

## **Guarding against groupthink in the professional work environment: A checklist**

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### **ABSTRACT**

Scandalous events have prompted Congress to investigate the accounting profession, and the accounting profession to examine itself. As a result, the financial auditing process is now subject to additional Congressional oversight; and accounting professional organizations require their certificate holders to complete mandatory ethical training as a component of their continuing professional education. This article describes how accountants and other business professionals can (1) encourage ethical thinking in the workplace to decrease the incidence of unethical behaviors (2) consider a checklist to diagnose the risk of groupthink developing in their decision-making and (3) adopt practical strategies that guard against the mindset commonly known as groupthink in order to foster higher quality decision-making.

Keywords: Accounting, decision-making, ethics, groupthink, workplace

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## INTRODUCTION

Events such as the Enron scandal prompted Congress to investigate the accounting profession, and the accounting profession to examine itself. As a result, corporate audits and certified public accountants are subject to increasing regulation, including the requirements of The Sarbanes Oxley Act during corporate audits and formal ethical training for recertification of auditors.

One of the questions being asked after the Enron failure is “How could a group of individuals behave so unethically?” One answer that has been suggested is the dynamic known as “groupthink.” In an article entitled “Enron’s Culture Fed Its Demise – Groupthink Promoted Foolhardy Risks,” Stephens and Behr (2002) review the culture that led to scandalous behavior.

In the following article the authors suggest that business professionals develop an awareness of the psychological phenomenon of groupthink, take an inventory of attitudes and behaviors exhibited during group decision-making, and formulate some simple strategies to avoid groupthink. Avoiding groupthink will help many professionals reach sounder business decisions.

## GROUPTHINK

Janis (1972, p. 9) described groupthink as a “mode of thinking that people engage in when they are deeply involved in a cohesive in-group, when the members’ strivings for unanimity override their motivation to realistically appraise alternative courses of action.” The general theory suggests that, in an effort to keep the approval of their leader or group, members are likely to adopt a solution without critical evaluation. Although groupthink does not assure the failure of a decision, its presence increases the chances of low quality, including unethical, decision-making in an organization. Auer-Rizzi and Berry (2000, p. 284) have suggested that the danger of groupthink increases among persons who share the same professional frame of reference, organizational identity and goals.

The term “groupthink” was coined by Irving Janis (Moorhead et al. 1998) to describe deterioration in the decision-making efficiency of groups as a function of the style of the leader, the level of group cohesiveness and certain group norms (Flowers, 1977, p. 888). As early as 1975, the term was listed in Webster’s New Collegiate Dictionary as a noun expressing “conformity to group values and ethics” (Turner et al. 1998). The term continues to be defined in terms of ethics in the Merriam-Webster on line dictionary as a “pattern of thought characterized by self-deception, forced manufacture of consent, and conformity to group values and ethics.” [Emphasis supplied.]

Four decades after Janis’s publication, the groupthink phenomenon remains interesting to the business research community. A current (February 25, 2013) search of ProQuest’s ABI Inform Database with the term “groupthink” in all search fields and text identifies 971 articles published during the last three years. This significant outcome is not surprising when one considers the link between groupthink and ethical behavior and the demand for ethical business decisions.

## Directive Leadership

Hollander (1985) contends that leadership is a universal aspect of human groups. Employers often look for leadership potential because it is conventional wisdom that strong leaders inspire others to work towards an organization's goals. To this end students are often encouraged to develop leadership skills in student organizations and other community activities. However, strong leadership may interfere with group interaction (Moorhead et al. 1998, p. 338) when group members follow their leaders without sufficient critical evaluation. In fact, promotional leadership is one of the antecedents of groupthink (Flowers, 1977; Mullen et al., 1994). For example, poor decisions may result because the leader of a group may promote unethical ideas, and the group may not have established rules to prescribe ethical behavior (Sims 1992).

Flippen (1999) explains why a leader would heavily promote a solution given that the decision may be disadvantageous to the group. One explanation is that the leader may consider the decision serves the best interests of the group and simply may be mistaken. A more disturbing scenario is that the leader has a personal agenda and that this personal objective precedes the goal of effective group performance.

The antecedents of groupthink—a cohesive group working in isolation under a directive leader under stressful conditions—may lead to poor decision-making through the incomplete surveying of alternatives and objectives, information, and risk assessment (Janis and Mann, 1977).

The consequences of Janis' groupthink model can be condensed as:

Directive Leadership and Other Antecedent Conditions →  
Groupthink Symptoms → Premature Decision-Making →  
Potential for Low Quality Solution

According to Morgan (2006, p. 211), "groupthink has been reproduced in thousands of decision-making situations in organizations of all kinds." High profile government and political failures, such as Pearl Harbor, the Bay of Pigs fiasco, the escalation of the war in Vietnam, and the Watergate scandal, have been attributed to the dynamic (Turner et al. 1998, p. 107). The events leading to NASA's disastrous decision to launch the Space Shuttle Challenger were also typical of groupthink (Moorhead et al. 1991).

Poor business decisions also have been attributed to groupthink, including Ford's infamous decision to make and market the Edsel (Huseman and Driver, 1979). Additional examples are reported by Eaton (2001) who used content analysis of press reports of management decisions at British Airways and Marks & Spencer to provide evidence that groupthink may have caused a block in management communications and led to the fall in reputation and stock market valuation of these two companies during the 1990's.

Sims (1992) presents a general case linking the groupthink phenomenon to unethical organizational behavior in several enterprises. Senior management at Beech-Nut did not require a supplier to prove the quality of its concentrate, which was saving millions of dollars. E.F. Hutton, then one of the nation's largest brokerage firms, overdrew its accounts on a regular basis and thereby saved the interest it would have to pay had it borrowed the money. A major investment firm, Salomon Brothers, submitted illegal bids during Treasury auctions. These serious ethical failures are allegedly the extreme result of the symptoms of groupthink coupled with a "bottom-line" business mentality—a combination that could result in bad decisions, including unethical ones.

## GROUPTHINK IN THE PROFESSIONAL WORK PLACE

According to Choi et al. (1999, p. 297), many training programs addressing leadership have incorporated various strategies to avoid groupthink in the workplace. However, taking personal action to avoid groupthink is especially challenging for members who are trying to become part of a work team. As reported in the *Washington Post*, Sally Ison, a former Enron worker, said “One day, you are viewed with favor, and the next day you are not. You know who is in the in-crowd and who is not.” (Stephens and Behr 2002)

Even prior to the infamous Enron scandal, Sims (1992, p. 658) cautions that in the presence of groupthink organizations may ignore the voices of dissenters and conscience and make decisions which result in unethical behavior. The ordinary business decisions at Beech-Nut, E. F. Hutton and Salomon Brothers had tested the ethics of professionals in the work place. Therefore to be a responsible member of a professional team, employees sometimes may need to exercise professional skepticism.

Of course, not every group decision needs to be scrutinized. Longley and Pruitt (1980, p. 77) advise that groups must “in the long run ... reach agreement on an issue, stop discussing it, and move on to other matters.” So, there are some types of decisions that are candidates for quicker consensus by a group of working professionals and others that require more vigilance. In general, routine problems probably can be solved by applying existing policies provided that those policies were developed under conditions supportive to good decision-making.

## SYMPTOMS OF GROUPTHINK

Some of the traditional symptoms of Janis’s groupthink model (1972) and potential hazards are described below. The list is an adaptation of the table presented by Sims (1992, p. 655).

- Illusions of Invulnerability. As a result of their illusions, the group may not currently conduct a full analysis of a problem, express excessive optimism and begin to assume extraordinary risks.
- Collective Rationalization. The members may engage in collective efforts to rationalize the chosen course of action. Warnings may be ignored. The group may recommit to past decisions without considering alternatives.
- Stereotyped View of Others. The members may underestimate the potential of others to contribute relevant information. They may not attempt to understand the ethical concerns of others.
- Pressure on Dissent. Members may hesitate to express opposing arguments.
- Mind Guards. The group may repress discussion or information that might destroy the consensus. They may become insulated from adverse information about the morality of their decisions and engage in self-censorship in order to get along.

In the presence of groupthink, a member may receive subtle pressure to acquiesce. Former Enron employees say that company loyalty required a sort of groupthink. “You had to ‘keep drinking the Enron water,’ or more sardonically, ‘drink the Kool-Aid,’ a reference to the poisoned drink used in the Jonestown massacre of 1978” (Stephens and Behr 2002). It takes courage for any employee, not just those laboring under the extreme conditions at Enron, to assume a role that appears disloyal to colleagues. This pressure results from the operation of group norms which generally stress the importance of consensus (t’Hart, 1991).

## A Checklist

Janis's (1982) model of groupthink theory identifies three types of observable consequences of groupthink: Type I - Overestimation of the Group; Type II - Closed-Mindedness; and Type III - Pressures Toward Uniformity. As described by Eaton (2001, p. 183) Janis would diagnose the presence of groupthink in case studies by searching the group's dynamics for expressed symptoms.

Professionals can periodically evaluate their own behaviors to assess the potential for the development of the groupthink dynamic. The following list of suspect behaviors is based on questions contained in a larger survey questionnaire developed by Choi and Kim (1999, p. 305) in their study to test the empirical coherence of groupthink as a phenomenon.

- Does the leader of your team discourage open communication?
- Are team members reluctant to communicate relevant information?
- Do members criticize others who raise questions concerning a selected solution?
- When new information is contrary to a decision, do members engage in rationalization of the group's earlier decision?
- Do members withhold raising objections in order to maintain unity of the team?
- Do team members fail to survey as many alternatives as possible to solve the problem?
- Do team members fail to reevaluate a solution for unforeseen risks after adoption?
- Do team members fail to obtain expert advice or qualified information from outside the team?
- Do team members fail to consider the advice of others even when contrary to the team's preferred solution?
- Do team members fail to develop contingency plans to be used if the first solution does not work?

The following paragraphs present some practical behaviors suggested in the literature to guard against the groupthink phenomenon compromising the quality of decision-making. As can be expected, these techniques serve to modify the behaviors in the above checklist.

## CHALLENGING GROUPTHINK IN THE WORKPLACE

Janis's (1982) theory proposes that cohesion is the primary antecedent for groupthink. There are at least two types of cohesion: interpersonal cohesion and task-based cohesion. Interpersonal cohesion results from personal relationships (Festinger et al. 1950). McCauley (1998) suggests that the vital element in poor group decision making is the desire of members of cohesive groups to preserve their relationships.

Task-based cohesion results from the mutual commitment to the group assignment (Hackman, 1976). This type of cohesion is likely in work teams where members consider each other important in achieving shared rewards (Moorhead et al. 1998). Both interpersonal and task-based cohesion can create problems in the professional workplace.

According to Dickens (2003) when groups like corporate boards become too close, the quality of decision-making can suffer from the lack of intense discussion. In this situation, new members have the potential to bring fresh perspectives to a group. However, because they are seeking acceptance, newer members are often reticent to start a debate. This situation is

unfortunate because a friendly argument may provide a guard against the development of groupthink.

Three strategies to facilitate deliberation in a diplomatic way are for a member to request the group's permission to assume the role of "devil's advocate," recommend another member adopt the role or suggest that the functional role of skeptic rotate among the group's membership. If it seems appropriate, a member may even suggest the value of a "second chance" meeting (Janis, 1982, p. 262) to the group or to a senior member of the group. Additional strategies based on the research of Dr. James K. Esser to help avoid groupthink during business meetings are listed in an article on successful business meetings by Virginia Johnson (1992).

In addition to directive leadership, two antecedents to the groupthink dynamic are the lack of norms for methodical decision-making and time pressures when making decisions (Neck et al., 1995). These threats can be reduced by encouraging a protocol to reach decisions. An example is the familiar Ross Four-Step Agenda to Problem-Solving (Cragan et al. 2009, p. 95). This approach requires (1) defining the problem; (2) analyzing its nature and the suspected causes; (3) identifying and ranking criteria for solutions; and ultimately (4) evaluating and selecting a solution.

Requests for clarification as the group moves through the steps encourage the group to comply with the Ross method. The group should work to define the problem clearly and to document the issues in writing. Suspected causes of a problem should be identified. Potential solutions should be itemized, and each item on the list should carry a rationale for its acceptance or rejection.

Documenting the outcome of the steps in writing ensures the protocol is followed. In general, recording minutes or other written accounts of deliberations contributes to good decision-making. The record can be circulated and members can be encouraged to comment on its accuracy and completeness. Group members should offer to document meetings when no one has been designated the responsibility.

Insulation of the group from outside information and expertise is another antecedent of the onset of groupthink because it impedes critical evaluation. Each member can set an example for others by preparing for meetings with outside facts and opinions. During the meeting, members should ask for clarification of the problem, alternatives, and solutions reached by the group. This process should also be documented and shared during follow-up activities.

## **CONCLUSION**

Sims (1992, p. 662) concludes his article linking groupthink to organizational unethical behavior with the following reminder:

"Remember, ethical behavior foundations are first established when an organization commits itself to success that results from ethical behavior by its members."

Simply put, quality group decisions begin with each member's individual behaviors.

What must individuals do to guard against groupthink in their working groups? Individual group members must take the lead to exercise the strategies that can guard against the onset of groupthink in professional organizations. Prepare to participate in group discussions. Speak up when necessary. Expect others to be well-prepared. Problems should be investigated by members of the group using a structured approach, such as the Ross Model. The progress of

meetings should be recorded and the written record of the discussion reviewed by the individual members of the group.

Ask to keep minutes and records when no one else has been assigned the task. Seek approval of the details of those minutes from the entire group. Ask to schedule follow-up meetings when solving a difficult problem. Encourage the consideration of outside opinions and the discussion of alternative solutions. Be watchful of the group process. Consider the items in the checklist in this article. Become concerned and skeptical if the symptoms of groupthink are present. These individual attitudes and behaviors will provide the dynamics for higher quality and ethical group decisions.

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