

The Third Opinion

Creating Healthy Tensions At The Top

Dr. Saj-nicole Joni, 12.08.05, 6:00 AM ET



BOSTON - "Honest disagreement is a good sign of progress." -- *Gandhi*

A great deal has been written about the need for top leadership to create unity and alignment. But the opposite is equally true: It's also their job to invite conflict and create tension. Few executives would admit that they spend time reflecting on aligning and fostering tensions and conflict. Yet when the truth is told, this is something all great leaders are called upon to do.

History is littered with examples of CEOs who created disasters by not having enough overt conflict and diversity of views--recent examples include **AIG's** (nyse: [AIG](#) - news - people) former CEO Hank Greenberg and **Morgan Stanley's** (nyse: [MWD](#) - news - people) former CEO Phil Purcell. Both ran tight shops and didn't tolerate dissent. Purcell's choices froze out the talent he needed, and the firm lost its way while others shot ahead. Greenberg appears to have gone too far, believing he could set the rules and exclude anyone who didn't play his way. **IBM** (nyse: [IBM](#) - news - people) in pre-Gerstner years was a culture where everyone who rose in the ranks was cut from the same cloth--almost destroying a great company.

The other side of the coin is just as bad. Classic cases of conflict for the sake of power, personal advancement or preserving entitled status quo give rise to in-fighting, corporate politics and competing agendas, undermining great work and setting companies going backward.

From mid-ranking executives up to the top, leadership often feels anything but unified and simple. Executives in growing and successful companies know that having a seat at the table comes with inherent pressures. While not necessarily comfortable, the data shows that tension and conflict is necessary for the growth and prosperity of any company.

Gary Neilson, senior vice president of **Booz Allen Hamilton** and author of *Results: Keep What's Good, Fix What's Wrong, And Unlock Great Performance*, says there are at least three key drivers of performance that are--by necessity--drivers of tension and conflict. They are: 1) A refusal to rest on your laurels (consistently moving and stretching goals every three years); 2) Significantly differentiating pay for performance; and 3) Listening to your complainers. Neilson's conclusions are based on a study of 30,000 responses to an online survey (www.orgdna.com) that is designed to extract success and performance factors.

Lin Coughlin, chief administrative officer at **Cendant** (nyse: [CD](#) - news - people) and co-editor of *Enlightened Power: How Women Are Transforming The Practice Of Leadership* (Wiley/Jossey-Bass: 2005) agrees: "The contrarian view is essential and leads to better idea-generation. Our mission as senior executives is to create the environment where we can get at the best ideas--all focused on raising the bar on behalf of serving customers. This means creating environments that are inherently contentious and where people have room to run with big ideas. In our critical debates, I often take unpredictable or opposite views to make sure that all sides are fully explored."

The questions for top leadership boils down to these: "Do we have the right tensions, focused on the right issues? How can we tell if our tensions are healthy or dysfunctional?"

Focus On The Most Important Part Of The Business

There is no one-size-fits-all solution or formula for creating healthy tension at the top. CEOs need to design structural tensions according to each company's particular point of growth, innovation and market cycle. For example:

- If the key to growth is fostering innovative new businesses inside a mature company, the most important tensions revolve around getting the new business unit independent enough to innovate while still leveraging assets of the core company.
- For a company in the midst of an acquisition, balancing the tensions of unifying and integrating without destroying value or customer focus is most important.
- For a mature business, tensions span raising the bar on execution and lowering cost, while looking for growth via consolidation and expansion into market adjacencies.

This is the work of the CEO and his top team and is something they cannot delegate. The architecture is created with metrics, budgets, authority, accountability and organizational design. It's daily experience is found in the CEO's choices of people in key roles, the way issues are worked, the tone at the top, compensation and the exercise of power. By the nature of the beast, this is one of the key questions where leaders need to seek perspective both from inside and outside of their top team and organization.

Determine If Dissent And Conflict Are Healthy

When facing a range of issues with potentially widely differing views, the top group needs to systematically do the prework of deciding what kind of collaboration is actually required. Often the question is posed, "Do we always need to get the best thinking of the group, or is it sufficient to provide input and ultimately follow the judgment of the leading executive for this issue?"

Organizational guru **Jon Katzenbach**, founder of **Katzenbach Partners** and co-author of *Wisdom of Teams: Creating The High-Performance Organization*, reserves the word "team" for a special kind of group. On one end of his taxonomy is "working group," when results rely primarily on individual contributions and the need to keep each other informed. On the other end, "high-performance teams" are those in which the results depend on work products that cannot be created without integrating real work and skills from all members, and where mutual accountability is needed.

Katzenbach writes: "High performance teams encourage all the dissent and conflict necessary to get to the best thinking. It's a lot of work and deserves careful thought about when it's needed. Dissonance inside a high-performance team committed to mutual accountability leads to healthy tensions. But for issues requiring less integration and more autonomy, this can be highly ineffective."

Build Productive, Multi-Perspective Inquiries

Patricia Seemann M.D., heads up Sphere Advisors, a CEO and board advisory firm based in Switzerland, and is a veteran consultant to executive teams grappling with issues around conflict. "One of the best tests of tension comes from looking at the questions, not the answers," says Seemann. "When there is considerable conflict and dissent and the quality of the questions improves over time, this is a sign of healthy tension. But when debate rages, complete with extensive flows of data and analysis and there are no new questions emerging, then you are likely headed in the wrong direction. In addition, when things get personal, you know you are heading toward the unhealthy."

Julio Olalla, international educator, master coach and founder of the Newfield Network, which is credited with offering one of the earliest and most highly regarded coaching certification programs, takes this discussion one step further. "Critical conversations have power if we have them," he purports. "And they also have power if we do not have them. To create the capability to engage in powerful conversations that embrace diversity of viewpoints, we must work at two levels: 1) Invest in the capacity of individual executives to engage and sustain uncomfortable inquiry; and 2) Fully explore the system in which they are working."

"Systems thinking shows that behavior is powerfully guided by systems, not just by one's own will," he

continues. "When the quality of questions is not improving, it's time to look at the underlying principles of the system in which you are working."

Seek First-Hand Knowledge

Creating productive tensions is a necessarily high-stakes proposition with a discernible and highly valuable upside. Not all dissent and conflict stays above ground. Unintended consequences can cascade in an unpredictable manner. However, there is no substitute for firsthand knowledge when it comes to understanding how chosen tensions impact people at all levels of an organization. To get this requires proactive attention, a regular flow of meetings with people at all levels, forums in which people can speak without retribution, and an active radar for obstacles and breakdowns occurring below the level of your direct reports.

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