

The CEO Advantage: Conflicts Caused by Confusion Over Who's Responsible for Making Decisions

By Nancy MacKay, Ph.D

CEO challenge:

A five-year CEO thought he needed to fire one or two of his executives because of ongoing conflict between them.

“These two guys can't stand each other, and the conflict between them has been going on since I hired one of them last year.”

The two were never on the same page when it came to important decisions, and it became so bad that they weren't even on speaking terms.

The CEO empathized with the executive's direct reports, who felt caught in the middle and were coming to him with complaints. Worse, the problem was getting in the way of results. Was firing the only solution?

CEO mistake:

This CEO made a few mistakes. Early on, he had asked each executive to commit to building a positive relationship and then hoped the conflict would go away, avoiding it for a year. He also did not encourage the direct reports to go to their bosses to share their concerns, instead choosing to commiserate with them and let them know he valued their feedback.

But by far the most serious mistake was that the CEO did not clarify: the decision-maker (the D) for each area of responsibility. In fact, he felt to do so was a waste of his time. “They are adults; they should be able to work it out,” he quipped.

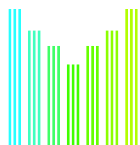
Without knowing who was accountable for the results associated with each decision, the executives, and others, really had no choice but to quarrel. Neglecting to clarify expectations around outcomes and decision-making leads to unhealthy conflict.

It's the CEO's role to set everyone on the executive team up for success by making sure each has clarity around authority and results.

CEO solution:

It was suggested to the CEO that he take steps to set his executives up for success. First, he needed to ask each one to identify the outcomes he was accountable for and the key decisions he needed to make to achieve those objectives.

The next step was to hold a meeting with both executives to clarify who had the decision-making authority for the various areas of responsibility. If they couldn't agree on who had the D, the CEO would have to decide, based on who had the right skills, behaviours and experience to deliver on the outcomes. For the next 90 days, the CEO met with both executives together for 30 minutes a week to continue to set them up for success. He also met with them outside the office from time to time to



establish a more personal relationship and rebuild trust. Furthermore, he encouraged direct reports to take their issues to their bosses instead of the CEO.

The CEO was prepared, at the end of the 90-day period, to let one or both executives go if there was still conflict. In the end, that wasn't necessary, as the executives were able to repair their relationship and support each other's decisions. •

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