



Healthy tension or unhealthy conflict?

Gary Cowdrill, Managing Director of Board Evaluation Ltd in the UK, considers the ongoing battle for boards to manage the conflicting objectives of collaboration and unity with challenge and independence...

So, when will things get back to “normal”? Maybe they will never be the same again but the “new normal” may bring many Covid-19 related issues to deal with which may create tension and conflicts in our boardrooms.

For those of you lucky enough to remain as business as usual, you are probably already having to deal with business-critical decisions in highly charged environments.

It is something of a given that constructive tension is necessary for boards to operate effectively but we must ensure that this is never allowed to escalate into destructive conflict. Now, more than ever, we must ensure that when we need to move quickly to make business-critical decisions we do not allow the tensions associated with the ‘normal’ boardroom challenge and debate to tip-over into conflict. Tension can quickly escalate into conflict and this change usually occurs when emotion or sentiment enters the debate. When this happens, the board is in a difficult position and urgent action is required if an irreversible breakdown is to be avoided.

We do still need to hear and engage with opposing views and any differences need to be resolved but we need to be aware that our colleagues are likely to be under unprecedented pressure so we need to be sympathetic to their views.

In ‘normal’ circumstances, there are many techniques that can be applied to avoiding conflict but they are mostly behavioural and require long-term planning. What we now face are situations requiring urgent decisions and action. If tensions arise in these circumstances, there is no time to plan, we need to defuse the conflict promptly or risk putting the future of the business in jeopardy.

This is a time when we need to use our emotional intelligence and some of the things to be aware of when we are in danger of moving from a state of creative tension to one of conflict are: colleagues becoming angry, emotional, confrontational, aggressive, passive/aggressive, defensive, entrenched in their views; they could stop listening and start blaming and their comments and challenges become personal...

So, how can we deal with these situations? First, we must remind the protagonists that decisions have to be made in the best interests of the business; it is important that all directors’ views are listened to and taken into account but they must be aligned with those of the purpose and values of the business. If they are not, they must be discounted and the reasons for this properly understood.

If there is a dispute it is essential that sufficient time is allocated to understand and discuss the matter and all the information is available to everyone involved in the discussion. This is usually something the executive directors must do but, if NEDs have access to additional information that will help to reach a decision, they must ensure it is available to everyone in the discussion.

It is important to ensure all views are acknowledged and we identify how they will be taken into account when reaching a decision. If conflict arises, make sure the underlying cause is what it appears to be and not the result of something else or is influenced by resentment over a previous event that has been bubbling away beneath the surface.

If things are heading towards an impasse, take a break; have a coffee and an informal chat with the protagonists of the dispute. This can help diffuse the conflict, improve understanding of the situation and allow for everyone to be reminded that the interests of the organisation must come first. This will provide thinking time for those who prefer to reflect rather than make snap decisions and it can be an opportunity to help individuals recognise their own behavioural tendencies when facing challenge. Recognising our own behaviours and understanding how they impact on others can help us to defuse the situations we find ourselves in. Listening is a real skill and to reach a solution it is imperative that everyone feels their views have been listened to.

The chairman is expected to play a pivotal role in the resolution of conflicts but all directors can help in this process by understanding the chairman's position and behaving in a manner that will enable conflicts to be resolved. The chairman must act with diplomacy and composure but, more than anything, with clarity and authority. If the chairman is part of the problem, then others must take a lead; this is the role of the Senior Independent Director ("SID") or it can be another director who is respected by the board.

At the end of the process, make sure that the discussion is properly summarised, all directors understand the decision that has been made and why it has been made and, despite their personal views, ensure they are committed to support the board's position.

One trap to avoid is a compromise that doesn't resolve the underlying issue. Whilst this might allow the board to move on in the current situation, the unresolved issue is likely to come back to haunt the board and the fact that it has been festering away means that the next time it arises a solution is going to be even more difficult to find. Regardless of the attraction of just smoothing over an issue, make sure the underlying issue is resolved in a manner that everyone can buy into.

One final message on the subject; to avoid conflicts it's always good to talk!!

If you would like more information on this subject, would like to talk to us at Platinum Compliance (Guernsey) Limited or to be put in touch with Gary, please contact lindsay@platinumcompliance.co.uk

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