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Self-Diagnostic Tool Behavioral Governance in Oversight Roles

This tool is part of Lyceum’s approach to “behavioral governance”—helping directors and executives recognize how even strong oversight systems can fall prey to invisible biases.

This tool is designed exclusively for members of the *Lyceum Circle of Leaders*. This accompanies the *Great Salad Oil Swindle Case* and the companion Behavioral Analysis & Overlay article that looks through Kahneman’s lens and offers a practical way to reflect on you and your board’s vulnerability to cognitive traps—whether in audit, compliance, strategy, or risk review.

This is not an external evaluation. It’s a mirror.

SECTION 1: SYSTEM BLINDSPOTS

1. Cognitive Ease

- Do we often rely on polished dashboards, pre-reads, and formatted updates without interrogating underlying assumptions?
- Have we equated visual or procedural fluency with substantive insight?

2. System 2 Activation

- Do we explicitly flag discussions where slow, deliberate analysis must override gut instinct?
- Do we pause to challenge consensus or “known truths” in complex or fast-moving topics?

3. Substitution

- Have we unconsciously accepted proxy metrics or simplified questions in place of more difficult judgments?
- Are there areas where we rely on the appearance of oversight rather than its substance?

SECTION 2: SOCIAL BIASES

4. Groupthink & Social Proof

- Do board members defer to dominant voices or past decision-makers?
- Are dissenting or contrarian views genuinely welcomed, or subtly discouraged?

5. Anchoring

- Are current decisions overly framed by past pricing, past leaders, or early performance impressions?
- Have we revisited earlier assumptions in light of changed circumstances?

SECTION 3: ATTENTION & AWARENESS

6. Attentional Failure

- Are we more focused on urgent issues than important, less visible ones?
- Do we review the board calendar and agenda for moments where deep review may be bypassed due to time constraints?

7. What You See Is All There Is (WYSIATI)

- Do we actively ask: What might be missing from this analysis?
- Have we reviewed the sources of our information to check for gaps, blind spots, or exclusions?

SECTION 4: BOARDROOM PRACTICE

8. Behavioral Readiness

- Have we ever conducted a behavioral audit or governance stress test using a real past decision?
- Is there a role or mechanism on our board for identifying cognitive traps in real time?

Scoring (Optional)

0–3 Checked: Watchful – Low exposure, but stay vigilant.

4–6 Checked: At Risk – Bias may be influencing oversight subtly.

7–10 Checked: Behavioral Fog – Your board may be operating under multiple illusions of control.

Optional Follow-Up Questions

- What would it take for us to notice if we were being deceived—by others or by our own framing?
- When was the last time we made a decision that turned out poorly despite following all the right procedures?
- Who plays the role of cognitive challenger in our governance environment?

This tool is developed exclusively by Lyceum Leadership Education ©2025 for members of the Lyceum Circle of Leaders® and is not intended for general distribution. It is part of Lyceum's ongoing work to equip boards and executives with insight into the human side of governance.