



Journal of Management Development

Emerald Article: Coaching executive teams to reach better decisions

Shlomo Ben-Hur, Nikolas Kinley, Karsten Jonsen

Article information:

To cite this document:

Shlomo Ben-Hur, Nikolas Kinley, Karsten Jonsen, (2012), "Coaching executive teams to reach better decisions", Journal of Management Development, Vol. 31 Iss: 7 pp. 711 - 723

Permanent link to this document:

http://dx.doi.org/10.1108/02621711211243908

Downloaded on: 03-07-2012

References: This document contains references to 39 other documents

To copy this document: permissions@emeraldinsight.com

Access to this document was granted through an Emerald subscription provided by INTERNATIONAL INSTITUTE FOR MANAGEMENT D

For Authors:

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service. Information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

With over forty years' experience, Emerald Group Publishing is a leading independent publisher of global research with impact in business, society, public policy and education. In total, Emerald publishes over 275 journals and more than 130 book series, as well as an extensive range of online products and services. Emerald is both COUNTER 3 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

Coaching executive teams to reach better decisions

Coaching executive teams

711

Received October 2010 Accepted January 2011

Shlomo Ben-Hur IMD. Lausanne. Switzerland Nikolas Kinley Barclays Global Retail Bank, London, UK, and Karsten Ionsen IMD. Lausanne. Switzerland

Abstract

Purpose – The purpose of this paper is to present a systemic approach to understanding the challenges facing executive teams in making good decisions and propose a simple framework for addressing these challenges.

Design/methodology/approach – Having identified Groupthink as a useful framework for understanding the challenges facing decision-making groups, the paper reviews research into potential solutions and leverages case studies to propose a new model for tackling the challenges inherent in decision making.

Findings - The suggested model incorporates previously proposed process- and insight-based solutions and adds a broader focus on information flow and how decision-making behaviour is influenced and informed by the context in which it occurs.

Practical implications – The paper emphasises the role of a trusted, expert coach in implementing the proposed solutions and describes how coaches can leverage an understanding of the systemic nature of decision-making behaviour to improve decision-making ability in both teams and individuals.

Research limitations/implications - Areas for future research are identified and potential limitations to the model are discussed, in particular the impact of geographical and organisational cultural issues.

Originality/value – The paper questions the predominantly individual-based approach to tackling the challenges of decision making and highlights additional interpersonal processes that can both cause and be the source of solutions to Groupthink.

Keywords Coaching, Teams, Autonomous work groups, Decision making, Team performance, Leadership development

Paper type Conceptual paper

Something happened. Or perhaps something failed to happen. Either way, something, somewhere went very wrong. The causes of the economic tsunami that hit in the fall of 2008 were manifold and complex and have stimulated widespread debate. Yet one commonly cited cause is that many banks took risks that they should not have taken. Somehow, the wrong decisions were made, the wrong risks were taken, and no one spoke up, in time. The antecedents of this undoubtedly included deep-rooted systemic causes, running through the entire financial and political systems. But it is also clear that specific protective structures and mechanisms that were established to secure these institutions from bad risks and poor decisions – such as the banks' boards – failed to deliver.

Regulatory bodies and political institutions have primarily responded to the failure of these "protective mechanisms" with stronger regulation, increased safeguards and Journal of Management Development more clearly defined responsibilities. And these measures are certainly both potentially beneficial and politically necessary. The contention of this paper, though, is that although they may help, they are unlikely to be sufficient. This is because they assume



Vol. 31 No. 7, 2012 pp. 711-723 © Emerald Group Publishing Limited 0262-1711 DOI 10.1108/02621711211243908

that clearer structure, stronger regulation and stricter penalties for failure will lead to better decision making and better oversight.

Yet research suggests otherwise – that good guidelines and honourable motivations are rarely enough to ensure good decisions. Indeed, as we will go on to describe, research has shown that it is entirely natural for decision-making groups, whatever their motivations and guidelines, to tend to suppress information flow, have more extreme attitudes, make more extreme judgements, be less flexible in adapting their approach to changing circumstances and – yet amazingly – have greater confidence in their decisions. That is some combination.

Crucially, this is not a reflection on individual ability or motivation, but is due to natural group dynamics. Put your best people in a cohesive group and chances are, for many reasons, that sooner or later, these group dynamics will emerge and get the better of them. They are not faults that arise when someone does something wrong; rather, they are natural occurrences that require extra, unusual steps if they are to be avoided. This is why, in the face of these vagaries of the human condition, government attempts to tweak the operating context of the banks to make risks more salient and incentives less so are likely to fall short. It is also why post-credit crunch, an emphasis on these issues should be a matter of basic risk management. Without such an emphasis, organisations render themselves reliant upon the ability of just a few key individuals to make good decisions. And for all but the most exceptional of leaders, this is tantamount to playing Russian roulette.

So further action is required, in the form of interventions that address the inner workings of banks and other organisations, and more directly impact their decision-making processes. In this paper, we suggest what these interventions might look like. We will focus primarily on the functioning of boards and executive teams, but the research and principles covered are applicable to any decision-making group. We highlight the challenges executive teams face in making good decisions and then suggest solutions for how these challenges can be met. Many of the solutions and methods mentioned herein exist already, but this paper seeks to combine them in a holistic manner, supplement them with a broader focus on information flow and emphasise the role of a trusted, expert coach in implementing them.

A key assumption of this paper is that the challenges to making good decisions are so pervasive and deep rooted that traditional learning mechanisms are no longer adequate, hence the importance of a coach. Many of the causes of the problem are what could be called "default" human behaviours – what most people are socialised to do in a given situation. Consequently, merely establishing processes and providing guidelines and information is unlikely to deliver improvement. To bring about change against the tide – to help people do something other than what comes naturally to them – requires more than just making them aware of how they should act and then leaving them to it. It demands hands-on help and repeated practice and feedback: direct and individualised interventions that enable the development and practice of new skills. It requires the presence of an expert coach, which is increasingly accepted as a function that helps leadership teams function well (e.g. Wageman and Hackman, 2010).

Groupthink: why acting effectively in a group is not easy

One of the biggest challenges facing executive groups in ensuring that failure does not reoccur is: groupthink. The term was coined by William H. Whyte in a 1952 *Fortune*

A mode of thinking that people engage in when deeply involved in a cohesive in-group, when the members' strivings for unanimity override their motivation to realistically appraise alternative courses of action.

Through his research, Janis identified three layers of groupthink: key underlying causes, common symptomatic behaviours and resulting decision-making flaws. The key causes included group cohesion, directive leadership and ideological homogeneity. The common symptomatic behaviours resulting from these causes included overestimation of the capabilities of the group, closed mindedness and pressures for uniformity. The consequent decision-making flaws included inadequate contingency planning, insufficient information search and biased assessments of risk, cost benefits and moral implications (as represented in Table I).

Although the details of his model have been much debated, in particular the antecedents necessary for groupthink to arise, the concept of groupthink has remained intact and subsequent research has confirmed the existence of many of its aspects (Baron, 2005). It is widely accepted that groups tend to:

- suppress dissent (Festinger and Thibaut, 1951);
- focus discussion on things that they already agree about rather than things they disagree about (Stasser et al., 1989);
- have more extreme attitudes and judgements on a wide array of issues and decisions than the individuals within the group (Myers and Lamm, 1976);
- have greater confidence in the correctness of their decisions and attitudes than individuals (Stasser et al., 2000); and
- lead individuals to publicly endorse decisions and attitudes that they view as normal for the group, despite privately holding reservations (Prentice and Miller, 1996).

These findings show what decision-making groups are up against, and it is surprising how little awareness of these difficulties there seems to be. Indeed, given the wealth of research repeatedly demonstrating that people are, generally speaking, not logical and prone instead to all sorts of poor decision-making tendencies, we are puzzled by the relative lack of focus on these issues in many – if not most – leadership curriculums and competency frameworks. If people do not know what they need to know to make good decisions and cannot say what they need to say so that good decisions can get made, then their ability to be effective leaders is limited. Yet all too often, the focus on decision making follows a very narrow, individual definition, concentrating on intellectual ability and thinking style (e.g. intuitive vs analytical), without also looking at the interpersonal processes that support and underpin decision making.

Underlying causes Sympto	matic behaviours	Decision-making flaws
Directive capabili leadership Close-m	imation of group ties indedness es for uniformity	→ Inadequate contingency planning Insufficient information search Biased assessments of risk, cost benefits and moral implications

Table I. Three layers of groupthink

JMD 31,7

714

So what is to be done?

Broadly speaking, two main types of solutions to the problem of groupthink have been suggested. The first are process solutions – solutions that seek to include particular processes in decision-making meetings with the aim of ensuring effective debate and discussion. Janis himself made several suggestions like this, including that:

- the organisation should set up several independent groups, working on the same problem;
- the board should invite outside experts to meetings to discuss key issues; and
- each member should discuss the group's ideas with trusted people outside of the group (i.e. a coach or mentor).

Subsequent research has added to this list. First, and unsurprisingly, simply having a debate helps (George, 1972), as can extending the time available for discussion (Larson *et al.*, 1976). Likewise, assigning at least one group member the role of devil's advocate can have a positive impact on decision making (Brodbeck *et al.*, 2002), an idea included in Edward De Bono's (1985) popular *Six Thinking Hats* process for decision-making discussions.

The second types of solutions to the problem of groupthink are insight solutions – those that focus more on helping decision-making teams to understand how they make decisions and the politics and biases involved, with the aim of helping them improve their decision-making process. This is the approach championed by Argyris (2004), who argued that the usefulness of simply creating debate is questionable when the issues involved are potentially threatening or embarrassing to the participants. He thus sought to bring to the surface the cognitive biases, personal politics and emotional undercurrents that lurk behind and underpin so much organisational decision making. He described a method for improving the thinking and decision making of executive groups, whereby he engaged them both collectively and individually as a coach/facilitator, giving them feedback, challenging their thinking and using focused exercises to help them reflect on how they operate. His purpose was to help executive groups to understand their patterns of behaviour, what they did both individually and collectively to maintain them and what they could do to change them.

Argyris (2004) maintained that process solutions – the first type – are not sustainable, as they focus on specific behaviours (what he called "action strategies"), rather than on the underlying knowledge, biases and drivers that produce these behaviours. A continuance of this argument, however, would be that insight solutions such as Argyris's are also not sustainable because, like process solutions, they primarily focus on what happens within the meeting room or within the team. Yet what happens in these arenas is influenced by and indeed dependent upon key issues that exist beyond the team and outside the meeting room, such as the wider culture of the organisation, the flow of information to the decision-making team and the individual capabilities of its members to contribute effectively. And in order to ensure that any solution is sustainable, these additional elements need to be addressed as well.

There is of course substantial merit in both solution types and, indeed, in combining them: using simple processes to encourage certain behaviours and working with executive teams to help them understand their default behaviours and the sociopolitical context which breeds them. To be clear, we strongly advocate the use of both in any intervention aimed at improving decision-making processes. In what follows, however, we propose a simple three-step, or three-lever, framework for addressing the

additional issues we have alluded to. Our approach seeks to transcend both processand insight-based solutions by tackling the issues on multiple levels: individual ability, information flow within and between teams, team dynamics and organisational culture.

Our ultimate goal is to help organisations create a culture in which ideas, challenges and concerns can be freely voiced. This is what Edmondson (1999) calls a culture of psychological safety – whereby individuals believe that it safe to take interpersonal risks, such as asking for help, admitting errors and challenging. This is important, because it is pointless sending leaders on a course on "articulating challenge" and talking of helping them to have the "courage to lead" if they are then shot down for doing so. If organisations really want to ensure good decision making, they need to create an environment in which speaking up can not only survive but also thrive and be encouraged and rewarded.

What is often forgotten is that culture is not something that can be changed directly and in itself: it is just a socially constructed concept, a word to describe a collection of behaviours. What can be changed are the behaviours that constitute, create and result from an organisation's culture. In what follows we identify three behavioural levers that can be used to create a culture in which ideas are properly debated, concerns are raised and good decisions made:

- (1) Knowing understand impact on information flow.
- (2) Saying make sure people can say what needs saying.
- (3) Sustaining making it all sustainable.

With each lever, we draw upon relevant research and propose specific methods to deal with the associated challenges. Lever 1 looks at how leaders can ensure that they know what they need to know to make good decisions by effectively managing the flow of information to the executive team and its members. Lever 2 looks at the ability of executive team members to articulate relevant information — to say what needs to be said. And finally, Lever 3 looks at how to ensure the sustainability of solutions by working to enhance the capacity of executive team members to reflect in-the-moment on the effectiveness of group decision making and intervene where necessary.

Lever 1: knowing what needs to be known – creating psychological safety and improving information flow

If leaders are to make good decisions, then first and foremost they need to know what information is required to make good decisions. Managing the flow of information around them is a key challenge for all leaders: how to walk the line between avoiding being overwhelmed with too much information and ensuring that they hear the vital bits? It is a balancing act, requiring the skill to both clearly articulate an agenda and be constructively critical of the information and ideas reaching them, without significantly reducing the likelihood of people bringing them more ideas.

Most people can probably point to at least one leader they know who inadvertently chokes the flow of information coming to him by unintentionally making others concerned about how he will react to new information (e.g. "he's difficult to influence", which tends to also mean "don't bother trying"). One way or another, everything leaders do impacts how people behave towards them, including how and when they pass information on.

Yet, the impact of leaders on the information flow around them is a relatively unexplored issue and most leadership frameworks do not refer to this as a significant capability requirement. This lack of attention is reinforced by the fact that there are not many tools available to help leaders gauge their impact. Most of the traditional diagnostic measures that leaders can use to explore their impact do not look at their impact *per se*. Psychometric tests, for example, look at personality characteristics and are self-reporting: how one sees oneself rather than how others see one. Likewise, 360° feedback, although it does seek others' views, is fundamentally about one's behaviour, one's strengths and weaknesses – and not how one's actions impact the behaviour of those around one.

With so little attention paid to the issue of leaders' impact on information flow, knowing precisely what they need to know is a point of vulnerability for all leaders, with their ability largely dependent upon a heady cocktail of their intellectual curiosity, interpersonal skills and workload. Yet just as a company's absorptive capacity (e.g. see Lane *et al.*, 2006) – its ability to acquire and utilise external knowledge – can be a major source of competitive advantage, so individual leaders' absorptive capacity is equally important for both themselves and the organisation in ensuring effective information flow.

The role of the coach in helping leaders and leadership teams to develop their ability to effectively manage information flow and create a culture of psychological safety is twofold: first to help them understand their current impact on the flow of information around them, and then to help them develop their capability to consciously optimise this flow. To do this, the coach needs to gather feedback from the leader's team. Individual leaders could try this for themselves, of course, but the presence of the coach – an independent third party – helps ensure that the feedback gathered is full and frank (or at least more so than if a third party is not involved).

It is important here to ensure a focus on interpersonal patterns – the repetitive patterns of behaviour that occur between leaders and their teams. Over time, these patterns can become established as a major component of interpersonal relationships and can generate broader, personalised judgements (e.g. "she is difficult to influence"), which in turn only reinforce the initial behaviour (e.g. "don't bother trying to influence them"). Behavioural patterns are thus powerful and pervasive, not least because individuals are usually unaware that they are contributing to them. By focusing on such patterns and examining individual contributions, the coach can avoid inadvertently and unnecessarily labelling or blaming any one individual while simultaneously encouraging personal responsibility. This pragmatic approach of exploring what is actually happening between individuals usually leads to relatively quick, observable improvements in functioning. Focusing as it does on behavioural patterns, the approach is also compatible with any theoretical lens for understanding these behaviours that a coach might want to apply (e.g. transactional analysis or emotional dynamics). A coach can help prevent the re-emergence of performancereducing behaviours, but we recognise that limitations of time and money mean that coaches and their clients may not always have the luxury of working together.

Once individuals understand their impact on information flow, the coach can help them to optimise it. Simple actions such as minimising concerns about power and status differences can increase the chances of team members speaking up (Edmondson, 1999), and action research techniques can help improve leaders' capability to test assumptions, inquire into others' views and present their own views as incomplete and open to challenge (no matter how seemingly correct or thorough). By thus working to

enhance the mechanisms of information flow around them, leaders can improve their absorptive capacity and develop – or at least encourage – an optimal level of information flow around them. Of course, this is just half the story, because even when the messenger does not get shot, the simple fear of this happening can still impede the flow of information.

Lever 2: saying what needs to be said

For the vast majority of managers and leaders, the ability to get things done without irritating "the wrong people" is a key leadership survival skill, and speaking out can be a risky tactic. We are reminded of a cartoon we once saw (but unfortunately cannot place or attribute), which showed two people leaving a board meeting, with one turning to the other and saying, "Glad you brought up that controversial issue. We're going to miss you". The implication that resonates is that challenging others' ideas and proposals is not always a great career move, that one way or another, the messenger always gets shot.

There are numerous studies showing that people will not reveal concerns if they are thought to be against the group consensus or not in their own interests (e.g. Milliken and Morrison, 2003). A tragic example of this tendency to silence is the negative impact of NASA's seemingly benign can-do culture on the articulation of safety concerns in the Challenger shuttle disaster (Presidential Commission, 1986, p. 56). And the defensive strategies people employ go further, for there is good evidence that people will adopt a stance opposite to the one they believe in, purely in the name of political survival (Etheridge, 1985).

Moreover, as Jackson's (1997) and Burgelman's (1994) analyses of the development and implementation of strategy at Intel have shown, even when leaders genuinely believe that decisions should be driven by data rather than power and emotional biases, if the people around them do not believe this then it will not happen. Opinions are held back, beliefs left unarticulated. The problem is that human beings seem to have an innate tendency to overestimate the presence of risk even when none is present (Gray, 1987), especially in emotional, ambiguous situations with higher power others (Anderson and Berdahl, 2002). From an evolutionary perspective, we are hard wired to err on the side of overestimating certain types of risk. Or to put it in terms of behavioural economics: "The potential costs to me for speaking out seem reasonably certain and somewhat immediate; the potential benefit to me for speaking out seems rather uncertain and definitely long-range" (Edmondson, 1999).

If the challenges here are clear, then the importance of overcoming them is equally clear. Research shows that behaviours such as speaking out and sharing information positively predict team performance and that team members tend to support group decisions more if they participate and feel listened to (Peterson, 1997). Moreover, the examples above clearly show that without effective information sharing, the consequences can be significant, substantial and even tragic. As Emmons (2007) put it, "decisions are seldom better for silence".

The challenge here is not just about encouraging speaking out, because not all individuals are equally able and willing to speak out. Personality differences play a part too; Bjorkelo *et al.* (2010) reported that high extraversion, high dominance and low agreeableness play a role in people being prepared to voice challenge in organisations. And perhaps here we have an explanation for the increasingly reported anecdotal observation that "spiky", "prickly" "challenging" individuals are less likely to be hired or promoted to executive roles. Unfortunately, it seems that the very attributes that

enable such individuals to stand up and voice a challenge – or least make them more likely to do so – are also those that render them vulnerable to being labelled "unpolitical", a potential "noise generator" and thus too risky to promote or hire (or at least riskier than less "spiky" or "challenging" people).

The challenge for any intervention then is not just to ensure a genuine and public commitment that individuals will not be unfairly penalised for bringing information, but also to help individuals develop their capability to raise issues and challenge decisions – to help them find their voice. As some members of some executive groups may be institutionalised into not raising potentially contentious issues, and because cautiousness about raising such issues may be founded upon and buried deep within unconscious assumptions about the nature of authority, this can be difficult to achieve.

The role of the coach here is to work with leaders to evaluate their current ability to raise issues, understand what underpins this capability, and then implement any necessary development of these skills required. This development work is likely to be about assertiveness, or communication or facilitation skills – the precise mix being dependent upon the leader's current style and skill. Coaching approaches and successes on these issues are well documented, so we will not repeat the different methodologies here. But it is important to note that helping leaders find their voice may not always be straightforward and is more often than not likely to be affected by their whole approach to and experience of authority. This does not mean that a therapist's couch is required, but it does mean acknowledging that simple training courses are unlikely to be sufficient to deliver sustainable progress.

Lever 3: ensuring sustainability through mindfulness

All the solutions presented above have the potential to be effective in the short term, but they are all equally susceptible to lapses in behaviour and the return to old patterns of behaviour. Improving self-awareness and introducing procedures and processes is one type of solution to this problem. Much has been written about how to educate and inform groups and individuals about the challenges they face in making good decisions, so that they can pre-emptively spot the signs and symptoms of faulty analysis and decision making (De Bono, 1985). And, as solutions go, improving understanding and self-awareness seems to be popular, as it is one of the top three reasons that executives employ coaches (Wood, 2008). Yet as important and useful as such interventions are, they are also relatively inflexible and incomplete, in that they act as roadblocks that try to stop certain behaviour, but are of little help when things inevitably do go wrong.

De Bono (1985) addressed this issue in his *Six Thinking Hats* method, by suggesting adding reflection time at the end of each meeting to analyse the effectiveness of the decision-making process. Although we believe that reflection after the event can be useful, we contend that it is of limited value if it is not supplemented by an ability to step back from events, in the moment, and analyse what is going on as it happens. Noting after the fact that the process by which a decision got made was not optimal is not much use. The decision has been made and the potential damage done. Instead, individuals need to be able to spot what is going on mid-discussion and interrupt there and then. In this vein, we are often asked, "What if a challenge is voiced or concerns are raised, but they are not heard or are even ignored?" One cannot legislate for plain bad decision making or a leader who is unwilling to listen, but an ability to capture in the moment the ebb and flow of debate and to reflect this back to the decision-making group before decisions are made can help to ensure that what has been said has at least

had the best opportunity to be heard. This capacity – to be aware of what we do and why we do it, in the moment, as we do it – is called mindfulness (Kabat-Zinn, 1990). It is reflection-in-action rather than reflection-on-action (Brodbeck *et al.*, 2002).

The roots of the concept of mindfulness are hard to pinpoint. One clear part of its history lies in psychotherapy and the concept of "reflexivity" – a skill practiced by clinicians to help them reflect in the moment on the therapeutic conversation. Another part lies in Buddhist meditation techniques and the related skill of bringing a certain quality of attention to moment-by-moment experience. Whatever its genesis, a key task for the coach is to help leaders develop this skill, to help them avoid getting caught up in lengthy, unfruitful discussions and debates and to teach them how to mentally step out of the discussion temporarily and consider how it is happening and both what is being said and what is not being said. Mindfulness means being able to notice the content of one's thoughts, emotions and motivations as they appear, and being able to step back and decide which of them really support one' agenda.

It should be acknowledged that the credibility of mindfulness can be challenged in a business environment, in which such concepts are often deemed to be tainted by self-help new-age pop-psychology[1]. But this reputational issue should not take away from the fact that unless one is in a position to force things through with impunity, the ability to knowingly direct and maximise one's impact can be critical. Combined with a good understanding of the patterns of behaviour that can impact information flow, mindfulness can be a powerful technique to allow leaders to become more conscious of events as they unfold and thereby also more able to influence them. Indeed, we would argue that the focus in recent years on insight and self-awareness has been unfortunate[2], in so far as self-awareness is not always the most practical skill to have. This is because self-awareness is time limited: people are constrained in how they can act upon any insights that they have because they are about events in the past. And perhaps this can account for some of the cynicism in some parts of the business world regarding self-awareness courses: it is not always clear how self-awareness is relevant to the task ahead.

Moreover, the very organisations in which work to improve the flow of information is most needed may well be those organisations in which the least reflection happens. According to Vince (2002), a reflective culture is one that allows for voice and criticism without fear of retaliation. Following this logic, lack of freedom to voice challenge could infer, contribute to and/or reinforce a lack of reflection. A feedback loop would thus be set up, in which a lack of reflection reinforces a lack of speaking out, which in turn hinders proper reflection, and so on.

The role of the coach here is to develop individuals' capacity for mindfulness. Much has been written about how this can be done and we have no desire to repeat it all here. It suffices to say that there are two main approaches and that the degree to which each is required depends upon the individual and the business culture concerned. First, there is simple reflection-on-action combined with exposure to multiple perspectives; the idea here is that through repeatedly reflecting on what has happened, one can develop an ability to reflect on what is happening. In this vein, a popular technique is to hold brief individual coaching sessions with group members after decision-making meetings to probe what went on and how the decisions were made. The second main approach involves meditation and physiological techniques such as breathing exercises, which are designed to help prevent the individual from being carried away by their emotional, physiological response and to instead step back from the action. It should be noted that even with skilled application of these techniques, mindfulness can

take a long time to develop, but coaches should be able to make positive steps in the right direction through focused short-term interactions.

Summary and limitations

We began this paper by noting that things are happening in response to the credit crunch and at multiple levels. From outside the banking industry, better regulations are being implemented and, for the short term at least, politicians are likely to be less carried away by and more cautious of the boom times. However, strong or superficial one thinks these changes are, they constitute one very broad level of response. At a slightly different level, within the banking industry, stronger organisational compliance procedures have been recommended and – to some extent at least – are likely to be implemented. And, as we have seen, techniques already exist to help those executive groups that wish to improve the quality of their discussions and decisions.

We have suggested that in addition to putting in place clear meeting and decisionmaking procedures and educating leaders on groupthink, organisations need to pull three key levers of behavioural and cultural change to:

- improve the flow of information to leaders and executive meetings;
- improve executive group members' ability to articulate relevant information;
 and
- develop executive group members' mindfulness in order to ensure the sustainability of these interventions.

We have also suggested that the delivery of these solutions needs to be hands-on, through a competent coach or trusted advisor (see also recommendations by Wageman and Hackman, 2010). It is our firm belief that a broad spectrum solution such as this, which tackles the issues involved in a direct manner and on multiple levels, has far greater chances of success.

There are, of course, some remaining issues, which we do not discuss in detail here. First, there are significant geographical and cultural issues, including how to implement change in more traditionally hierarchical cultures or those that more openly value "face" (e.g. optimal information flow and how to encourage it is likely to be different in the USA than in Vietnam or Japan). Second, we have not addressed the issue that what constitutes optimal information flow in practice can radically change according to business priorities. Likewise, the pace and culture of particular industries affect how teams make decisions. Finally, we have not addressed the coach's role in managing one of the most prominent process enablers and disablers in groups, namely conflict. All of these issues require further investigation.

Amidst this, though, one thing stands out: organisations are both extraordinarily vulnerable to the impact of groupthink and poor information flow, and equally unaware of the danger, let alone the acceptance of biased information seeking. Yet if organisations are to avoid repeating the mistakes that caused the credit crunch, a focus on the processes of how leadership teams make decisions needs to become be a fundamental part of risk management, and the ability to control information flow needs to become a basic building block in leadership curriculums and competency frameworks.

We began this paper by noting that the challenges to making good decisions are so pervasive and deep rooted that hands-on help is necessary to overcome them – the assistance of a trusted expert coach. The role and use of coaches is much debated, and

business's current enthusiasm for coaching risks triggering eventual cynicism and disillusionment as it fails to live up to its billing and increasing application as a panacea. Yet, working on the frontline of the response to the credit crunch, the coaching community has an opportunity to live up to the hype and help effect genuine and significant behavioural and cultural change.

Notes

- 1. This is not to say that self-help new-age pop-psychology cannot be useful; just to acknowledge that in many hard-edged business contexts it has a real credibility issue.
- 2. [...] albeit typical of our intellectualised western philosophical traditions.

References

- Anderson, C. and Berdahl, J.L. (2002), "Effects of power on emotion and expression during a controversial group discussion", *European Journal of Social Psychology*, Vol. 36 No. 36, pp. 497-509.
- Argyris, C. (2004), Reasons and Rationalisations, Oxford University Press, Oxford.
- Baron, R.S. (2005), "So right it's wrong: groupthink and the ubiquitous nature of polarized group decision making", in Zanna, M.P. (Ed.), *Advances in Experimental Social Psychology*, Vol. 37, Elsevier Academic Press, San Diego, CA, pp. 219-53.
- Bjorkelo, B., Einarsen, S. and Matthiesen, S.B. (2010), "Predicting proactive behaviour at work: exploring the role of personality as an antecedent of whistleblowing behaviour", *Journal of Occupational and Organizational Psychology*, Vol. 83 No. 2, pp. 371-94.
- Brodbeck, F.C., Kerschreiter, R., Mojzisch, A., Frey, D. and Schulz-Hardt, S. (2002), "The dissemination of critical, unshared information in decision-making groups: the effects of pre-discussion dissent", *European Journal of Social Psychology*, Vol. 32, pp. 35-56.
- Burgelman, R. (1994), Strategy is Destiny, The Free Press, New York, NY.
- De Bono, E. (1985), Six Thinking Hats: An Essential Approach to Business Management, Little, Brown & Company, London.
- Edmondson, A. (1999), "Psychological safety and learning behaviour in work teams", Administrative Science Quarterly, Vol. 44 No. 2, pp. 350-83.
- Emmons, G. (2007), Encouraging Dissent in Decision-Making. HBS Working Knowledge, 1 October, Harvard Business School, Boston, MA.
- Etheridge, L. (1985), Can Governments Learn?, Pergamon Press, New York, NY.
- Festinger, L. and Thibaut, J. (1951), "Interpersonal communication in small groups", *Journal of Abnormal and Social Psychology*, Vol. 46 No. 1, pp. 92-9.
- George, A.L. (1972), "The case for multiple advocacy in making foreign policy", *American Political Science Review*, Vol. 60, pp. 761-85.
- Gray, J.A. (1987), The Psychology of Fear and Stress, Cambridge University Press, London.
- Jackson, T. (1997), Inside Intel, Dutton Books, New York, NY.
- Janis, I.L. (1972), Victims of Groupthink, Houghton Mifflin, Boston, MA.
- Kabat-Zinn, J. (1990), Full Catastrophe Living: Using the Wisdom of your Mind to Face Stress, Pain and Illness, Dell Publishing, New York, NY.
- Lane, P.J., Koka, B. and Pathak, S. (2006), "The reification of absorptive capacity: a critical review and rejuvenation of the construct", Academy of Management Review, Vol. 31 No. 4, pp. 833-63.
- Larson, J.R. Jr, Foster-Fishman, P.G. and Keys, C.B. (1976), "Discussion of shared and unshared information in decision-making groups", *Journal of Personality and Social Psychology*, Vol. 67 No. 3, pp. 446-61.

- Milliken, E.W. and Morrison, F.J. (2003), "Speaking up, remaining silent: the dynamics of voice and silence in organizations", *Journal of Management Studies*, Vol. 40 No. 6, pp. 1353-8.
- Myers, D. and Lamm, H. (1976), "The group polarization phenomenon", *Psychological Bulletin*, Vol. 83 No. 4, pp. 602-27.
- Peterson, R.S. (1997), "A directive style in group decision making can be both virtue and vice: evidence from elite and experimental groups", *Journal of Personality and Social Psychology*, Vol. 72 No. 5, pp. 1107-21.
- Prentice, D.A. and Miller, D.T. (1996), "Pluralistic ignorance and the perpetuation of social norms by unwitting actors", in Zanna, M.P. (Ed.), *Advances in Experimental Social Psychology*, Vol. 28, Academic Press, San Diego, CA, pp. 161-209.
- Presidential Commission (1986), On the Space Shuttle Challenger Accident, US Government Printing Office, Washington, DC.
- Stasser, G., Taylor, L.A. and Hanna, C. (1989), "Information sampling of structured and unstructured discussions of three and six person groups", *Journal of Personality and Social Psychology*, Vol. 57 No. 1, pp. 67-78.
- Stasser, G., Vaughan, S.I. and Stewart, D.D. (2000), "Pooling unshared information: the benefits of knowing how access to information is distributed among group members", *Organizational Behavior and Human Decision Processes*, Vol. 82 No. 1, pp. 102-16.
- Vince, R. (2002), "The impact of emotion on organizational learning", *Human Resource Development International*, Vol. 5 No. 1, pp. 73-85.
- Wageman, R. and Hackman, R.J. (2010), "What makes teams of leaders leadable", in Nohria and Khurana (Eds), *Handbook of Leadership Theory and Practice*, Harvard Business School Press, Boston, MA, pp. 475-505.
- Wood, J. (2008), "How to implement an effective coaching strategy: keeping Cinderella's coach from turning into a pumpkin", Tomorrow's Challenges, IMD, October, Lausanne.

Further reading

- Cohen, W.M. and Levinthal, D.A. (1990), "Absorptive capacity: a new perspective on learning and innovation", *Administrative Science Quarterly*, Vol. 35 No. 1, pp. 128-52.
- Esser, J.K. (1998), "Alive and well after 25 years: a review of groupthink research", *Organizational Behaviour and Human Decision Processes*, Vol. 73 Nos 2/3, pp. 116-41.
- Halperin, M. (1991), "Multiple paradigms and organisational analysis: a case study", Organisational Studies, Vol. 12, pp. 275-99.
- Hanh, T.N. (1976), The Miracle of Mindfulness: A Manual for Meditation, Beacon Press, Boston, MA.
- Jehn, K.A. (1997), "A qualitative analysis of conflict types and dimensions in organizational groups", *Administrative Science Quarterly*, Vol. 42, pp. 530-57.
- Kerr, N.L. and Tindale, S.R. (2004), "Group performance and decision-making", *Annual Review of Psychology*, Vol. 55 No. 22, pp. 623-55.
- Mesmer-Magnus, J.R. and DeChurch, L.A. (2009), "Information sharing and team performance: a meta-analysis", *Journal of Applied Psychology*, Vol. 94 No. 2, pp. 535-46.
- Neck, C.P. and Moorhead, G. (1995), "Groupthink remodeled: the importance of leadership, time pressure, and methodical decision-making procedures", *Human Relations*, Vol. 48 No. 5, pp. 537-57.
- Tomm, K. (1991), The Calgary Participant, Spring, pp. 21-4.
- Tsai, W. (2001), "Knowledge transfer in intraorganizational networks: effects of network position and absorptive capacity on business unit innovation and performance", *Academy of Management Journal*, Vol. 44 No. 5, pp. 996-1004.

Zahra, S.A. and George, G. (2002), "Absorptive capacity: a review, reconceptualization, and extension", *Academy of Management Review*, Vol. 27 No. 2, pp. 185-203.

About the authors

Shlomo Ben-Hur is an Organizational Psychologist and a Professor of Leadership and Organizational Behavior with 25 years of corporate experience in multinational organizations. His areas of focus are the psychological and cultural aspects of leadership and the strategic and operational elements of corporate learning.

Nikolas Kinley is Head of Learning in Barclays GRB. His work in the fields of behaviour change and assessment spans nearly 20 years and client groups as diverse as CEOs and life-sentence prisoners. Having begun his career in commercial roles, he then worked in forensic psychotherapy before returning to working with organisations nine years ago. Since then he has specialised in identifying talent, developing leadership skills and enabling behaviour change on both an organisational and individual level. He has worked with over half of the top 20 FTSE companies, is a published author and speaks regularly at conferences.

Karsten Jonsen is a Research Fellow at IMD in Lausanne, Switzerland and Visiting Lecturer in several European universities. His research interests and publications cover a variety of issues in cross-cultural business including team performance, virtual teams, stereotyping, globalization & trends, research methodology, career mobility, cross-cultural communication, gender and workforce diversity. He is the winner of the Carolyn Dexter Award for best international research paper at the Academy of Management 2010. Karsten Jonsen is the corresponding author and can be contacted at: Karsten, Jonsen@imd.ch