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Trustee Leader

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MAKING THE CASE FOR CONFLICT

By Peter McGinn, Ph.D., Founder, Leadership Impact



Introduction

A bad decision made by a group is still a bad decision, even if everyone in the group applauds it. It is easy to mistake agreement for correctness, but gaining unanimity does not guarantee the quality of a decision. Indeed, famous debacles of the past, such as the Bay of Pigs invasion and the Space Shuttle *Challenger* disaster, were characterized by bright people who discouraged dissent and committed cataclysmic errors as a result.

In 1972, Irving Janis coined the term “GroupThink” to describe situations where group pressure leads members to surrender their own critical thinking to what they perceive to be the will of the group. He studied individual and group performance and showed that the normal human preference for cohesiveness and team spirit can have a dark side.

The desire to avoid conflict or time-draining discussions can lead otherwise independent people to censor themselves and to discourage dissent by others. When this happens on a board, the board loses its most important resource and reason for being: the breadth of experience, insight, and perspective that can be brought to bear on any problem by a diverse group of talented individuals.

Managing constructive conflict is a daunting challenge for the hospital board chair and chief executive officer (CEO). The payoff is better discussions, leading to stronger support for decisions and reduced likelihood of passive compliance or second-guessing.

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Look inside for a reprint of an article authored by Peter McGinn and published in *Trustee* magazine directly related to this important issue.

MAKING THE CASE FOR CONFLICT

By Peter McGinn

A CEO for whom I once worked considered any vote by the board that was not unanimous to be a signal of management dysfunction. If you could not get a unanimous vote on a proposal, you either had not prepared well or explained and persuaded adequately. And, if you expected to encounter opposition on a vote by the board, you needed to either rework or defer the proposal.

Most issues deliberated by the board originate with management and thus have the CEO's explicit endorsement, so a lack of board unanimity can be interpreted as lukewarm support of the CEO.

I disagree. If CEOs sincerely want the full benefit of their boards, they should regard unanimity as a sign of trouble, not progress. I like to refer to what I call the First Law of Diversity: If you and I are always in agreement, one of us is not necessary. If trustees are always in complete agreement with the CEO and with one another, then where is the added value of having a board?

Indeed, this applies to any group. If the members are interchangeable or uniform in their skills, ideas and experiences, then they are likely to lack innovativeness, insight, and adaptability to change.

Twenty years ago, when I was a consultant to a major New York State health system, I facilitated a senior management retreat. The organization had recently completed a merger and a new CEO had come on board. The management team he inherited did not like to listen to each other or to support each other's objectives. On a team simulation exercise, they demonstrated overt conflict, and their group effectiveness scores were low.

Over the course of the next two years, the CEO pulled together a new team and built a culture of cooperation. I again facilitated an off-site retreat and used a similar team simulation exercise. The conflict was gone; participants sought ways to support and agree with each other. But we were all in for a surprise. Their effectiveness scores were even worse than those of the dysfunctional group. An excess of harmony proved just as destructive as an excess of conflict.

It may be easiest to understand why this is so by using examples from team sports. In assembling a team, a good coach selects members with complementary skills and assets. Looking at a typical team, you will observe differences in size, strength, and speed that correspond to the different roles to which the players

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are assigned. The team gets its competitive advantage both from the talents of the individual members and from the ways that the coach deploys them.

If, however, you were able to clone the most valuable player of a team and fill all the positions with identically talented players with identical skills, you would almost certainly lose your competitive edge.

In working with a board, the chair and the CEO should be using the same calculus as a good coach. What blending of talents best suits the goals of the organization? Diverse backgrounds, experiences, thinking styles, and decision-making approaches improve board deliberations. Particularly in a rapidly changing environment, a board and management team that have multiple talents and perspectives have much greater adaptive capabilities than do homogeneous teams. This mirrors the natural world where diversity within a species theoretically confers better adaptive capacity than a species that is perfectly suited to a single environment.

When you are perfectly suited to one environment, it means that you have eliminated variation and you can function at the highest level of efficiency. Unfortunately, the price of that uniformity and maximum efficiency is lack of flexibility when circumstances change. However, diversity also leads to challenges. It is much more difficult for a diverse group of people to align with a common vision. Arriving at consensus takes more time and effort. Such a group will confront unexpected conflicts and miscommunications. People on a diverse team are more apt to misread others' intentions and misconstrue their actions. Such groups can expect a higher degree of interpersonal tension.

Indeed, that is why so many people, who know better, nevertheless seek out others similar to themselves to serve as board colleagues. It is much more comfortable to work with like-minded people whose lifestyle and priorities are similar. It is easier to achieve quick agreement than it is to struggle through an intense dialogue with others who do not see the world in the same way.

But think about the health care environment and the pace of change. Which group—a homogeneous one or a diverse one—is likely to spot emerging trends more quickly? Which type of group is more likely to identify alternative courses of action? Which one would be more likely to face up to unpleasant truths? Conversely, which one would be more convinced of the inherent rightness of its traditional approaches? Which one would reject contrary opinions? Which would miss signals of market changes?

In health care, where the speed of change is only going to accelerate, it will become more important than ever to have dynamic boards that use diversity productively. Therefore, when I took on the role as a CEO of a health system, I knew that I must value constructive conflict on both my board and within my senior management team. I wanted diverse and adaptable colleagues who possess the complementary skills and styles that lead to organizational vigor—and competitive advantage.

Like most other people, I would consider board unanimity easier and more comfortable. I knew, however, that my organization was best served when trustees contributed from their unique perspectives, using their individual skills, in their own personal style, on behalf of the shared mission of the organization.

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Conclusion

Effective boards use the assets of all of their members. To do this, they solicit the opinions of all even when they fear they may surface uncomfortable questions or more options to evaluate. Ironically, when a board is under the most pressure to make a good decision, that may be when the temptation to achieve premature consensus may be the greatest.

I participated in a board retreat recently where the facilitator warned us that we would encounter a challenge she called “the groan zone.” That is the stage in a discussion that occurs between the free flowing brainstorming phase and the converging on a workable solution phase. It is a time of great discomfort because members fear they will not be able to work out their differences and disagreements.

The “groan-zone” is a great name for this stage, and as predicted, we spent an anxious, unpleasant interval there. However, we also achieved the promised payoff: we converged around several excellent ideas that were not apparent to us when we started.

Encouraging constructive conflict demands faith in your board and in group process. If you have sufficient leadership skills and commitment within your group, I can assure you that your faith will be rewarded. See the “Group Process Guidelines” sidebar for suggestions.

GROUP PROCESS GUIDELINES:

1. Charles de Gaulle said: “To govern is to choose among disadvantages.” Recognize that all potential courses of action have some downsides. If no potential negative side effects have been identified for a proposed action, use this as a signal to the board that deeper thinking and discussion are called for.
2. Some board members need to be drawn out to get the potential value of their contributions. Other board members can do this by directing questions or soliciting comments from those individuals. If more than two or three of such invitations are deflected, the board chair or CEO should arrange a private discussion with the non-participating board member to probe reasons for his or her disengagement.
3. For important discussions, consider appointing a devil’s advocate—a board member specifically assigned to question assumptions and to raise alternatives.
4. Initiate the process of constructive conflict at the time of nominations. Seek out board members who will add breadth to the board. Remember, diversity confers an advantage in adapting to a changing environment—both in nature and in business.
5. Recognize that conflict is uncomfortable. Even boards that are committed to increasing open discussions have a tendency to revert to the prior status quo. Consider using outside observers on occasion to provide feedback and/or facilitation to keep the group process effective.

Peter McGinn, Ph.D. is President of Leadership Impact, a consulting company he created to help leaders and organizations become more effective by skillfully managing strategic and leadership problems and opportunities. Before founding Leadership Impact, Dr. McGinn was President and Chief Executive Officer of United Health Services in Binghamton, New York. Dr. McGinn led the transition of this multi-hospital system and guided the growth of a dynamic and sustainable organization. Dr. McGinn has taught strategic management and organizational behavior at the School of Management at Binghamton University. In addition to receiving a Bachelor of Arts degree and Doctorate in Psychology from Johns Hopkins University, Dr. McGinn served as the Vice President of Human Resources at Johns Hopkins Hospital and Health System and directed the development of a total quality management program at the organization. For more information, contact Dr. McGinn at (607) 206-5187, by e-mail at mcginn@leadershipimpact.com, or go to www.leadershipimpact.com.