

GROUPTHINK

Not What You Thought It Was

THE COMMON (MIS)CONCEPTION OF GROUPTHINK

Encouraged by news reports of 'groupthink'^{*}, many people imagine that this term simply means 'when a group of people together make a more stupid decision than they'd make as individuals'. Or perhaps, in the corporate sector, just that 'Boards are less sensible than their individual directors'. Or maybe it's just an easier word for 'autocratic behavior'?

Actually, it's a bit more complicated than that.

* Group Think, Group-think, group think, or groupthink? Rather like William Shakespeare's name, the proper name of groupthink takes several different forms even in its own literature. As set out in the original study, it is actually Group Think, though of course words change their forms over time.

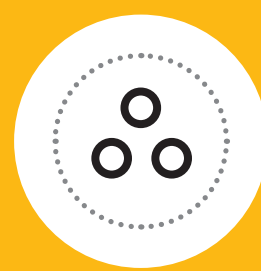


THERE'S MORE TO IT THAN THAT: A CAREFUL DEFINITION

Back in 1973, Irving Janis first identified groupthink as 'a pattern of concurrence-seeking', in which 'members consider loyalty to the group the highest form of morality'. But, says Janis, this does not mean that the group's leader demands 'sycophancy'; in fact, leaders are mostly 'sincere in asking for honest opinions'. The trouble starts with how group members *perceive what they're expected to do*; they indulge in 'motivated reasoning'¹.

Control failure occurs because, in certain specific settings, a group of people will collectively allow hidden biases to overrule their individual good judgement as they face making decisions. It is true that groupthink is an effect that arises simultaneously in the minds of a group of people. But bear in mind that the 'true', catastrophe-making form of groupthink arises only under specific conditions:

¹Prof. Cass Sunstein's phrase (RSA Journal 4, 2014).



| THE SOCIAL PRESSURE | | | THE GROUP'S STRUCTURE | | | THE EXTERNAL SITUATION | |
|---|---|---|--|--------------------------------|--|--|---|
| STUFF THEY SAY | IT'S CALLED | WHAT HAPPENS | STUFF THEY SAY | IT'S CALLED | WHAT HAPPENS | STUFF THEY SAY | WHAT'S HAPPENING |
| "Of course we're exclusive! One wouldn't let in just anyone." | Status-seeking | Reaffirming exclusiveness; privately enjoying the exclusion of others | "We're the bosses." | Hierarchy | Self-conscious of high status, the 'in-group' overrules the views of anyone junior | "We've never had to face such scrutiny / pressure before." | High stress, external threat |
| "Such a great feeling, knowing you've made it to the Boardroom." | Euphoria | Self-congratulation; delight at being in a 'special' group | "Don't disturb us." | Insulated | Avoiding views from 'outsiders' | "There's no clear way through this." | No obvious solution, from the leader or elsewhere |
| "Let's not argue." | Conformity, consensus bias | Self-censoring of challenge; to maintain harmony, all over-value points of agreement, avoid confrontation or looking at alternative points of view or options | "The CEO has firm opinions." | Dominant leader | People-pleasing; evaluating choices partially | "Our confidence took a bit of a knock after that other thing, recently." | Defensive / damaged self-esteem; recent failures |
| "There's a lot of skill around the table – I'm not sure what it all is, tbh." | Expert bias, Dunning-Kruger effect, ultra-crepidarlanism | Delusion of competence; exaggerated self-belief; taking decisions one is not qualified to take; abuse / negligent use of governance powers | "We know what to do. Don't lecture us about 'standards' or 'procedures'!" | Unclear methods / norms | Piecemeal decision-making | "There's just too much [new] information to take on board." | Cognitive overload |
| | | | "We're all 'people like us', sound chaps. Which spoon to use, eagling the 18th – all of that." | Limited diversity | Options appear limited – because no alternative views are available (other social backgrounds, gender, cultures) | "Not sure whose call it is to resolve this one." | Unclear remit / legitimacy / decision-making powers |
| | | | | | | "Whichever way we decide, someone suffers. No point in being principled about it." | Morally complex; any solution entails ethical compromises |

WHAT FOLLOWS

After these preconditions are in place, groupthink may flourish. Some results are:

SIGNS OF TROUBLE

- Illusion of invulnerability**
"We're right. We just know we are."
- Moral myopia; denying others' values**
"We have right on our side."
- Social proof**
"It makes sense to us to do it this way. Never mind what others say."
- Devaluing the 'out-group'**
"What do they know? They're not us."
- Illusory time-constraints**
"Now is not the time to raise objections."
- Assumed rationality**
"Obviously, we're all agreed [that...]"

THE DECISIONS THAT RESULT

- Setting arbitrary deadlines, reaching hasty conclusions; no pause to reflect or reconsider**
"Let's not overthink this by running through every conceivable alternative."
- Ignoring the possible alternative of not intervening ('action bias')**
"The important thing is to do something."
- Fixating on present knowledge ('availability')**
"We already have all the information we need."
- Disregarding small-seeming risks... which may turn catastrophic**
"We focus on our highest priorities."
- United, the group takes a more extreme risk than any individual member would**
"I'm up for that; aren't we all?"

IN THE WORDS OF THE GURUS

"When like-minded people meet regularly, without sustained exposure to competing views... extreme shifts (group polarization) are all the more likely."

– PROF. CASS SUNSTEIN

"Groups may tend to stick with bad decisions even when unintended consequences disturb their consciences."

– PROF. IRVING JANIS

"Sometimes individuals are dependent on the group for maintaining self-image as a decent human being."

– PROF. IRVING JANIS

"Bad decisions follow from arbitrary constraints on the range of arguments."

– PROF. CASS SUNSTEIN

FAMOUS PRODUCTS OF GROUPTHINK



Bay of Pigs (1961)

(Janis's own example): US President John F. Kennedy's military advisors persuaded him that he could recover control of Cuba, following a revolution there, by invading it. The 'invasion plan' failed badly.



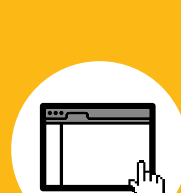
Swissair collapse (2001)

Boosted by consultants' support, and earlier success, the CEO and Board embarked on an aggressive strategy of acquiring other European airlines. They went bankrupt.



NASA's Challenger launch decision (1986)

Told more commercially, NASA and its engineering contractors launched a space shuttle before it was ready. It exploded.



Marconi's takeover spree (2001)

New directors embarked on a spree of buying high-risk technology companies at the height of the dotcom boom. Result: 'bust in a year' share price collapse.



Barings collapse (1995)

From the Boardroom, directors sponsored their 'star trader', remote on the other side of the world in Singapore, as he staked more than the bank's entire capital value on a single trade.



UK Labour Party defeated (1992 and 2015)

For five years in the run-up to a general election, party activists convinced one another that their leader was 'the next Prime Minister'. The electorate strongly disagreed.

Consider how you might make your meetings better:

risk.thomsonreuters.com/boardlink



THOMSON REUTERS™

© 2015 Thomson Reuters. CRC03057/6-15