young) disparage the values and viewpoints of younger generations?

- **Censorship.** Information is censored so that it supports the chosen alternative. Or board members censor their own opinions in order to conform. They find themselves thinking *'If everyone else agrees, then I must be wrong.'*

- **Illusion of Unanimity.** Because no one speaks out, everyone feels the board's decision is unanimous. This just feeds Groupthink and causes it to spiral out of control. It leads to premature consensus, where the board chair says, *'I see we all agree so it's decided then.'*

Dealing with Groupthink

Boards can take specific actions to help minimize the destructive power of Groupthink.

- **Have the leader step back.** A leader who voices their opinion too early in the process can serve as a limit on discussion, whether intentionally or not. The urge to conform, and to 'side' with the leader, can be quite strong. When the leader withholds their own view and focuses on facilitating the discussion, there is less likelihood of self-censorship and rationalization.

- **Allow enough time.** Time pressure is a great friend to Groupthink. It's important to counteract it by ensuring enough time has been allocated for a robust discussion and decision-making process. The most critical decisions may even merit scheduling a special board meeting devoted to that one issue alone.

- **Encourage dissent.** The board chair has a role to play by ensuring every board member has an opportunity to speak their mind. Boards need to have a culture of valuing criticism, dissent and occasional non-conformity.

- **Increase diversity.** When it comes to dealing with Groupthink, it's particularly helpful if board directors demonstrate a variety of different thinking styles – analytical and strategic; people-focused, data-focused and process-focused; big picture thinkers and detailed thinkers; idealists, realists, and pragmatists; risk tolerant and risk averse.

- **Designate a devil's advocate.** The role of the devil's advocate is to come up with constructive criticism. They are asked to consider proposals and identify why they will fail. This helps prevent Groupthink by bringing a much-needed contrary per-spective.

Are You a Victim of Groupthink?

Naturally, you would like to answer with an emphatic *No*. But if you are like most directors, and your board is like most boards, the opposite is probably true, at least some of the time. It's normal to fear being wrong or ridiculed as a result of independent thinking.

Self-awareness is an important safeguard against Groupthink. The first step to avoid it is to identify it. Ask yourself the following questions:

1. Do you censor yourself because you know that if you offer your point of view, you will be ridiculed, shunned, or disregarded?

2. Do you automatically agree with all the opinions and judgments of the group?

3. Have you or other board members pressured a dissenter to change their views?

4. Do you or other board members regard outsiders, opposition, or competition as misguided, stupid, weak, or lazy?

If you answered *Yes* to any of these questions, it means you've spotted an instance of the Groupthink that permeates our boards. Keep reading for some strategies that can help you loosen Groupthink for yourself and your board.

Your takeaways:

- Groupthink is a major barrier to boards being able to openly discuss issues and reach optimal decisions.

- Groupthink might look like efficiency, but it actually has a number of identifiable symptoms in the boardroom.

- There are several actions boards can take to minimize the risk of Groupthink.

- Individual directors have a role to play in helping their boards deal with Groupthink.

What Can a Director Do?

Lots, it turns out. Here are a few suggestions:

- **Be clear on your fiduciary responsibility.** As a director you are bound to act in the organization's best interests. It helps to always view decisions through this lens.

- **Acknowledge your biases and work to balance them.** Directors can work to ferret out their biases, acknowledge them, and compensate for them when making decisions.

- **Understand that you are dealing with uncertainty.** In the boardroom we often focus on risk, which can be identified, assessed, calculated, and mitigated. But risk applies when the probability is known, whereas uncertainty prevails when the probability is unknown – as it is for virtually all the board's decisions. Navigating uncertainty requires a big picture approach, a view of issues through multiple lenses, and alertness to signals from the external environment.

- **Flip the issue around to reframe it.** Reframing can help you look at decisions from another perspective. Ask how a competitor might respond. Consider what the outcome might be if you decided to do the opposite. Or frame the issue as if you were on the outside and you had been asked to advise the board.

- **Be mindful.** Mindfulness helps you be aware of your present state, so you recognize and respond to the forces that are driving you. For example, you may become aware, in the moment, that you are censoring yourself, rather than realizing it after the fact.

- **Use a decision-making framework.** Recognize that the process used to make decisions actually matters more than the quality of the analysis that went into it. When you adopt a deliberate process and a formal decision-making framework, it leads to better quality decisions.

- **Practice strategic decision-making.** Make a habit of using these techniques to get a handle on the smaller decisions you make everyday. Practice makes it easier to draw on them when your board is wrestling with big issues and critical decisions.

"Everyone thinks of changing the world, but no one thinks of changing himself."
– Leo Tolstoy

This guide is adapted from The Savvy Director blog 'Banish Groupthink from the Boardroom' posted August 9, 2020.

Resources:

- The Perils of Groupthink in the Boardroom. Leading Governance.

- 4 Questions to Help You Avoid Groupthink, Psychology Today

- 4 Ways to Help Overcome Groupthink in the Boardroom, Chief Executive