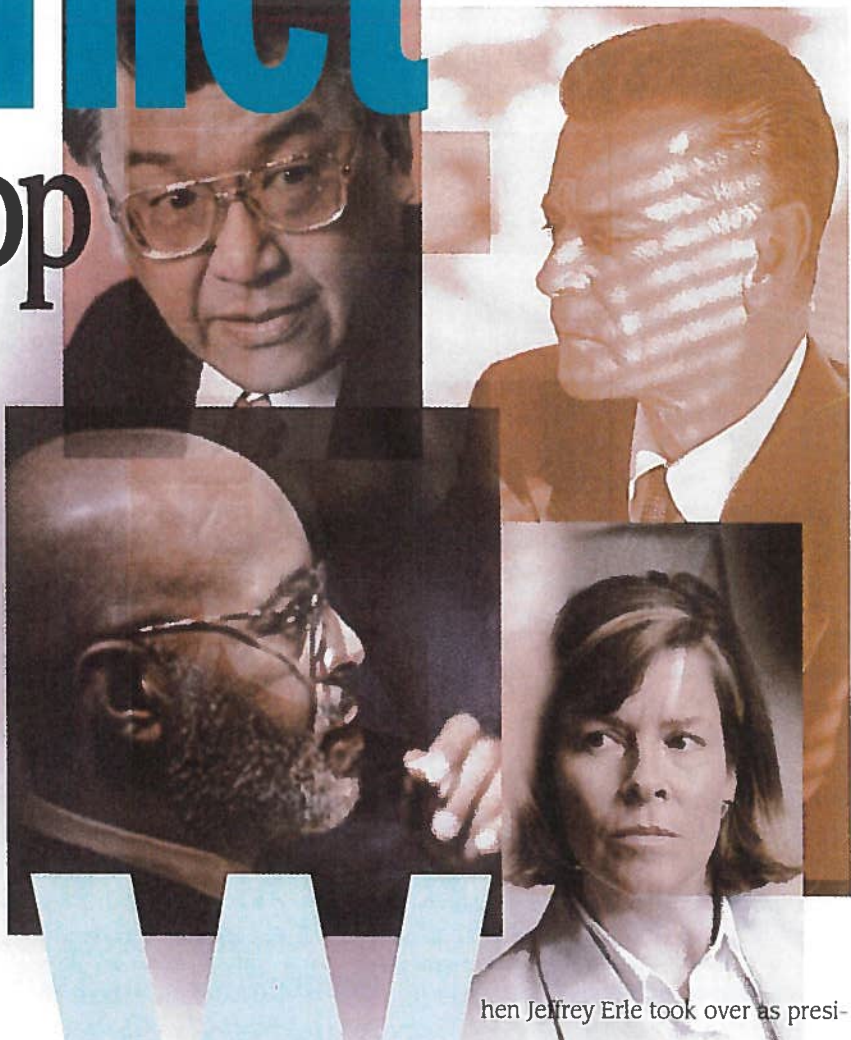


Conflict

At the Top

Infighting can make a top team its own worst enemy. The solution lies in protocols for conflict management.

BY HOWARD M. GUTTMAN



When Jeffrey Erle took over as president of Litton Enterprise Solution, a division of Litton Industries [www.littoncorp.com] that provides information and technology services, he knew he was in for a tough challenge. Erle's division, based in Woodland Hills, California, was a loosely formed confederation of East and West Coast operations that needed to be integrated in order to provide customers with a full spectrum of services.

Here was the problem: The operations had about as much in common as oil and water. The West Coast managers had been running call centers for 30-some years. They were hardworking but resistant to change, and they were led by an executive who thought he deserved Erle's position.

The East Coast operation was cobbled together through recent acquisitions and specialized in enterprisewide process consulting. The team was lead by a general manager who believed that she should have been given the presidential nod. Her team was freewheeling, risk-taking and could care less about Litton culture and tradition.

The lack of common ground had consequences. There was virtually no communication between the two operations and no unified sense of direction. Covert sabotage was routinely waged by both sides to dilute one another's effectiveness.

The Litton example is telling: A company that does not manage internal conflict will not succeed, regardless of its efforts to reengineer structures and processes, rev up sales and marketing efforts, develop and acquire new products and "dot-com" the business. When conflict at the top is ignored, the result will be an enterprise that competes more passionately with itself than with its competitors.

The Reality of Conflict

Not all top teams and their organizations have conflict-ridden environments. But

even those with high-performance teams are not conflict-free Utopias. Conflict is rooted in the human condition and is not necessarily an indicator of dysfunction. As Lois Gallagher, vice president of human resources at Bali Co. [www.balinet.com], a manufacturer of women's apparel in Winston-Salem, North Carolina, points out, "Conflict is healthy when it is open and fair and keeps the other person whole."

Given that we're stuck with conflict, the question is how best to manage it. Most executives deal with conflict in one of four basic ways: One is to confront an issue head-on to change the situation. A second is to let go by changing your perception of the situation. For example, you might try to achieve a positive outcome by changing your "story" or interpretation of another person's behavior. A third option is to escape by leaving the situation. The final choice is to submerge conflict and go underground.

The last two options clearly are the least productive. After all, how many times can you run the other way? It's better to learn how to handle conflict. Going underground can drain your energy and lead to corrosive behavior. This

inevitably sends the wrong message about what it means to be a "player" in an organization.

The second option, changing your perception, is fine—if you can do it. But what about the situations in which all the reframing and reinterpretation do not work? You are left to confront conflict, and the trick here is to do so without igniting the next round of infighting.

Dealing with Conflict

Let's face it, the typical management team represents a delicate balance of strong egos, high achievers and commanding personalities, all of which must somehow coalesce to produce results in an unforgiving competitive marketplace. It's a tinderbox for conflict.

In working with top management teams around the world, we have found that the best way to turn potential conflict into healthy disagreement is to make sure that four key elements within the top team are aligned (see chart on page 3).

First, and not surprisingly, strategic and key operational goals must be clear and agreed upon. Second, roles need to be carefully delineated so that executives know what they are responsible for and what they are authorized to do. Third, protocols or ground rules must be established to guide group behavior. Lastly, interpersonal relationships—the range of personal styles that members of the top team adopt when interacting with one another—must be understood and managed.

Litton Enterprise Solutions' Erle succinctly summarizes the importance that clear goals and roles played in turning around a conflict-ridden situation:

"There are only so many ergs of energy that an organization can spend. The more you focus and refine your goals, and the clearer you are about who does what, the more you keep everyone directed and channeled."

True enough, but clarity of goals and roles will only get you so far. Protocols for resolving conflict, the third key element in the conflict management equation, must also be established. At one Johnson & Johnson subsidiary, the top team laid out "rules of engagement" for it-

self that covered everything from depersonalizing issues to keeping discussions focused on actual behaviors and what is actionable, rather than on "weather-report"-type commentary that does not specify the behaviors someone should modify or change.

In our work with senior teams, we've seen four protocols that are extremely effective in dealing with conflict:

- **Don't triangulate.** As Gallagher of Bali describes, triangulation is an attempt to avoid responsibility by using a surrogate to handle an issue that should be resolved head-on between two people (see chart on page 4). "When one executive on the team had an issue with another team member, he would often go to Chuck Nesbit (Bali's president), rather than deal directly with his colleague," Gallagher says. "Chuck would then become involved and assume responsibility for getting resolution."

Conflict

HOW WELL DOES YOUR TEAM MANAGE IT?

Q. Do all team members understand the group's mission and goals?

yes no

Q. Are they technically competent—and willing and able to do their jobs?

yes no

One way out of the triangulation trap is for the leader not to assume the role of the “rescuer” who jumps into the breach to resolve the conflict for others. Erle insists that the executive with the complaint meet directly with his adversary to resolve the issue. If this fails, both executives must then meet with a neutral third party on the senior team. Only if this proves ineffective will Erle step in to coach the executives through the issues.

Erle’s insistence that the parties in conflict remain accountable not only avoids the pitfalls of triangulation, but also provides those involved with an important learning opportunity.

- **Don’t recruit supporters.** A useful ground rule in conflict management is to allow a member of the team to serve as a sounding board for another member in need of advice about a third team member. Here, the aim must be to enlist a sympathetic ear and seek counsel, rather than to recruit additional muscle to further a pet cause.

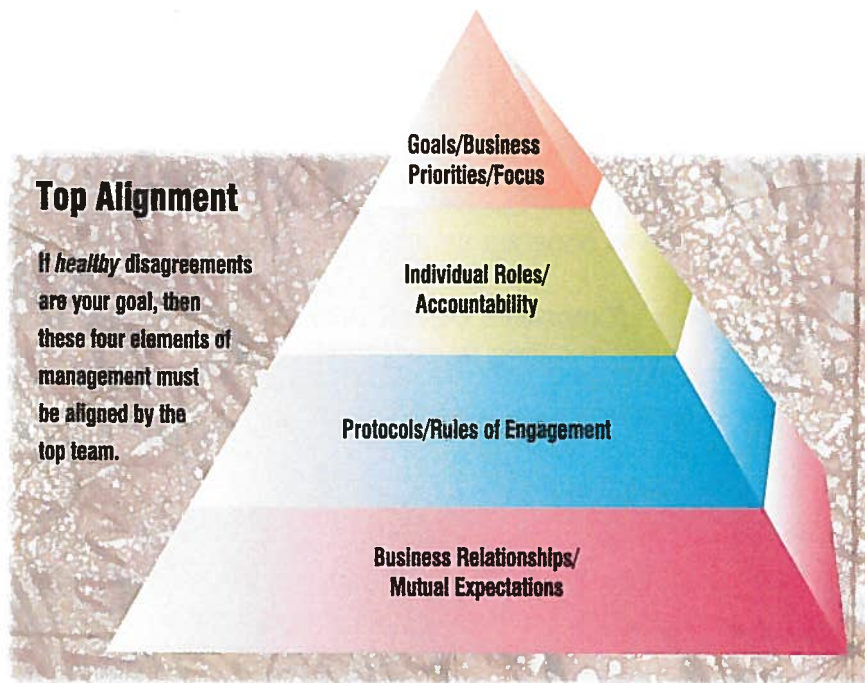
A corollary rule relates to the sounding board. He or she must hold the individual seeking advice accountable for either dealing directly with the conflict or letting it go. Furthermore, the advice seeker must report back to the sounding board about how the issue was resolved.

- **Don’t accuse in absentia.** This ground rule calls for honoring the absent. If you are in a meeting and have an issue with a fellow team member who is not in attendance, for example, you should postpone the discussion until he or she is present.

But don’t wait too long to address the issue with the team member in question. Delay can lead to trouble. We advise clients to follow a 48-hour rule. If you have an open issue with someone on the team, try to resolve it within a 48-hour time frame.

- **Don’t personalize issues.** John Stuart Mill once observed that the key to progress is to let all ideas start off even in the race. Eventually the truth will prevail. In business settings, differences of opinion and viewpoints have a way of stimulating new ideas and strengthening outcomes, provided the discussion can be depersonalized.

One booby trap to avoid might be called the genetic fallacy: assuming that an issue stems from the inherent animosity of the person or group expressing it. The president of one mid-size financial institution once had a vice president of sales on his top team who felt that anyone who interrupted him during a meeting was, in effect, telling him to “shut up.” Very often, the interruption was merely an attempt by others to “open up” the discussion. Even after the team worked out a signal to politely interrupt the talkative executive, he continued to feel slighted. Eventually, he left for less intrusive pastures.



Protocols in Action A team can’t make protocols work simply by capturing ideas on an easel, getting everyone around the table to nod in agreement and then sitting back and waiting for behavior to change. What’s needed is serious commitment to action and a willingness on the leader’s part to hold colleagues accountable.

When Chuck Nesbit assumed the top position at Bali Co., he knew that getting his management team to become less fragmented and more interdependent would require a serious commitment on everyone’s part. He retained a consultant to help him and his top team clarify their goals and roles and establish the necessary protocols. As part of the team-development process, each member was sent off with a colleague to discuss disconnects in the working relationships, agree on a possible solution and develop action plans. The focus was on priority issues and the future—on what could be changed—rather than on reliving the past.

The agreements or “contracts” forged between each pair of executives were discussed with the entire senior team so everyone became accountable for success. Part of the contracting process involved getting the team to commit to a set of ground rules, similar to the ones already described, for dealing with any conflicts that may arise during the issue-resolution process.

Conflict

HOW WELL DOES YOUR TEAM MANAGE IT?

Q. Are the roles, responsibilities and patterns of authority clear to all members?

yes **no**

Q. Are the members committed to “winning” rather than protecting their self-interests?

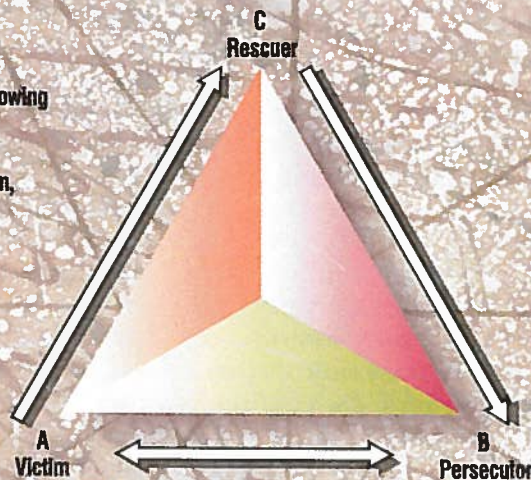
yes **no**

Triangulation Troubles

Triangulation can form a deadly dynamic in your company. Consider the following scenario:

"A" has an issue with "B's" behavior. "A" sees himself or herself as a Victim, with "B" as the Persecutor. "A" seeks redress from "C," the Rescuer (someone with authority, such as a team leader). "C" then talks to "B," which creates distrust between "A" and "B." And, if "C" sides with "A," "B" now feels victimized and "C" is viewed as the Persecutor. Perceptions reverse and an endless pattern is triggered, which invariably leads to spiraling distrust and often increases the conflict.

—H.G.



These rules are periodically assessed and updated by the senior team to ensure their ongoing viability and to discuss the lessons learned.

As a result of this process, Nesbit's team began to function like owners of a company. Executives were given carte blanche to discuss problems that surfaced in one another's areas. Silos crumbled. Traditional rivalries gave way to a focus on what was best for the business. And, best of all, Nesbit extricated himself from the triangulation trap, which freed him to focus on issues of more strategic importance.

Relationship Building

How well a team works to align its goals, roles and protocols speaks volumes about the interpersonal relationships among its members—the fourth key element that must be aligned within top management teams. These relationships are often the holding pen of conflict. In dysfunctional teams and organizations, here is where all the silo thinking and subterfuge surface.

Resolving conflict doesn't just happen, even when goals and roles are clear and protocols are in place. Conflict resolution requires skill and training. At the heart of such training is an understanding that business relationships exist on a continuum ranging from nonassertive, to assertive, to aggressive behavior.

The nonassertive individual, in effect, says, "I've got needs and so do you, but I'm not telling you what mine are. And if you don't guess them,

I'm going to hold it against you." The nonassertive individual is Mt. Saint Helens waiting to erupt.

At the other extreme, the aggressive individual proceeds on the basis that, "I've got needs and, at best, so do you, but mine count more." This is the schoolyard bully in business attire.

In the middle are assertive individuals, who recognize that both

parties in a conflict situation have needs and long for a negotiated settlement. This is the effective conflict manager.

It is crucial to recognize the proper boundaries for each of the three behaviors on the relationship continuum. People who are nonassertive, for example, must learn how to protect their "boundaries" and express their agenda without crossing the line to aggression. The aggressive individual, by contrast, must learn not to violate the boundaries of others.

Each behavior on the continuum has payoffs, and each exacts a price. For the nonaggressive executive, the payoff is avoiding arguments and coming across as a team player. But the price is steep in terms of unmet needs and diluted effectiveness. Aggressive executives tend to get their way and benefit from the charisma of *machismo*. They pay the price, however, in alienating others, closing down input and feedback and failing to gain commitment, especially in the new knowledge-based organization. Being assertive forces compromise and takes patience and time, but it has all the benefits of a win-win approach.

Training in conflict resolution involves understanding the payoffs and price of each behavior on the continuum, demarcating the boundaries of nonassertive, assertive and aggressive behavior, and learning how to avoid crossing into the extremes.

Conflict

HOW WELL DOES YOUR TEAM MANAGE IT?

Q. Is the team's decision-making and leadership approach clear to all members?

yes no

Q. Does every member feel accountable for the team's results?

yes no

The Assertive Leader

For the CEO, in particular, assertive behavior will prevent the fallout caused by either of the two extremes. Consider the CEO of one \$10 billion financial services firm, a nonassertive type who had risen through the ranks and wanted to be one of the group. When an issue surfaced between two executives on his team, he tried to resolve it “through the back door” by meeting separately with each combatant, rather than allowing the issue to run its course to closure. His involvement ensured short-term domestic tranquility, but it also guaranteed that all of the team’s problems would linger behind-the-scenes. Triangulation was inevitable and, not surprisingly, those problems grew to epic proportions. Before long, this CEO had a mess on his hands.

The nice-guy model of leadership just doesn’t work. Neither does the more aggressive approach. The tough-guy leader typically carries baggage that is unsuited for building a high-performance management team, such as being controlling, un-receptive to feedback and intimidating. In situations like these, top teams often remain stuck in the lowest level of team development, where the members are afraid to confront issues or individuals. Or they may make it to the infighting stage, where members tend to personalize issues, point fingers and feel attacked. In this case, either bombs go bursting in air and there is overt conflict as members model the leader’s behavior or all the intrigue of triangulation sets in as they attempt to win the leader’s favor.

One of the most effective leaders we have observed is John Doumani, current president of Campbell Soup, Australia. In addition to having all the strategic and operational qualities you would expect, Doumani is adept at conflict management.

In previous stints as president of Johnson & Johnson, Pacific and Meadow Lea, Doumani paid strict attention to the fundamentals. Working with his top teams, he established a set of protocols that served as the basis for behavior on the teams. He would not tolerate anyone who violated the agreement, knowing full well that what you permit, you promote. He was—and is—the ultimate “keeper of the game.” Doumani’s feedback is on target and on the spot, and he provides it in a depersonalized way.

Accountability for resolving an issue between top executives lies, in the first instance, with them. Doumani also has the laserlike ability to focus on the precious capabilities of his top team. He can be more—or less—directive, as needed.

Not surprisingly, executives on Doumani’s top team have always functioned like owners of the business rather than as turf protectors. His teams are always too busy trouncing competitors to worry about personal or functional self-interest.

Leaders are in a unique position to influence behavior for a variety of reasons, not the least of which is the influence they hold over rewards and recognition and the way feedback is given and accepted. In terms of rewards and recognition, Erle is right: Leaders don’t take credit, they give it.

Conflict

HOW
WELL
DOES
YOUR
TEAM
MANAGE
IT?

Q. Are all members comfortable in dealing with conflict in the team?

yes **no**

Q. Is the team willing to regularly assess its progress and group functioning?

yes **no**

“I continually try to recognize, in public forums and in writing, when people have followed the rules or have gone above and beyond the call of duty,” he says. The most effective top teams that we know build rewards for following team protocols into the compensation system. These rewards can be either financial or part of an executive’s psychological income—the package of strokes and recognition that can have profound behavioral effects.

A leader’s personal behavior in accepting and giving feedback has a decisive effect on how others on the top team behave. The most useful feedback a leader can provide is well-timed, focused on behavior and zeroes in on what the person can actually change. One of the most effective leaders we know typically asks this simple question before providing feedback: “Is this a good time to provide feedback?” The question not only indicates a degree of sensitivity, but also points to the importance of the “readiness factor” in feedback discussions.

Age-old Conflict

Conflict is as old as human history. Long after Y2K problems have become a distant memory, conflict will remain an organizational constant.

Leaders who create an environment in which conflict is effectively managed do so not out of altruism, but because conflict management is essential for high-performance teams.

It also is a must for high-performance organizations. Shelly Sawyer, vice president of human resources for L’Oreal’s U.S. retail division, points out that her organization’s interest in ratcheting up the senior team’s conflict-management capability was due not to dysfunction but rather to the ambitious business plans facing each employee.

A top team that models the right behavior in its dealings with one another, especially in the tough and sensitive area of conflict resolution, ensures that the entire organization will remain a functioning, competitive force well into the next century. **MR**

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Howard M. Guttman is the principal of **Guttman Development Strategies, Inc.**, with headquarters in Ledgewood, NJ. **GDS, Inc.**, founded in 1989, currently has a staff of fifteen consultants and focuses on three broad areas of expertise:

Executive Development — Providing tailored individual coaching to executives with high potential.

Management Development — Developing and implementing training “game plans” to meet the needs of a company, division or department.

Organization Development — Accelerating organization effectiveness through the use of interventions focusing on intact teams, project teams, or cross-functional teams throughout all levels of the organization. **GDS** also designs and implements human resource systems including performance management, competency profiles, and succession planning. Business process redesign can be employed to accelerate design to market time, new product development efforts, cycle time, and other core initiatives.

Howard is often invited to speak on such topics as “Senior Management Alignment”, “Executive Derailment Factors”, “Creating Global Teams” and “Conflict Resolution”. He currently teaches Behavioral Consulting at Fairleigh Dickinson University’s Graduate School of Psychology.



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