

Interview

The Harder They Fall: Wrestling With Executive Conflict

Eric Schoeniger



With Howard M. Guttman, Author,
When Goliaths Clash

The big office is often home to a big ego. After all, it takes vision, passion and confidence to lead an organization to greatness. But what should an organization do when clashing egos get in the way of corporate success? Howard M. Guttman provides answers in his recent book, [*When Goliaths Clash: Managing Executive Conflict to Build a More Dynamic Organization*](#) (Amacom). A former Johnson & Johnson executive and principal of [*Guttman Development Strategies*](#) (Ledgewood, N.J.), Guttman has helped market leaders such as Campbell Soup, Colgate-Palmolive and Pfizer resolve conflicts and build high-performance teams.

Q:
How do power struggles in the corner office lead to poor corporate performance?

Power struggles delay decision-making, create silos in the organization and breed underground behavior. It affects the organization in terms of the time and effort needed to get things done. It also creates a model of dysfunction that the organization then mirrors, because the corporate office sets the performance model for the rest of the organization.

In addition, when there are competitive problems within the organization, people's focus turns inward, and they start competing with themselves rather than with the marketplace. It breeds an internal focus that doesn't support the organization's mission.

Q:
What are some of the issues that lead to executive conflict?

Lack of agreement regarding strategy or goals is a major issue. This leads to competition for resources, especially at key decision points, such as the annual budget cycle or when major new initiatives are undertaken. Another issue involves disagreement about roles and accountability, so people's expectations of one another are unfulfilled. Then there is the helter-skelter activity that occurs when there are no protocols or rules of engagement around decision making and communication.

Q:

You say the key to managing conflict is to embrace it. Can an organization that actively engages in conflict be successful?

Yes, as long as it has three things. First, people need the right mindset to understand that conflict is not a negative, but simply a fact of doing business. Second, from a skills set, they have to understand how to successfully manage conflict. And third, there have to be protocols or ground rules that enable people to know how much license they have. For example, they need to know what their options are if they don't get closure on an issue. As long as they know what the rules of engagement are and they have the skills to play it out, then conflict can be a positive force.

Q:

How do you convince executives that what's best for the company is best for their area of responsibility?

If the question is what does it take to encourage executives to think enterprisewide, then the answer is they must feel like owners of the business. For example, if you're a member of a senior team in charge of operations, do you see yourself as a member of the senior team who happens to be an operations guy, or do you see yourself as an operations guy who now and then hangs out with the senior team members? People need to be attached not just to their function but also to the level they belong to. That's a high-performance team approach. Aligning the compensation approach to this

larger sense of ownership is a must, along with effective performance system management.

Q:

What about an executive whose division is outperforming the rest of the organization and who therefore feels justified in pursuing his or her own agenda?

There's an old line: What you permit, you promote. If you allow a leader in the organization to act on what's best for his or her division as opposed to what's best for the entire organization, then eventually it will fall apart like a house of cards.

One of the key attributes of a high-performing team is that what's best for the team supercedes functional self-interest. When you talk about executives who want to go their own way, or feel held back by the rest of the organization, the question is, who makes the call around direction? If they make a strong case but the senior team decides that's not the way the organization is going to go, then their choices are to renegotiate, let it go, or leave the organization. There will always be executives who feel that their needs aren't being met. That's real life. But the question is, can they let it go? No one can be allowed to hold the organization hostage.

Q:

You suggest that organizations should align teams with business goals. Isn't that a lot easier said than done?

The senior team first has to determine what the organization's key priorities are. And flowing from those priorities, it needs to determine which piece of the pie each team member owns. Then it needs to clearly communicate its judgment down the line. We're really talking about a transparent communication of goals and translating them collectively and individually for the organization. Sure, it's straightforward, but it often doesn't happen because the senior team fails to get aligned around goals, roles and responsibilities. Whatever problems exist throughout the organization

are merely a symptom of the dysfunction at the top.

Q:
How has electronic communication affected executive conflict?

E-mail messages are like Scud missiles that can arrive on the screen of an unsuspecting victim with explosive force. E-mail also enables people to hide, and because of the lack of face-to-face dialog, they can disengage easier, and they no longer have to be as responsible. The solution is more face-to-face or at least phone interaction. In addition, ground rules must be established for the new battleground of electronic communication.

Q:
Can you give an example of a company that faced a serious power struggle and was able to resolve it?

We worked with a major pharmaceutical company that had serious power struggles. The problem was that the top leader was conflict-averse. As a result, executives tended to operate like nattering Greek city-states, and the entire organization worked in silos. So the senior team first had to step up to address the situation. But that doesn't happen magically. Members of the senior team needed to establish clear rules of engagement or protocols for operating as a high-performance team. Once these protocols were in place, the board removed the top leader who held back the rest of the organization.

Q:
We've talked about protocols. What kinds of ground rules should organizations establish for resolving executive conflict?

When you have a disagreement as a team but you must move forward anyway, how can you get team members to speak with one voice? When there is a conflict between two executives who don't see eye to eye, how do they escalate the disagreement? When is a decision

to be made unilaterally, consultatively, or by consensus?
There needs to be a set of clear, specific and agreed-upon ground rules for decision making, issue resolution and communicating the results.

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