

# Human Resource **Executive**<sup>®</sup>



## Goliath vs. Goliath

**Howard Guttman, conflict-management expert, shares his views in a special Q&A on the strategic importance and dynamic potential of resolving clashes between executives.**

**H**ardly a week passes without the announcement of some new corporate scandal. While the causes of such behavior may be buried deep within the “inner self” of offenders, such acts undoubtedly reflect a larger organizational malaise. Why the organizational silence—or worse, collusion? Is whistleblowing becoming the only safe way to express dissent? What can

be done to open up an organization so disagreement can be safely expressed and the focus put on authentic achievement and business success?

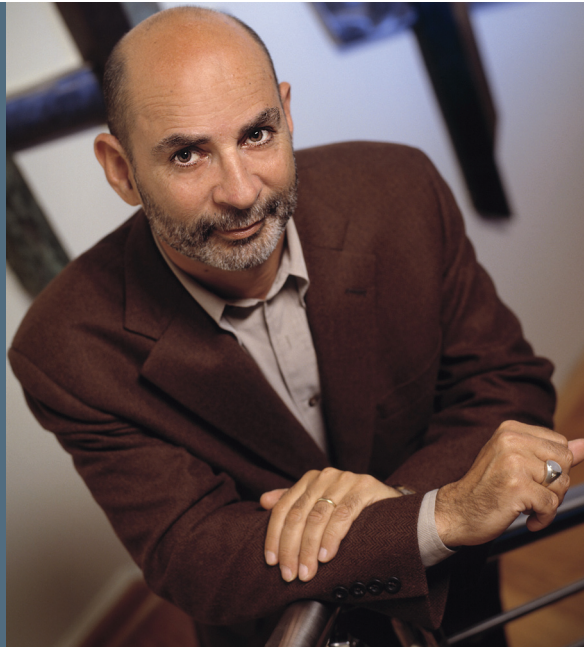
To get answers, *Human Resource Executive* interviewed Howard Guttman, an expert in managing conflict and author of the recently published book, *When Goliaths Clash: Managing Executive Conflict to Build a More*

*Dynamic Organization*. Guttman is also the principal of Guttman Development Strategies, a Ledgewood, N.J., consulting firm specializing in building high-performance teams, strategic alignment and conflict management.

**The parade of corporate scandals, from Adelphia to Enron to Xerox, has created what The Wall Street**

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— HOWARD GUTTMAN



**Journal terms a “Scandal Scorecard”—and has triggered a variety of solutions. As an expert in conflict management, what’s your assessment?**

Many companies operate like the court of Louis XIV. There are back-room deals, off-line communications and power politics. While you can’t eliminate underground behavior, you can make it easier to express disagreement and make conflict more transparent. I can’t disagree with Sarbanes-Oxley and some of the restructuring suggestions for boards, but changing policies and procedures is only half the solution. You also need to address how directors interact with one another: Do board members work well in a team setting? Do they have the ability to disagree without closing down discussion? Are they comfortable with head-on confrontation?

**The recent government report on the Columbia space shuttle tragedy pointed to a similar problem at the National Aeronautics and Space Administration—namely, a culture that was averse to confronting issues and expressing disagreement.**

The issue at NASA boils down to leadership. The report found that the NASA leadership was not open-minded, and disagreement was stifled—not uncommon traits, by the way, in technically ori-

ented organizations. Technical brilliance was favored over “soft” issues relating to how well you can lead, enroll and engage every employee; how well leaders coach; and how adept they are at encouraging issues to be brought out and then forcing closure. Unresolved, so-called soft issues can have dire consequences.

**With all the focus on empowerment, involvement and shared decision making, you’d think organizations would be more tolerant of dissent and disagreement.**

True, but think about all the centrifugal forces at play: matrixed organizational structures, asynchronous work patterns, cubicalized relationships and globalization. Add to this savage competitive pressures, communications overload, the obsession with speed and a struggling economy. Many organizations have become holding pens of conflict despite all the empowerment training.

**So, is the goal to outlaw conflict in the workplace?**

That’s unrealistic. Conflict has been part of the human condition since Adam met Eve—and both met the Devil! You want to encourage people at every level to have an impact, to think beyond routine and to confront issues and one another head-on, without saying,

“Uh-oh, there’s a red light ahead. Let’s sidestep this one.”

**Would you encourage people to run the light?**

No. The goal is to have everyone take advantage of every opportunity to move the organization ahead. I’d like people to say, “Hey, this is a chance to engage. It seems like we have an issue here. How do we play it out? What are the ground rules for resolution?”

**Go back to the NASA example. What should have been done?**

If NASA had had in place ground rules for escalating issues, then the engineer who initially sounded the alarm might have been heard. And, once the issue had been brought forward, there are a number of ground rules and protocols that would have ensured a fair hearing.

**Such as?**

Some organizations abide by a “no triangulation” protocol. In other words: no engaging a third-party rescuer to promote your point of view. Another helpful rule: “no accusations *in absentia*.” There are also ground rules for dealing with how decisions get made: unilaterally, consultatively or by consensus.

**Reinforcing such rules of engagement must start at the top. Can you give us an example of a senior executive who excels at conflict management?**

Yes. John Doumani, president-international at Campbell Soup. John insists that his team members surface and resolve conflicts as soon as they occur. In his organization, it's not just OK to raise sticky issues in public—it's obligatory to do so. If you were a fly on the wall in a Doumani-led meeting, you'd see the bad news being discussed as openly as the good. In effect, water-cooler conversation and corridor whispering become meeting-agenda items. You'd see depersonalized discussion and debate: An issue is treated as a business case, not a reflection of personal worth. There are strict protocols in place for dealing with conflict between team members; they outline an escalation process that ultimately places an unresolved issue before the full group. You would see a team that is animated, comfortable with conflict and focused on resolving issues without the usual tiptoeing around functional boundaries.

**What sets apart a leader like Doumani?**

Such leaders shift their "story" from "I get paid to make decisions" to "My job is to make my team excel." They avoid cults of personality, compliant subordinates and having bleacher creatures—spectators, not players—as members of their team. Everyone is accountable and acts like an owner rather than a functional tsar. Effective leaders in conflict management value a high-performance team, and what you value, you promote.

**How do you broadcast beyond the top team the message about conflict management and performance?**

Once the top team is working together as a high-performance team—which means it is aligned

in terms of its goals, roles and accountabilities, protocols, and business relationships—the goal is to replicate that performance throughout the organization until every functional and cross-functional team is touched. Think of it as building muscle memory into the organization. At the end, everyone is accountable and knows what it means to be a player and how to play; what the decision-making process is and how to escalate and confront issues without dropping out or going underground.

**What is HR's role in the process?**

In companies such as Johnson & Johnson, Pfizer, Sara Lee Corp. and Colgate-Palmolive Co., I see HR's role shifting from a transactional to a transformational one. When the senior teams in these organizations were aligned, HR had a seat at the table. HR continues to make sure that issues are raised and properly confronted. It acts as a process guardian to ensure that protocols are in place and working. HR has become a true strategic partner to make certain that the organizational-development competencies and capabilities are in place.

**What new skills does all that imply for HR?**

Making an organization adept at conflict management means moving it along a path of high performance. To do so requires outstanding internal consulting skills. It may also require personal transformation. Think about it: The average senior executive scores relatively high on the behavioral continuum that goes from nonassertive to assertive to aggressive. The classic HR profile, however, tends to be lower—more on the nonassertive side. The challenge for the HR executive is to get out of his or her comfort zone and into the fray. It takes enormous sophistication to live in an organization and "call it like I see it" in a depersonalized manner. I know. I was an internal consultant for many years.

**You have written that electronic communications are conflict danger zones. Why?**

E-mail illustrates the challenge. E-mail makes it easy to disengage and deal with others in a stealth-like manner. If I have an issue with someone, I just have to boot up, type and click "send." If I want to play games and isolate an adversary, I can "cc" or "bcc." Before long, e-mail missiles start flying.

**And your advice for taming e-mail?**

In a word: protocols. For example, Julia Nenke, former HR director of Australia-based Foxtel points to a number of protocols, such as discouraging decision-making, negotiations, or issue raising in e-mails. And, at Motorola, Corporate Vice President and Director Susan Fullman adheres to strict rules that cover the "exponential dysfunction" of the "cc" game.

**Now the \$64,000 question: What's the ROI for organizations that effectively manage conflict?**

According to an American Management Association study, managers spend 20 percent of their time in conflict or managing it. If an executive earns \$250,000 annually, \$50,000 of that salary is spent on conflict management. Imagine all the ways that money could be invested more productively! When it comes to the impact of organizational change, you may be attempting to measure the unmeasurable. What's the cash value of having a senior team that is focused on authentic issue resolution and of having teams everywhere moving faster because of diminished silo-ism and less of the decision clog that comes from infighting and subterfuge? These benefits may be tough to measure precisely, but they create great focused energy that is key to superior performance.

*Send questions or comments about this story to [hreletters@lrp.com](mailto:hreletters@lrp.com).*

Howard M. Guttman is principal of Guttman Development Strategies (GDS), a Ledgewood, NJ-based management consulting firm specializing in aligning senior management teams, strategic development, executive coaching and training, and conflict management.

Howard Guttman and his staff of 18 senior consultants have worked within corporate, business-unit, and functional settings to provide tailored individual coaching to high-potential executives, develop and implement structured training solutions, and accelerate organization effectiveness by building high-performance teams on all levels and across functions.

Among GDS's U.S. and international clients are major corporations such as Campbell Soup, Colgate-Palmolive, Johnson & Johnson, Masterfoods U.S.A., Motorola, L'Oréal U.S.A., Pfizer, Philip Morris, Sara Lee Corporation, and *The New York Times*.

Howard Guttman is author of *When Goliaths Clash: Managing Executive Conflict to Build a More Dynamic Organization*, along with a wide number of articles appearing in such publications as *Executive Excellence*, *Harvard Management Update*, *Human Resource Executive*, *The Journal of Business Strategy*, *Leader to Leader*, *Pharmaceutical Executive*, and *US News & World Report*. He is a contributing editor of *Executive Excellence*



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