

# How Women Dispel Groupthink

- Advocate of diverse, gender-balanced corporate boards. Chair of Corporate Board Initiative, Women's Forum of NY. Co-CEO, Chadick Ellig.

Issues about the lack of women in senior corporate roles are discussed in the media and in forums regularly — yet busy executives hear but do not fully get it — that *women at the top is a bottom line, strategic business imperative*, not just a nice thing to do!

I was recently reminded of this during lunch with the CEO of a Fortune 300 company who asked a telling question: “How will gender parity on my board make a difference?” While he understood the general issue, no one had explicitly laid out the business case and the “*groupthink*” problem. In our discussion, what resonated with him were the research studies: Credit Suisse Research Institute Report on their analysis of 2,400 global companies and those of McKinsey, Catalyst and others showing a strong correlation between better financial performance having more women on the board than fewer; however, the problem of “*groupthink*” was less concrete and required more of an explanation.

It is human nature to gravitate toward people who think, behave, talk and dress like us. It mitigates the discomfort of confronting differences — and for a busy CEO, long, drawn out discussions with opposing points of view are the last thing with which they want to be bothered. While groupthink might save time — healthy debates are productive in looking at all the alternatives and making better decisions. Blindly following one another is no longer an option in our fast-paced, global economy. Some even say that if Lehman Brothers had been Lehman Sisters & Brothers, perhaps the company would still be in business.

Investors are becoming more concerned about how “*groupthink*” can negatively impact a board's decision-making process and its stock. Professor Scott Page, University of Michigan and author of “*The Difference: How the Power of Diversity Creates Better Groups, Firms, School and Societies*,” demonstrates in his research that less skilled heterogeneous groups actually make better decisions than more highly trained homogeneous groups. Investors get the *groupthink* risk and are beginning to focus more on board diversity.

Unfortunately, many CEOs look at their board and think “one and done,” “two and through,” or “three and free!” However, for good corporate governance and discussion around the best solutions, boards must begin to think *beyond meeting the bare minimums* and instead reach higher for a balanced board of 50/50. Of course, we should also encourage boards to be diverse in all possible definitions — e.g. ethnicity, national origin and age.

The Women's Forum of New York aims to galvanize CEOs, Nom/Gov committees and board chairs on creating more diverse boards. At our biennial “Breakfast of Corporate Champions & Symposium,” we recognize companies with at least 20% of women on their boards and give special awards to companies with at least 40% female board representation. Yet in 2015, we'll only award 27 companies

out of the Fortune 1,000 this highest recognition - just 2.7% are close to reaching parity! More needs to be done!

*You've come a long way baby*, certainly does not apply to boardroom parity. However, my previous Huffington Post article showed that the Fortune 500 can reach parity by 2025, if even less than half of the average number of board openings each year are filled by women, and added to the nearly 1,000 seats women hold today. It is not even a stretch goal. Parity can be accomplished within the next decade. A milestone for success is for the Women's Forum to hold our final "Breakfast of Corporate Champions & Symposium" on or before 2025 - at which time all boards should have reached parity.

Everyone is tired of the conferences, articles and discussions on the topic of "women breaking glass ceilings." Additionally, for years companies have spent so much time and money on Diversity Programs. We know the problem and we know the solution - let's just make it happen. Like my CEO friend who got an earful over lunch, he saw the financial business imperative and the danger of 'groupthink' and now will take action to add more women to his board. Until we reach parity, we all must keep educating, discussing and challenging the inequities we see in our boardrooms and honor those visionary CEOs and Directors that are accelerating change because *women at the top is a strategic business imperative*.

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