The Dynamics of Groupthink: The Cape Coral Experience[1]

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ABSTRACT

This research provides a case study and review of "groupthink" literature. Groupthink theory was originated in 1972 by Irving Janis and remains an area of scholarly debate. The primary objective of this paper is to research the effects of groupthink in terms of being a positive or negative force in business. In today's dynamic business environment, many organizations are composed of stakeholders with different objectives, different standards of what is ethically right and wrong, and all environments have become diversified. Therefore, it takes an organization that fosters effective leader involvement to ensure that employees maintain a positive outlook toward the organization. Research indicates that group mentality can be positive or negative depending on leader involvement. This research compares and contrasts the effects of groupthink utilizing literature and a case example from the City of Cape Coral, Florida.

Keywords: groupthink, ethics, stakeholders, utility, customer service, business, environment, diversification, Cape Coral Florida, case study, leadership, group mentality

INTRODUCTION

This research provides a case study and review of "groupthink" literature in an effort to identify the positive and negative effects on an organization. The concept of groupthink originated in 1972 and is attributed to the Seminole work of Irving Janis. The basic definition of groupthink is people who approach problems or issues as a collective group, no matter what the facts are, instead of acting and thinking as individuals. This concept can be seen in political debates, culturally diverse groups or in the workplace. Basically, any place people gather for a common cause. Groupthink theory has prompted continuous debate among scholars over the past four decades. The primary objective of this paper is to provide an example of the effects of groupthink on an organization and research the dynamics of groupthink in terms of the literature available.

There are many examples of applications of groupthink affecting organizations. In today's dynamic business environment, many organizations are composed of stakeholders with different ethical objectives, different standards of what is ethically right and wrong, and most importantly, all environments have become diversified. Groupthink theory is present in virtually all decisions made by the leadership in an organization. The decision-making process underscores the direct importance of groupthink and how it can help or hinder an organization. As noted by Irving Janis, "Groups bring out the worst as well as the best in terms of decision-making" (Rose, 2011, p. 38).

Groupthink is a mindset that has been present as long as there were groups of people. Although, it was not identified as "groupthink" until Irving Janis created his Seminole work, the concept of groupthink was illustrated in a novel titled "The Ox-bow Incident" in the 1800s. In this novel, famed western writer, Walter Van Titburg Clark, described a mob mentality as a group of cowboys hung alleged cattle thieves before a legal trial. Today's

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organizations are often the victim of this type of negative groupthink. The challenge for management is to create an atmosphere of positive groupthink.

Common questions regarding groupthink or a group mentality environment include: 1) does groupthink help or hinder results, and 2) does groupthink intrude on creativity, independent thinking, and/or critical thinking? The answers depend on employee acceptance of the decision-making process. Several studies indicate that properly organized group work will result in positive outcomes in terms of performance and individual learning (Meyers, 2010). In contrast, other studies indicate that the negative effects of groupthink due to weak leadership includes; 1) does not provide the group with opportunities for creativity, 2) does not provide unique opportunities for the group, 3) encourages the use of short cuts by the group, and 4) leads the group to negative stereotyping (Sikula, 2009, p. 260; Breger, 2010, p. 58). Research supports the premise that groupthink can have a positive or negative effect on an organization.

This paper addresses groupthink theory and stakeholder management. Studies that compare and/or contrast group mentality in organizations will be discussed and analyzed. This research will utilize a case study to briefly demonstrate the stakeholder management approach and groupthink in an organization.

LITERATURE REVIEW

In today's business society it is imperative to perform in a manner to maximize profits for shareholders. In order to properly maximize profits, successful business regulations must be implemented and followed. The concept of groupthink is viewed as a negative model in many organizations. However, a literature review of scholarly articles indicates that, while groupthink can be extremely negative, the positive aspects of groupthink can enhance moral, goodwill and productivity in an organization.   Research indicates that leadership and stakeholder management affects the level of groupthink in an organization.

In the book "If you ask me", Nick Smith stated, "Groupthink is responsible for countless mistakes at the management level" (Caulfield & Smith, 2009, p. 16). Research indicates that this statement is supported by scholars as an indicator of groupthink theory and has received much attention within the business environment and literature since origination. The theory is widely thought to be present in some of the world's worst fiascos including the Bay of Pigs, the attack on Pearl Harbor, the escalation of the Korean conflict, the escalation of American involvement in Vietnam, the Marshall Plan, and the Watergate break-in and cover-up (Rose, 2011, p. 38; Heinemann & Farrell, 1994, p. 72).

Groupthink theory has many symptoms and conditions that contribute to the occurrence and whether it will have positive or negative effects. The first step is identifying the three antecedent conditions of groupthink including: 1) cohesion of the group, 2) organizational structural faults, and 3) situational factors (Rose, 2011, p. 38). According to research, these three conditions are likely to promote groupthink and have the ability to hinder overall results. Cohesion of the group considers how individuals feel about each other and if they honor and trust one another. If a high cohesion exists, groupthink is occurring with respect and loyalty to the group being guaranteed (Heinemann & Farrell, 1994, p. 73). Additionally, individuals are more likely to be reluctant to disagreement, and the sharing of information is scarce (Heinemann & Farrell, 1994, p. 73). Organizational structural faults form into four categories (Rose, 2011, p. 38; Heinemann & Farrell, 1994, p. 73):

1. The group becomes insulated from experts and information that could possibly influence a members' course of action.
2. Lack of impartial leadership - a directive leader with a very specific course of action - is apparent.
3. Norms for methodical processing is absent.
4. Homogeneity of group members' social backgrounds prevents the group from cooperating.

There are several symptoms of groupthink that contributes to negative decision-making in the workplace. The symptoms of negative groupthink visible in teams of employees include: 1) an illusion of invulnerability, 2) belief in group's inherent morality, 3) collective rationalization of facts, 4) stereotyping of non-group members or agencies, 5) self-censorship, 6) an illusion of unanimity, 7) direct pressure from members, 8) demands for

conformity, 9) mind guards to keep away expert information, and 10) failure to develop contingency plans. (Rose, 2011, p. 38-39; Heinemann & Farrell, 1994, p. 72-73; Ahlfinger & Esser, 2001, p. 32)

After considering the basis of what groupthink theory entails and how it originated, the next step is to analyze how this theory affects different environments both positively and negatively. The theory was studied in a control group of middle school students. Several students were assigned to work together in a classroom environment that included computer labs and library activities. In this case, researchers believed that the collaborating middle school students would form a cohesive group that would be motivated to work together in a positive manner (Meyers, 2010). Research completed on cognition and development hypothesized that group work would have positive outcomes. Results of this research indicate that individuals bring an array of knowledge and skills to an organization. Researchers found that when groupthink is positive, employees challenge each other with alternative strategies and solutions. Additionally, employees have the ability to verbalize their processes and encourage social motivation awareness (Meyers, 2010). Results from this research indicate a complete opposite of what was expected. Students working individually performed better on information-seeking assignments and quizzes (Meyers, 2010). Therefore, in this case, groupthink displayed signs of improving student performance (Meyers, 2010).

An example of a negative groupthink outcome is demonstrated in research conducted on geriatric health care teams. In this study, the wife of a husband with a severe medical condition was trained to be his full-time caregiver. The couple was provided a team of doctors available for consultation. When the wife requested assistance, the team of doctors ignored her and opted to place her husband in a nursing facility (Heinemann & Farrell, 1994, p. 778). The study determined that doctors ignored the caregiver's request because the patient had no interest in leaving home. After the wife relinquished her caregiver status, the doctors took action to care for the patient and forced him into proper care (Heinemann & Farrell, 1994, p. 79). This action indicated negative groupthink where the team of doctors used their collective collaboration to influence the outcome of the decision.

Another study possessing both positive and negative effects of groupthink theory focuses on the family court system. The study reviews the policies and procedures that determine court appearances. A study demonstrated that courts are hindered by groupthink because the group mentality in this workplace discourages intelligent discourse, innovation, zealous advocacy, client-centeredness, and loyalty in the court culture (Breger, 2010, p. 82). Furthermore, the study revealed that attorneys tend to go with the flow and not work against the opposing side to obtain better resolution for future proceedings (Breger, 2010, p. 82). An example of positive groupthink revealed by the study was that the court culture was influenced by an atmosphere enabling those practicing the same type of law to exchange ideas. The study indicated that this exchange relieves daily stresses, encourages specialization, provides an opportunity for judges and attorneys to bond, promotes work harmony, efficiency, and economies of scale (Breger, 2010, p. 83-84).

The advantages and disadvantages of groupthink are important and need to be clarified. The advantages of the theory include improved reasoning and what can be accomplished by two or more individuals versus working alone (Solomon, 2006, p. 28). Positive groupthink also provides individuals with the ability to correct errors, uncover presuppositions, and identify new ideas (Solomon, 2006, p. 29). Research indicates that empirical results demonstrate that by using groupthink in a positive manner, a group of individuals who are not experts can, at times, produce better decisions on a topic versus a group of experts (Solomon, 2006 p. 31).

The disadvantages can be extremely detrimental to an organization. The collapse of Enron and the Challenger tragedy are widely believed to be the result of groupthink. In both cases, individuals ignored warnings because group members could not or would not see the big picture (Caulfield & Smith, 2009, p.16). In addition, it is believed that the major reason the US military has faced difficulties in adapting to non-state warfare is the culture of groupthink within military personnel (Corum, 2009, p. 22). Studies have suggested that a group mentality encourages short cuts and stereotyping (Breger, 2010, p. 58). Peer pressure, forcing people to change their mind, keeping important information to oneself, and inaccurate decisions are all direct results of groupthink (Solomon, 2006, p. 31-34).

Effective leaders can ensure a positive effect from groupthink by providing: 1) an open climate of giving and accepting criticism, 2) impartial leadership, 3) open group discussion without injecting personal preferences, 4) multiple groups, 5) diversified groups representing the population of the company, 6) expert advice and consultation, 7) devil's advocates and alternatives to solutions, 8) open, honest, and direct communication, 9) long and short-term goals, and 10) designated roles for each group member (Rose, 2011, p. 39; Heinemann & Farrell, 1994, p. 81-83; Meyers, 2010).

Groupthink occurs in all organizations, but at different levels. Irving Janis examined how an organization could be the victim of groupthink. Janis describes groupthink as "a mode of thinking that people engage when they are deeply involved in a cohesive group; when the members' strivings for unanimity override their motivation to realistically appraise alternative courses of action". Therefore, Janis believed that the effects of groupthink could be either positive or negative and effect management as well as employees (Janis, 1972). As noted earlier, some theorists attribute well-known historical events, such as the *Bay of Pigs* and the *Challenger* disaster, to the effects of groupthink. It is common for managers to exercise caution when telling the boss what he/she doesn't want to hear. In all organizations, areas of imperfection can be found and it can be difficult to know when to speak up or when to remain silent. Managers can do things wrong forever and only lose customers, but all it takes is that one huge mistake that can bankrupt a business. The financial issues at Enron and WorldCom are considered examples of negative senior level groupthink.

At the lower levels of management, groupthink is usually based on employees' attitudes and opinions concerning the company or the managers leading them. The goal in any company is to create positive groupthink. Management's ability to develop a positive culture will enable employees to be innovative, creative, and therefore maintain a positive outlook. Unfortunately, groupthink often surfaces as a negative phenomenon that affects the ability of the group to make decisions. Once the negative symptoms of groupthink grip the company, it is difficult to reverse. Therefore, the company should strive to keep groupthink positive and make it work for the organization (Janis, 1972).

Whether positive or negative, groupthink is more than likely an issue in most company. In order to understand groupthink, it is important that managers understand the symptoms. As a manager, you can enlist groupthink to work for you. Positive groupthink results in employees describing the company enthusiastically with customers and coworkers. The positive culture created by this action is exactly what leaders strive to achieve (Janis, 1972). Groupthink has the ability to help subordinates learn and improve their skills. An employee working alone, continuously making mistakes without the knowledge to improve, is not likely to help an organization succeed. Encouraging team work can improve productivity and work efficiency. Encouraging subordinates to work together is a form of leadership. Positive groupthink inspires employees to achieve organizational goals and professional fulfillment.

A Case Example of "Groupthink"

This case example demonstrates how groupthink affects an organization. During, 1994 to 1997, the period of this case study, the city of Cape Coral, Florida, grew from 35,000 citizens to approximately 86,000 in a period of ten (10) years. During that same period, city staff grew from approximately 100 employees to over 800. In 2008, the city grew to over 150,000 citizens and approximately 1,200 employees plus numerous contract workers. The trials and tribulations of Cape Coral's first 35 years could possibly be one of the best case studies currently available in public administration.

At the time of this study, the City Manager functioned as the CEO for the city with the aid of ten (10) administrative departments. Cape Coral utilized a weak Mayor form of government with seven (7) city council members and an elected Mayor. Additionally, the City Manager utilized an executive staff consisting of an Assistant City Manager, Auditor, Economic Development Director, Public Relations Officer, and an Administrative Assistant.

At the time of this study, the ten (10) departments consisted of Public Service, Parks and Recreation, Community Development, Finance, Human Resources, Information and Management, Police, Fire, City Clerk, and the General Services Department. Additionally, the City Attorney supports both the staff and council.

Several structural changes occurred during the period covered by this study. The Assistant City Manager was fired for moonlighting on government time. The Public Service Director resigned for making derogatory comments about the City Manager's hiring practices. His replacement resigned under pressure from the citizens. Additionally, a very popular General Services Director and City Clerk retired.

This case study material is accumulated mainly from first-hand knowledge from the co-author hired as the first Business Manager in January 1994 and promoted to Director of the Office for Business Management and Information (OBMI) in 1995. Change was dictated when the city transitioned from a flat file WANG system to a user generated and fully integrated system, utilizing an IBM AS400. It contracted with Harward Technical Enterprises, Inc. (HTE) to provide software and support for this conversion. When the position of Business Manager was hired, the selection process for the new system and early conversion was complete. The Business Manager position was hired to convert the utility billing module and help the city complete implementation of the entire system.

Responsibilities of the new Business Manager position required oversight of the conversion, management of Utility Customer Service, and general counsel to the Utility Director for issues such as utility rate studies and other duties as assigned. This case study is about management issues and challenges discovered in the Utility Customer Service department.

It is important to note that this case study is not about the customer service supervisor and personnel. They were extremely dedicated employees working for managers that did not accept responsibility for the department. This case study is about the effects of absentee leadership on a department attempting to follow rules established by managers above them that would not provide support when necessary. This study demonstrates the frustration experienced when there is a lack of trust and communication. In this case study, the example of groupthink was a group of employees supporting each other for self-preservation.

The Utility Customer Service Department was positioned three steps down the organizational chart from the City Manager, with an immediate supervisor who spent little time in the office. When duties were explained to the new Business Manager, he was advised that the position was responsible for Utility Customer Service, and the statement from the previous boss was "…..you have responsibility for the Customer Service department, but don't go over there, they will drive you nuts." After a short period of time, it became apparent that no senior management spent time in the department. The Customer Service Supervisor was left completely on her own with no support from the chain of command.

It soon became apparent that Utility Customer Service needed management support if they were to be successful. The customer service office was comprised of a Customer Service Supervisor and twelve clerks responsible for customer service, utility billing, stormwater billing, lot mowing billing, and management of $250 million in assessment revenues. From the very beginning, the goal was to implement a new computer system that improved efficiency, while protecting jobs during rapid growth. However, communicating this in a manner that could be comprehended by existing personnel proved to be a difficult task. Analysis of data began with a review of accounts and flowcharting of processes. This process identified an initial problem that served to highlight the management situation in the utility office. The initial review was accomplished by "management by walking around" as each clerk was interviewed and office procedures flowcharted. Flowcharting processes involved discussing functions with office personnel, writing down the procedures described, then transferring processes to a chart.

The first indicator of previous processes was discovered when the first clerk was interviewed during the management by walking around process. A review of accounts revealed a list of 64 properties owing betterment fees and 37 properties owing impact fees for a water installation project in the Palmetto Pines area of Cape Coral. The list was discovered in a desk drawer located in the Customer Service department. This list was an example of office personnel attempting to take corrective action, but receiving no management support. This became an early indicator of management challenges discovered throughout the process. Investigation revealed that the betterment area was established by City Council in 1991 and a list was created for billing. Each affected owner was required to pay a betterment fee ranging from $960 to $1,440 depending on the size of their property. Additionally, an impact fee of $493 was charged. Many property owners paid immediately. However, City Council allowed citizens to voluntarily elect city financing for one or both fees. Financed betterment fees totaled $61,920 with $47,752

remaining after the initial deposit was collected. Financed impact fees totaled $18,931 with $15,033 remaining after the initial deposit.

The problem, as explained by department personnel, was that support for a billing system was never afforded to the Utility Customer Service office leaving them with no means of invoicing property owners. At the time of this action, Utility Customer Service reported to the Utility Department, collection responsibilities belonged to the City Clerk, and the City's information system belonged to the General Services Department. Due to the lack of management support, accounts were created on a spreadsheet but not billed in 1991. In 1993, the betterment list was discovered by the Customer Service Supervisor. Again, support was sought through the chain of command to invoice the responsible property owners. At this time, liens were placed on each identified property by the City Clerk, but still no billing system was established. Due to this lack of action, accounts were not billed in 1993. The list remained in a file drawer until discovered by the data analysis process established in early 1994. Discovery of this list moved betterment fee analysis higher on the priority list and resulted in a more serious financial issue. It is important to note that most of this lost revenue was recovered once billed in 1994. A billing account was established and letters issued to each property owner explaining that utility bills were due. The result was that except for a few properties that changed owners the bill was paid by homeowners. It appeared they were just waiting on the city to bill them and it didn't seem to matter that the invoice was three years late.

The following list consists of only a few of the major revenue problems discovered during this initial analysis:

1.   Water accounts were approximately 10,000 less than reported over the past several years.
2.   Wastewater accounts were approximately 6,000 less.
3.   Delinquent accounts were written off annually with little attempt to collect.
4.   Lot mowing carried over $1.2 million in delinquent accounts with no action taken.
5.   Assessment foreclosures were presented to the contract attorney for collection without proper research, resulting in the City spending approximately $10,000 in unnecessary attorney fees.
6.   Property strap changes were not recorded in our assessment program with necessary regularity, resulting in several problems and double assessments.
7.   Delays in moving assessments, lot mowing, stormwater, betterment, and impact fee accounts to HTE created major address problems, resulting in lost revenue and poor customer service.
8.   An additional $2.3 million in betterment fees associated with line extensions were not billed.
9.   There were no policy or procedure manuals.
10.   Daily water account problems discovered through customer complaints.

A betterment issue discovered during data analysis became a political football that still continues. The 1996 list was compiled, containing over 24 properties owing approximately $716,160 for water, $1,203,955 for wastewater, and $386,727 for irrigation. This list combined to total approximately $2,306,842 in betterment fees that should have been billed and collected by the city (Nov. 18, 1996). Many of the same properties from the 1996 list are included on the 2004 list (Dec. 28, 2004).

As noted earlier, the Customer Service Supervisor was three levels from a senior decision-maker and did not enjoy adequate support. Consequently, customer complaints were recorded at a peak level of approximately 200 per month. Flowcharts revealed that quality control occurred when the citizen received the bill. Customer Service clerks were spending an abnormal amount of time with angry customers. The initial assessment indicated that there were severe process issues in Utility Customer Service. Based on the initial assessment, management decided to take a systematic approach and work on each sub-system in an attempt to correct the system as a whole. After an initial period of managing by walking around and creating flowcharts of noted processes, the improvement process began by working with teams from Customer Service to improve efficiency. As noted earlier, the city was growing at a rapid pace and the strategy remained to make sure the new computer system was cost efficient.

Communication to employees included instructions indicating that the department would work to improve efficiencies to ensure that customer growth was handled by the new computer system. However, even though it was constantly communicated that employee positions were safe, the informal structure reflected fear and mistrust of management intentions. This was the first indication that the culture of the organization or groupthink was an issue. It

appeared that no matter how much was communicated, office personnel thought that "….the city has brought in a Ph.D.; he is measuring what we do….he is going to fire us." This skepticism was prevalent even though it was never mentioned openly. This attitude affected every aspect of the office and computer conversion.

The first twelve months produced numerous analysis and process improvement efforts. The structure of the organization was an immediate issue. With the exception of the supervisor, everyone in the office was at the same low pay level. Additionally, everyone was responsible for everything; but in actuality, no one was responsible for anything. The office configuration was as shown in Figure 1.
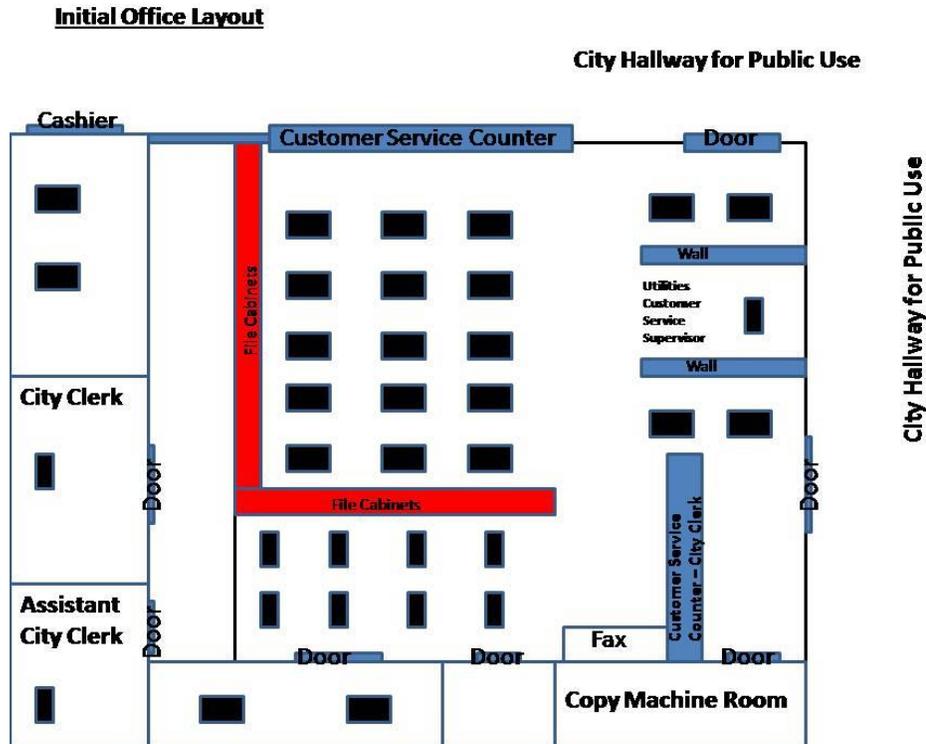

Figure 1: Original Layout of Utility Customer Service

The existing procedure for customer service dictated that when a customer was at the counter, the "next" clerk was responsible for service. This produced a situation where the customer knew exactly where he/she were in line, but office personnel seldom knew who was next. There was no formal method of determining which clerk was responsible for the "next" customer. Billing for major city accounts was rotated among Customer Service clerks in an effort to cross-train and reduce stress. The result was no quality control in the billing process. To compound this issue, as noted earlier, the Utility Construction division of Public Works was responsible for reading meters, Utility Customer Service for billing, and the City Clerk's office was responsible for collecting funds.

Analysis of utility operations and implementation of the utility billing module for customer service was ongoing as management attempted to improve quality control to reduce customer complaints. City Council approved a $1.7 million conversion to the HTE, Inc. software that included an IBM AS400 and support for conversion. However, the council did not consider equipment to support the new system. Utility Customer Service was equipped with dummy terminals that worked with the old WANG system, but did not support the windows based IBM AS400. Typewriters were still the word processors of choice and historical information was kept in numerous file cabinets located in the customer service area. The office did not have a dedicated facsimile or copy machine.

Willingness to change in the Customer Service Department was a huge issue. As changes were implemented, job security was a concern and employees became very territorial concerning existing processes. The book titled "we've always done it that way" was somewhere in the office. The book was quoted on a regular basis, but a copy was never produced. Analysis revealed that employees were basically experts at working eight hours per day and not very good with process control. Routine issues such as a customer complaint led clerks to file cabinets for hours for research on the history of an account. This, despite the fact that historical data was being now kept in the new computer system and each month added history sufficient to make decisions and take corrective action.

The department created an extensive report each month that included most of the key data elements required for decision making. This report was created on a monthly basis and forwarded to members of the chain of command. The problem that surfaced when the monthly reports were consolidated into one continuous spreadsheet was that account data had been recorded erroneously and carried from month to month. This resulted in a utility rate study using erroneous data causing future production forecasts to be inaccurate. Although the monthly report was forwarded to the entire chain of command, no manager checked or questioned the data.

It is virtually impossible to list all of the issues facing this department, but after a period of analysis, it was determined that management needed to concentrate on several critical areas. These included: 1) account integrity, 2) policy and procedures manuals based on the approved ordinances, 3) future Planned Development Process (PDP) responses must include revenue collection, 4) management process improvement, 5) quality control, 6) reporting procedures, and 7) organizational structural changes that would assign responsibility.

The established structure and management processes placed the Customer Service Supervisor in a position of defending ordinances to angry citizens several times per day. Due to a lack of established processes, quality control was triggered when a customer received an erroneous utility bill. Customer Service personnel tried to ensure that money owed was collected in accordance with existing city ordinances. When a customer lodged a complaint, it was investigated fairly and reduced if allowable. However, they did not have management support when citizens did not like the results of the analysis. In one instance a citizen owing more that he felt necessary for water boasted "I will find someone who will reduce this bill". In this case, he found the Assistant City Manager who promptly demanded that this citizen's bill should be reduced. To combat this, a new policy was established to comply to the superiors demands, but to compiled a history of the incident and required him/her to sign accepting responsibility that he/she reduced a bill even though the citizen was clearly not in compliance with the city ordinance. This action immediately stopped the Assistant City Manager and others of siding with citizens without checking facts.

The initial physical location for the first Business Manager was a very nice office in the county building afforded as a centralized location. This office was comfortable with a nice view and plenty of room. It was soon realized that if conversion were to be successful, Utility customer service was a key to quality control, data analysis and computer implementation. To this end, the City Clerk was encouraged to move her copy machine so that the Business Manager could occupy a room in the back of the customer service bay. This room had no windows or size, but it was near the employees needing immediate attention. The move to the city building ended the analysis phase and began a second phase to improve processes and quality control.

Analysis revealed numerous red flags that required immediate attention. Additionally, there were several long term issues that, although not pressing, demanded a plan of action and implementation. Compounding the problems discovered during analysis were current conditions that included a fast growing city with $250 in assessments plus betterment fees, stormwater fees, impact fees, monthly utility bills, lot mowing billing, and new construction connections. To complement this, the city was in the middle of an ongoing rate analysis that was not receiving citizen support. In a short period, the Business Manager position was promoted to department director status and the Office for Business Management and Information (OBMI) was formed. The new department consisted of the city's information systems and revenue collection which included utility customer service. This action provided the clout necessary to affect necessary changes to the system.

Customer service was an immediate management concern that had to be addressed. As noted earlier, quality control was at the end of the billing process. Morale in the office was extremely low due to customer complaints. The structure of the department did not allow for accountability as everyone was the same pay scale with the exception of the

supervisor. Data was limited and unreliable. This was a long term issue with immediate consequences. Management support, or lack of, created an atmosphere of distrust and uncertainty. Education and training was an area that needed immediate attention due to changing systems and growth. Processes were either non-existent or not recorded. The absence of operating manuals and basic flowcharts were an indication of the customer service issues found in the analysis. Immediate action in the customer service arena was necessary to ensure success of the strategic plan.

The first priority was to stop the bleeding. It was determined that with so many issues before the department, the best first move would be defensive. To that end, the hardest thing to do is change an existing culture or groupthink. It was determined that the first management initiative should include a long term plan to improve the culture in Utility Customer Service. The formal, informal, and social elements of organizational culture were analyzed and two of them were dangerously flawed. The social element was intact as members of the office got along pretty well and they had a common enemy in the new manager that seemed to unite them. The key was to channel that energy towards the goal of quality customer service. Therefore, the formal and informal organization became the focus for improvement.

Research indicates that change in an organizational culture must be accomplished over a long term period. However, the problems in Utility Customer Service required immediate attention. The informal organization consisted of internal leaders other than managers indicated on the organizational chart and how office communication reflects on the overall attitude. There was a strong groupthink attitude that was not positive for the organization. In a strong organization, office communication is positive resulting in a positive image. Unfortunately, in this case communication was negative. In the short term there was no quick fix for the informal organization. It was decided that if the formal organization were corrected, the informal and social organization would follow in time. Therefore, policies, processes, and procedures became a priority. After weeks of working through the academic aspects of organizational behavior including surveys, quality groups, workshops, training, and extensive communication, it was apparent that resistance to change was entrenched. If change were to be affected, it would need to be dictated by the manager without further input from office personnel. While this is never a recommended course of action, it became the only option.

To accomplish required changes, a crew of workers from outside the office was assembled on a Sunday morning. Through prior planning, equipment was prepositioned and storage was secured. As noted earlier, the office utilized twenty-five file cabinets with information stored on the new computer system and typewriters even though the new system contained a word processor. Upon completion, the new office used partisans to separate Utility Customer Service and the City Clerk's office. Additionally, the Customer Service Supervisor was placed in an enclosed area with windows to monitor operations and privacy to discuss issues with employees and customers. The front counter now housed four computers with stools for on duty clerks to wait on customers. A rope now placed customers in line with a sign that stated "Wait here for the next available clerk". Six clerks were assigned to customer service only.

The old supervisor area became a phone bank manned by two Customer Service clerks. Six billing positions were created for the billing process and placed behind a wall for privacy. Two of the positions were vacant, which allowed for consolidation of the two positions and approval to hire an accounts supervisor. The door in front was converted to a counter door and utilized for new construction. Two clerks were assigned specifically to that position. The new office configuration is shown in Figure 2.

Adjusted Office Layout   **City Hallway for Public Use**
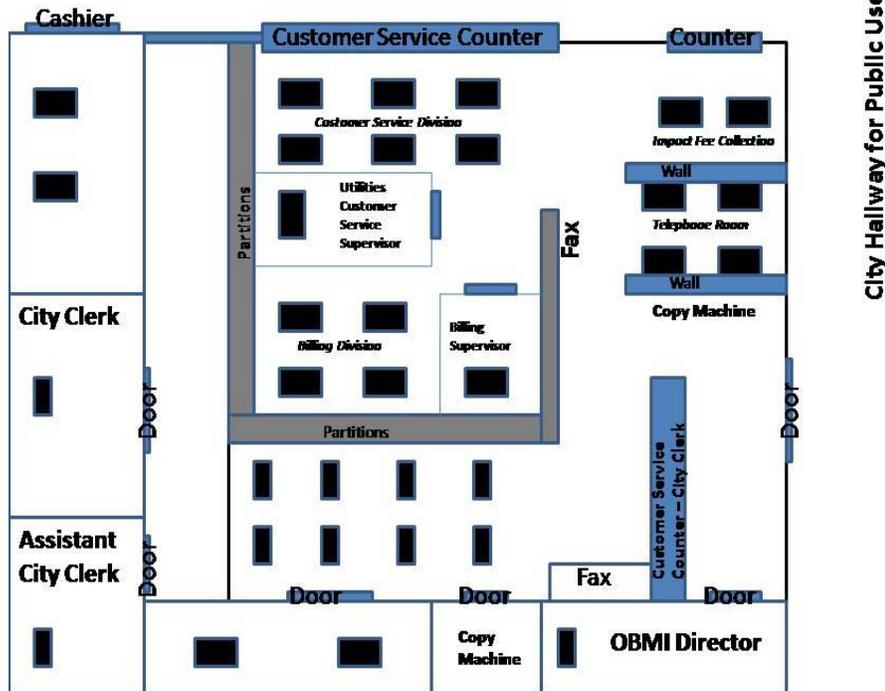

Figure 2: Revised Office Configuration

Effective immediately, members of Utility Customer Service assumed individual responsibilities. The Utility Customer Service department personnel were divided into three teams; 1) new accounts (construction), 2) customer service, and 3) utility billing. Each member was assigned measureable responsibilities for tasks assigned to the team. Additionally, all members of Utility Customer Service will be cross-trained to help other teams during peak periods. Team responsibilities included; 1) working as a team to establish team customer service coverage at all times. (i.e., ensuring that enough team members are always present to accomplish the team mission or coordinating through the staff assistant for support from other teams, 2) providing quality customer service to all utility customers in a timely fashion, 3) working with each team member to ensure all individual responsibilities are accomplished, 4) work together as a team in all areas, and 5) establish and maintain monthly team reports.

Each member of Utility Customer Service assumed responsibility for several individual areas within their respective team. That responsibility dictated that individual team members; 1) establish and maintain reports, 2) become the expert on individual responsibilities in the HTE Computer System, 3) establish and maintain desk procedures for individual responsibilities, 4) establish and maintain a monthly reporting system, 5) ensure inclusion in the administrative policy manual, 6) obtain and maintain all historical data, and 7) work to ensure that fellow team members are trained on established procedures.

As noted and for measurement, each team was responsible for monthly team reports. These reports included, but not limited to the following; 1) all transactions conducted by that team for the month, 2) historical data for the past three years, and 3) any trends or potential problems noted during the month. To ensure quality customer service and data integrity, the office was challenged to work as a customer service team. To accomplish this, the following tenants were promoted:

1. Strive to become the best customer service representative in Cape Coral. Even though the customer may not always be right, never allow them to leave the office feeling that the department does care about their individual concern.

2. Strive to become an expert on the HTE Computer System. First on your individual and team functions, and then on all customer service functions.

3. Become a "can-do" team member. It is easy to find a way not to complete a requirement; winners find a way to make it happen. Never say that you cannot do something until you are sure that is the right answer. Then strive to find an alternative solution.

4. Always be a professional. Develop a reputation for immediate response to customer concerns. Strive to produce reports. Constantly look for methods to improve procedures.

5. Always work as a team player. Never ignore a customer because the question does not fall in your individual responsibility matrix. Pass information to other team members when you work with customers in their effected area of responsibility.

6. Strive to make your individual and team responsibilities the best and most efficient in the department. Quality customer service is the main goal.

7. Constantly look for methods of self improvement. Plan at least one professional development class per year. Strive to learn all functions of utility customer service. Continue to share knowledge with other team members.

8. Be immediately responsive to customers at the counter or on the phone. Never tolerate anything else from fellow team members. Notify the chain of command of anything less that quality customer service. Take corrective action.

9. Remember that the team consists of everyone working with our customers. This includes the Director, Construction Maintenance (Meter Readers), City Clerk, and any city employee working with utility customers.

The tenants and changes made were met with strong resistance in the Customer Service Department. Although each proposed change was presented to committees comprised of customer service personnel. This effort to include employees in the decision making process was designed to utilize experienced personnel, enhance morale, and build continuity proved to have the opposite effect. The prevailing culture was still "…..the city brought in a Ph.d.; he is measuring what we do and making changes, he is going to fire us". Although this was never spoken, it was definitely a part of the daily culture or groupthink.

On Monday morning after the structural changes in the office there was a mini-revolt when employees reported to work. There was strong opposition to individual responsibility instead of working as a group. There was not much internal communication as employees settled into their new roles, but political action was swift. By lunchtime, a council member was in the office of the City Manager demanding that the new OBMI Director be immediately fired. This political action occurred without the council member gathering facts or discussion with the director. A subsequent meeting between the director and the council member cleared several issues and resulted in a mutual understanding of the processes involved. This addressed political involvement and allowed time for processes to work.

Corrective Measures Show Results

The new organizational structure and process improvement began displaying positive improvement in a short period of time. Aiding the positive trend was the fact that a facsimile machine and copier arrive ahead of schedule of the Monday the new office was configured. Also flowcharting processes and assigning responsibility began to pay off shortly after the office changes were initiated. For the initial few weeks employees walked the two blocks to the fire station to review data in the 25 file cabinets, but this practice stopped after the new computer system proved more than adequate to analyze customer complaints. Signs of organizational change and a change toward positive groupthink

began to surface when customer complaints slowed significantly in a very short period of time. With responsibilities divided equally among employees and exception reports finding problems during the process, the customer ceased to be the source of quality control. Mistakes or irregularities were caught prior to mailing billing statement. This action improved morale as employees did not have to deal with angry customers. The OBMI Director being onsite due to the office change also allowed for support when there was a conflict. The culture of negative groupthink was beginning to change to positive.

The deciding event that changed the organizational culture and groupthink was a compensation study by DMG consulting. The model used by DMG required a survey where each employee described assigned duties. To facilitate this, the OMBI Director worked with each employee to ensure that all responsibilities were thoroughly defined. At the same time, another city office with virtually the same level of employees allowed each employee to complete their survey without supervision. The result was significant raises for OBMI customer service personnel and very little increase for the sister office. This helped improve morale and establish trust considerably.

The DMG study provided a much-needed opportunity to change the organization structure. The office was totally restructured to provide a Customer Service Supervisor, Utility Billing Supervisor, customer service clerks, and billing clerks. The new DMG structure provided a tiered pay scale based on responsibility. This provided opportunities for promotion and pay raises based on performance. This action improved morale in the organization significantly.

Training was intensified to ensure the original goal of improving efficiency instead of hiring new personnel. The new computer system was successfully providing adequate service despite record growth. Additionally, not one Utility Customer Service employee was fired, moved, or released. The Utility Billing Supervisor was created from two vacant positions and provided the office with management for the billing system. Employees were positioned by their strengths and experience. The results of initiatives were significant reduction in customer complains in the utility customer service division, as shown in Table 1.

Table 1: Customer Complaints

	January	February	March	April	May	June	July	August	September	October	November	December
1993	51	93	91	02	98	87	91	15	200	32	195	242
1996	6	1	3	5	7	0	3	0	48	7	54	42

Quality management under the new system provided for leadership, training, and motivation to continuous improve the organization's management and operations. This improved the groupthink mentality and earned trust among employees. This case study illustrates how stakeholders play an important role in groupthink. The stakeholder management approach is based on an instrumental theory that argues "a subset of ethical principles (trust, trustworthiness, and cooperativeness) can result in significant competitive advantage" (Weiss, 2009, p. 42). The stakeholder approach is giving organizations the opportunity to focus on all aspects of management, not only shareholders. Properly managing the stakeholder approach also allows corporations the ability to focus on all aspects of its environment. Therefore, by taking the main theory of groupthink and institutionalizing guidelines on how it can have positive occurrences within the organization and standardize responses throughout the environment that effects daily operations. It is imperative that managers are aware of the effects of a group mentality and how it should be addressed to be effective and contributes to the success of the work environment.

According to Weiss (2009), an organization has numerous stakeholders including; owners, financial community, activist groups, customers, consumer advocate groups, unions, employees, employees, trade associations, competitors, suppliers, government, political groups, and many more. Each of these stakeholders has their own agendas and expectations of the firm. Many times, stakeholder goals conflict with other stakeholders and the goals of the company. The effects of groupthink play an important role in maintaining integrity in the

organization. Groupthink can create a delicate balancing act for management and can result in positive or negative reactions

The stakeholder management approach influences managers to make corporate decisions that respect the shareholders' well-being (Freeman, 2004, p. 234). The approach itself allows for several advantages: (1) allows organizations to act in the best interests of and for the benefit of their customers, employees, suppliers, and stockholders, (2) respect and fulfill stakeholders' rights, (3) helps understand the relationships between an organization and the groups with which it must interact, (4) social responsibility is a key variable (it is treated just as important as economic and political factors of a decision), (5) ethics is part of every goal, objective, strategy, and action that affect everyone involved, (6) creates environments that enable high-performing people to achieve productive and ethical results, (7) job enrichment, concern for employees, and personal well-being are important objectives, (8) assists managers in resolving conflicts over individual rights and corporate objectives, (9) incorporates issues and crisis management to help understand the central issues, and (10) increases cross-functional communication and integration (Weiss, 2009, p. 39-74).

Several theorists have viewed the approach and made their own assumptions. For instance, the approach is viewed as an ethical issue by Bowie, fairness issue by Phillips, and care issue by Freeman (Freeman, 2004, p. 234-235). The perspectives by Phillips in 1997 states that groups of individuals enter into agreements and when they enter those agreements they have created a contract to act fairly (Freeman, 2004, p. 235). When groups of individuals are working together for the interests to achieve an organizational goal this is resulting in a positive outcome of groupthink. Subordinates will work together to achieve a common goal. It is management's job to make that common goal a positive influence on the organization.

CONCLUSION

In conclusion, as noted throughout this research, groupthink can have positive and negative attributes. However, it takes an organization that fosters effective leader involvement to ensure that employees maintain a positive outlook toward the organization. Research indicates that a group mentality can be positive or negative depending on leader involvement. Studies also indicate that a group mentality has resulted in cases of fraudulent conceptions with members of the group fearing retaliation and covering up for one another. Additionally, a group mentality contributes to the social responsibility that a company has to the public. For instance, police officers with the responsibility of keeping the public safe are often alone in their patrol cars. However, all officers on duty work together to keep one another safe and protect the community to the best of their ability.

Positive groupthink is a process where loyalty is required for each member to avoid raising controversial issues (Rose, 2011, p. 37). Many theorists believe more testing is required and more steps should be conducted on how to avoid groupthink. In contrast, many researchers believe that the positives of this theory need to be evaluated in more detail. The negatives associated with this theory can occur due to a laissez-faire leadership behavior. Therefore, assumptions and misconceptions must be researched to determine the true attributes and exactly how this theory can help or hinder an organization. Future research must include a testing tool to numerically evaluate how all factors contribute to overall effectiveness of the theory. As noted earlier, Janis stated that "groups bring out the worst as well as the best" in organizations (Rose, 2010, p. 38). This research and case study demonstrates that groups will bring about the best and worst dependent on the leadership behaviors in an organization. This research and case study is the foundation for a future study.

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