

Trustee Insights

BOARD EVALUATION



Avoiding Groupthink in the Boardroom

Striving for excellence in board self-assessment

BY BARBARA LORSBACH

The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic," management scholar Peter Drucker wrote in 1980. Over 40 years later, his insight still holds true. But how do health system and hospital boards break free from yesterday's logic? In today's environment it is particularly important for boards to take the time to discuss difficult issues,

challenge assumptions and refuse to rely on groupthink when confronting strategic opportunities, financial challenges and quality oversight. To do this effectively, trust, candor, differing points of view and self-reflection are essential — assets no board can do without.

Avoiding the Risks of Groupthink

Legally, board members must take particular care to:

- Become thoroughly informed before making a decision.
- Put the needs of the organization first when taking oversight

responsibility for operations.

- Abide by the laws, regulations and standards of the organization's operations.

These three main responsibilities are usually referred to as the Duty of Care, the Duty of Loyalty, and the Duty of Obedience. They must be taken seriously by every person accepting a position on a board of directors.

One roadblock to any board's ability to maintain fiduciary effectiveness is a tendency toward "rubber-stamping." Strong boards are independent-minded, curious and able to focus on what matters most. Their members are willing to challenge the status quo and stretch themselves intellectually. However, for some boards and trustees, the desire to achieve consensus and positive working relationships can have an unintended consequence — groupthink.

Groupthink, a term coined by research psychologist Irving Lester Janis, is a psychological phenomenon that occurs when individuals within a group prioritize harmony and conformity over critical thinking, leading to a suppression of dissenting opinions and potentially flawed decision making. Janis's theory of groupthink describes the errors made through collective decisions when a group minimizes conflict, desires agreement at all costs and reaches a consensus decision without thorough evaluation. Boards that have these

tendencies are not likely to fully fulfill their fiduciary responsibilities, which may result in governing underachievement and organizational risk.

Groupthink in the board setting may occur when a majority of members lack interest, drive, or the ability to offer different points of view than those of one or more overbearing board members. Sometimes the culture of the board overemphasizes consensus and collegial relationships to the point that offering alternate points of view is uncomfortable, the proverbial “not worth rocking the boat” mentality. The structure of a board and the way in which board members are selected can also contribute to a culture that overvalues agreement and similar points of view.

Members of groupthink or rubber-stamping boards fail to ask pertinent questions or engage in deliberative dialogue on solutions to challenges. They do not work successfully together to arrive at independent-minded decisions. They accept recommendations with little questioning or debate and fail to explore alternatives and scenarios that may reveal the weaknesses of arguments or positions.

Every trustee is in a different place in terms of his or her level of awareness and knowledge of the issues discussed and the decisions made at board meetings. Nonetheless, every trustee has the same fiduciary obligation and the same responsibility to be well-informed, forthright in voicing their points of view and respectfully consider outlier opinions — vantage points that are different from the majority of the group.

Assessing if Your Board is Stuck in Groupthink Syndrome:

- Our board takes the time to discuss difficult issues.
- We have a governance ethic of “listen first talk later” to avoid miscommunication and misjudgment.
- We engage in critical conversations to positively impact how trustees relate to one another.
- Our board meeting management style encourages openness and participation.
- We make decisions by first thoroughly considering all alternatives.
- We value the importance of engaging with people who have different perspectives.
- We challenge assumptions and refuse to rely on traditional thinking when confronting strategic issues and challenges.
- We air tension and disagreements and resolve them through organized and deliberative dialogue.
- Deep and meaningful dialogue at our board meetings forges positive new directions.

Board Assessments and Encouraging Outlier Viewpoints

Groupthink boards are often a result of overly dominant individuals, weak board chair leadership, or a governance culture that overemphasizes agreement. One way to push back on groupthink and achieve greater engagement by board members is through the use of a board self-assessment. According to the [American Hospital Association 2022 National Health Care Governance Survey Report](#), more than a quarter of all boards reported that they had not used any type of assessment with boards, committees, members or chairs in the past three years. While over 83% of health systems report conducting a board assessment, only about half of freestanding hospital boards did so.

Like stepping on the scale regularly, boards that conduct self-assessment get the benefit of a checkup and check-in on the state

of board thinking, performance, culture and governance practices. Self-assessments provide confidential forums for trustees to voice their perceptions without fear of reprisal or direct confrontation with other board members.

A comprehensive, meaningful self-assessment includes ratings of leadership performance in a broad range of areas. The board self-assessment process identifies governing strengths and gaps and facilitates the development and implementation of initiatives and strategies to improve board performance and culture. Through an effective, well-developed board self-assessment process, growth opportunities can be realized, education can be pinpointed to unique governance needs and strategy development can be conducted within a consensus-based framework where everyone is on the same page but not of the same mindset. The result can be higher

governing performance and robust insights that might otherwise be missed.

Conclusion

Thriving in turbulent times depends on avoiding yesterday's logic and groupthink. High-performing boards search out diverse ideas and outlier perspectives that can deepen the collective wisdom of the group. Although some disagreements and tensions

may arise around the board table, they can be resolved through thorough, organized, deliberative listening and dialogue. A strong board culture will ensure that every board member is meaningfully engaged in constructive thinking and discussion of the important issues that come before the board. Without self-reflection and constructive challenges to conventional wisdom, the best solutions may never surface. Boards can improve their ability to be open to new lines

of thinking, minimize groupthink and forge positive new directions through regularly self-assessing board performance to ensure all perspectives are heard and considered.

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