

Boardroom Bearings

Navigating to Board Excellence

March 2016



The Abilene Paradox and Groupthink

You probably know what groupthink is, but "WHAT," you ask, "is the Abilene Paradox!?!?" Read this month's issue to find out how these two dysfunctions wreak havoc in your board or staff decision-making.

Next month, read about strategies for avoiding both dysfunctions.

The Question of the Month is "Can board members be held personally liable for financial mis-steps of their nonprofit?"

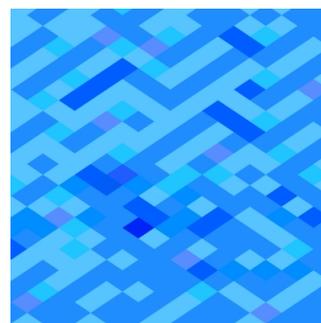


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Welcome Aboard, New Subscribers!



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It's always energizing when Constant Contact notifies me that *Boardroom Bearings* has new subscribers. The first issue in October of 2013 went to about 40 people; now there are nearly 130 subscribers.

Boardroom Bearings is intended to raise readers' knowledge about nonprofit board governance. Readers tell me they use articles to launch board conversations that improve practice.

Past issues may be found [here](#). Please suggest that all board members and executive staff subscribe. It's easy. And free. [Click here](#) and see the subscription box in the upper right corner.

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Understand the Abilene Paradox to Avoid Disastrous Group Decisions

If your board or staff has ever agreed to do something that then turns out to be not such a great idea, you should know about the Abilene Paradox. No organization or group is immune from falling victim. "[The Abilene Paradox: The Management of Agreement](#)" by Jerry Harvey starts with an anecdote:

The July afternoon in Coleman, Texas (population 5,607) was particularly hot- 104 degrees as measured by the Walgreen's Rexall Ex-Lax temperature gauge. In addition, the wind was blowing fine-gained West Texas topsoil through the house. But the afternoon was still tolerable-even potentially enjoyable.

There was a fan going on the back porch; there was cold lemonade; and finally, there was entertainment. Dominoes. Perfect for the conditions. The game required little more physical exertion than an occasional mumbled comment, "Shuffle 'em," and an unhurried movement of the arm to place the spots in the appropriate perspective on the table.



Wikipedia: Coleman, TX

All in all, it had the makings of an agreeable Sunday afternoon in Coleman – this is, it was until my father-in-law suddenly said, "Let's get in the car and go to Abilene and have dinner at the cafeteria." I thought, "What, go to Abilene? Fifty-three miles? In this dust storm and heat? And in an un-air-conditioned 1958 Buick?"

But my wife chimed in with, "Sounds like a great idea. I'd like to go. How about you, Jerry?" Since my own preferences were obviously out of step with the rest I replied, "Sounds good to me," and added, "I just hope your mother wants to go." "Of course I want to go," said my mother-in-law. "I haven't been to Abilene in a long time."

So into the car and off to Abilene we went. My predictions were fulfilled. The heat was brutal. We were coated with a fine layer of dust that was cemented with perspiration by the time we arrived. The food at the cafeteria provided first-rate testimonial material for antacid commercials. Some four hours and 106 miles later we returned to Coleman, hot and exhausted. We sat in front of the fan for a long time in silence.

Then, both to be sociable and to break the silence, I said, "It was a great trip, wasn't it?" No one spoke. Finally my mother-in-law said, with some irritation, ...[click here to read the rest of the story](#).

The paradox revealed in the story is how a group of "reasonably sensible people" collectively decide to do something that individually they each thought was a bad idea.

In the article, Harvey unpacks the Abilene Paradox – when people support plans they really don't believe in. He maps the paradox's underlying psychological themes, suggests a possible Abilene bypass, and provides a diagnostic survey.

Next month, *Boardroom Bearings* will focus on ways to avoid the trips to Abilene.

Signs that a Group is on the Way to Abilene



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Jerry Harvey identified the following signs of the paradox:

"...members agree privately, as individuals, as to the nature of the situation or problem." In the story, each person thought going to Abilene was a bad idea.

"...members agree privately, as individuals, as to the steps...required to cope with the situation or problem." Each person thought that sitting in front of the fan, playing dominoes, and drinking lemonade was the best way to cope with the hot afternoon.

"...members fail to accurately communicate their desires and/or beliefs to one another. In fact, they do just the opposite and thereby lead one another into mis-perceiving the collective reality." Each member of the family communicated inaccurate information – saying, in effect, that going to Abilene was a great idea when just the opposite was true.

"...with invalid and inaccurate information, members make collective decisions that lead them to take actions contrary to what they want to do, and thereby arrive at results that are counterproductive..." So the family group went on the counterproductive trip to Abilene when they individually and unanimously would rather have stayed home.

"...as a result of taking actions that are counterproductive, members experience frustration, anger, irritation, and dissatisfaction..." In the story, each person blames someone else in the group for the unhappy afternoon.

Groupthink - No One Wants to be the Skunk at the Garden Party

Unlike the Abilene Paradox, most readers are probably familiar with the term "groupthink." Social Psychologist Irving L. Janis is credited with first using it in 1972.

Groupthink refers to a psychological phenomenon in which people adopt the opinion of the group while disregarding their own personal opinions. Groupthink is at work when people remain silent even when opposed to what appears to be the opinion of the group. They prefer to keep the peace over not falling in line with everyone else.



animal-wildlife.blogspot.com

According to Janis, groupthink tends to occur in groups where there is a high degree of cohesiveness, where situational factors contribute to deferring to the group (such as external threats, moral problems, or difficult decisions), there are structural issues (such as inflexible leaders or group isolation).

Symptoms of Groupthink

Janis identified eight "[symptoms](#)" that indicate groupthink - but only a few may be operational in any given situation. Below is his list, quoted and shortened for this newsletter.

"INVULNERABILITY. Most or all of the members of the in-group share an illusion of invulnerability that provides for them some degree of reassurance about obvious dangers... It also causes them to fail to respond to clear warnings of danger.

"RATIONALE. Victims of group think ignore warnings. They collectively construct rationalizations in order to discount warnings and other forms of negative feedback ...

"MORALITY. Victims of groupthink believe unquestionably in the inherent morality of their in-group. This belief inclines the members to ignore the ethical and moral consequences of their decisions...

"STEREOTYPES. Victims of groupthink hold stereotypical views of the leaders of enemy groups... attempts at negotiating differences with them are unwarranted...

"PRESSURE. Victims of groupthink apply direct pressure to any individual who momentarily expresses

doubt about any of the group's shared illusions or who questions the validity of the arguments supporting a policy alternative favored by the majority...

"SELF-CENSORSHIP. Victims of groupthink avoid deviating from what appears to be group consensus; they keep silent about their misgivings and even minimize the importance of their doubts.



Image courtesy of fotografic1980 at FreeDigitalPhotos.net

"UNANIMITY. Victims of groupthink share an illusion of unanimity ... When a group of persons who respect each other's opinions arrives at a unanimous view, each member is likely to feel that the belief must be true. ...

"MINDGUARDS. Victims of groupthink sometimes appoint themselves as mindguards to protect the leader and fellow member from adverse information that might break the complacency they shared about the effectiveness and morality of past decisions."



Question of the Month

Q: Can board members be held personally liable for financial mis-steps of their nonprofit?

A: If the nonprofit is a corporation, board members generally are not held liable for the organization's debts. But two instances in which board members may be subjected to financial penalties as individuals are 1) when board members approve excessive compensation, and 2) when the nonprofit fails to withhold staff employment taxes (social security and income tax withholdings).

Each board member, as an individual, is held to three legal, fiduciary responsibilities: the duty of care, duty of loyalty, and duty of obedience. Exercising proper fiduciary duty includes overseeing financial and accounting practices and ensuring that the nonprofit avoids penalties that can be incurred by inaccurate and untimely IRS filings. ([Click here](#) for an article about fiduciary duties - articles **listed alphabetically**).

Generally, board members are not liable if they have relied, in good faith, on advice provided by competent professional advisers such as accountants and lawyers. Remember, though, there is no protection from personal liability for failure to act with due care or being grossly negligent.

Further reading:

[Not Paying Your Taxes? Your Board Could Be Personally Liable](#)

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Please remember:

You are invited to submit questions by emailing them to kdw@centerpointinstitute.com. And if you have a troubling governance issue and need someone to talk with, confidentially, at no charge, call 815-545-1300 or send an email.

Boardroom Bearings...

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