Navigate the Politics of CEO Conflict Resolution

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Initiatives: Executive Leadership: Digital Business; CIO Role Evolution

Gartner’s CEO survey research explored the enduring issue of how CEOs resolve conflicts on their executive teams. The results reveal five decision styles that executive leaders can use with their own leadership teams, and examines the political risks of each CEO’s conflict resolution approach.

Overview

Key Findings

- CEOs are uniquely responsible for resolving conflicts between members of the executive team that regularly arise as part of decision making.

- How CEOs resolve conflicts has a significant impact on decision quality, and on the group dynamics of the executive team.

- All CEO conflict management approaches have strengths that can lead to high-quality decision making when used in the appropriate circumstances.

- All CEO conflict management approaches also have weaknesses that can lead to politicization and lower decision quality when applied in the wrong circumstances.

Recommendations

Executive leaders who are guiding digital business should:

- Become knowledgeable about the five dominant conflict management approaches employed by CEOs — consulting, questioning, framing, delegating and trusting.

- Become familiar with their CEOs’ dominant conflict resolution approach and recognize how to work most effectively within that approach to be a strong member of the team.

- Avoid the political challenges associated with each approach, and help influence the CEO and executive team toward alternate approaches when the decision or conflict situation warrants it.

- Assess their own dominant or default approach to conflict resolution, and strategically apply alternate approaches to conflict situations as needed.
Strategic Planning Assumption(s)

Introduction

CEOs often set the tone for how conflicts are resolved among their direct reports and in their enterprises. While disagreements and conflict are natural and can be productive, some methods for executive conflict resolution can easily become politicized and affect the quality of the decisions and outcomes that follow. Understanding the different conflict management approaches can help executive leaders work better with CEOs and optimize their own conflict management techniques. Gartner surveyed 444 CEOs and senior business executives globally to determine how they resolve conflicts among members of their executive teams, and found that five decision styles account for virtually all of them (see Figure 1 and the Evidence section).

Executive leaders can resolve leadership team conflicts in positive ways by choosing decision styles that fit a specific situation. Moreover, by understanding the decision-making strengths and political weaknesses of these five styles, leaders can also prevent inadvertently politicizing the executive leadership team dynamic. This research will also recommend action items for executive leaders working with CEOs who engage in each of these approaches.
**The Five CEO Conflict Resolution Approaches**

**Top Two Rank Sum**

- I Listen to All of Their Points of View and Then Make a Decision: 61%
- I Gather as Much Data as Possible, and Ask a Thorough Set of Questions, Then Decide: 53%
- We Have a Clear Set of Decision Frameworks and Principles That Guide All Decision Making: 38%
- I Require Them to Work It Out Among Themselves and Let Me Know What They Have Decided: 29%
- I Have One or Two Key Advisors Whose Input I Rely on to Make the Final Decision: 17%
- Other: 1%

**n = 444, Total Respondents**

Q: What are the top two ways you prefer to use for resolving conflicts between members of your executive operating committee?

Source: The 2020 Gartner CEO and Senior Business Executive survey 729395_C

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**Analysis**

**Consulting Approach**

The consulting approach is the most common among CEOs, with 61% choosing this option as their first or second choice. The approach is best summarized as “I listen to all of their points of view and then make a decision.” In this approach, CEOs would resolve conflict among their direct reports by speaking with each of them either individually or as a group to get their inputs about how to proceed.

**Pros:** When CEOs use this style, it conveys openness to the expertise and opinions of their own teams. When applied in an egalitarian manner, this approach can convey to the executive team members that they are a team, where all of their inputs hold weight. It is also effective when the team is expressing differences of opinion regarding how to achieve a shared goal that the CEO has set.
Cons: The consulting approach can be problematic if the team lacks the expertise or information to properly inform the specific decision. For example, if the CEO and executive team find themselves in a truly novel situation such as a significant industry disruption that none of the executive team has experienced before, this style can become limiting and problematic.

Politics: The consulting style can also become politicized depending on what the CEO does after consulting with the leadership team. For example, if the CEO consults with everyone, but always listens to the same one or two individuals, the consulting process may feel disingenuous and political. Similarly, if the CEO displays a tendency to listen to those who “got to him first” or alternately, “spoke with her last,” then the input process can become politicized and skew toward sequence, rather than quality of input.

Action Items: If your CEO uses this approach to resolve conflict, executive leaders can:

- Encourage the team to differentiate between what they do know and have expertise in, and where outside assistance may be productive due to the team’s lack of familiarity or direct experience.
- Encourage the CEO to make the shared objective as clear as possible in order to ensure the input process stays focused and collaborative.
- Be attentive to the types of input the CEO gathers and the sequence in which it’s gathered, as the process will have a significant impact on the outcome.

Economic Slowdown: We asked survey respondents whether they expected the economic slowdown to have a positive or negative impact on their business in 2020 and 2021, and we matched those answers against respondents’ decision styles (see Figure 2). Only 15% of CEOs who reported positive impact to the business plans because of economic slowdown concerns used the consulting approach as a top conflict resolution choice. These CEOs were significantly more likely to use the questioning or framing approaches, which we will discuss next.
Figure 2: CEO Conflict Resolution by How Economic Slowdown Impacts Business Plans

CEO Conflict Resolution by How Economic Slowdown Impacts Business Plans
Top Rank

<table>
<thead>
<tr>
<th>Approach</th>
<th>Positive Impact</th>
<th>No Major Concern</th>
<th>Moderate/Substantial Negative Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Listen to All of Their Points of View and Then Make a Decision</td>
<td>35%</td>
<td>15%</td>
<td>35%</td>
</tr>
<tr>
<td>I Gather as Much Data as Possible, and Ask a Thorough Set of Questions, Then Decide</td>
<td>23%</td>
<td>27%</td>
<td>40%</td>
</tr>
<tr>
<td>We Have a Clear Set of Decision Frameworks and Principles That Guide All Decision Making</td>
<td>21%</td>
<td>19%</td>
<td>33%</td>
</tr>
<tr>
<td>I Require Them to Work It Out Among Themselves and Let Me Know What They Have Decided</td>
<td>15%</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>I Have One or Two Key Advisors Whose Input I Rely on to Make the Final Decision</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
</tr>
</tbody>
</table>

n = 444, Total Respondents

Q. What are the top two ways you prefer to use for resolving conflicts between members of your executive operating committee?
Q. Are there any concerns about an economic slowdown or downturn impacting your business for 2020 and 2021?
Source: The 2020 Gartner CEO and Senior Business Executive survey
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Questioning Approach

The questioning approach is second most common among CEOs, with 53% choosing this option as their first or second choice. This approach can best be described as: “I gather as much data as possible and ask a thorough set of questions; then I decide.” It is more structured and less open-ended than the consultative approach. Some CEOs have specific sets of questions that they ask repeatedly, and expect their executive teams to be ready to answer in regards to important enterprise issues.

Pros: This approach has the advantage of making the CEO more predictable to the executive leadership team. CEOs who take this approach tend to be consistent with the types of questions that they ask. This can create data-driven, objective conflict resolution and problem solving. The approach works best when the parameters of a problem are well-established and the executive team can gather adequate objective information to resolve the conflict. For example, can we quantify the risk of strategy A vs. strategy B? Can we forecast the growth rate for product C?
**Cons:** This approach can become overly rigid if the CEO’s question sets do not adequately address the conflict situation at hand. For example, a CEO who has been highly successful in manufacturing may have strong and effective questions that help solve issues related to running the production line. However, those questions may not be as useful in dealing with debates over digital innovation.

**Politics:** Executive leaders must assess how flexible their CEOs are about changing the questions they ask as situations evolve. Sometimes, for either stylistic reasons or due to stress, CEOs may become rigid in their path of questioning, even when the method is no longer working for them or the enterprise. If the CEO questions are a mismatch or overly narrow, this will skew both the outcomes and the executive team dynamics. CEOs may be more likely to listen to those who can answer the questions that interest them or are most familiar to them.

**Action Items:** If your CEO uses this style to resolve conflict, executive leaders can:

- Be attentive to the questions the CEO asks on a regular basis, and be ready to answer them when conflict situations arise.
- When in doubt, ask the CEO “what criteria matter the most in making this decision?”
- Introduce new questions for the CEO and team discussion as appropriate, and test for CEO openness to new criteria. For example, “Yes, we’ll get the return on investment numbers, and perhaps we should also factor in if we have or can source the talent we need to do this within the target time frame?”

**Framing Approach**

The framing approach is the third most common among CEOs, with 38% choosing this option as their first or second choice. It is best described as, “We have a clear set of decision frameworks and principles that guide all decision making.” Framing builds on the questioning approach by adding more criteria dimensions that “frame” issues to help CEOs and executive leaders quickly make decisions and resolve conflicts based on predetermined scenarios, categories or models.

**Pros:** This approach encourages unbiased, situational decision making and can accelerate decision speed while minimizing conflict. Frameworks can help CEOs scale decision making, and resolve conflicts by providing additional navigation points, because in different scenarios or situations, larger decisions are made in advance to guide smaller sets of related decisions. For example, one member of the executive team may propose a new product launch to gain new customers. But if the enterprise growth framework is focused more on growing wallet share, rather than gaining new customers, that investment proposal can be more easily and quickly set aside, thus avoiding an extended executive team debate or conflict.

**Cons:** While this approach works well for addressing repetitive situations that can be modeled (including those with significant uncertainties), it is less useful in situations outside the CEO’s framework. For example, how should the enterprise prepare in case a key partner is acquired by a competitor? If this
situation has never occurred to the enterprise before, the CEO’s framework may not readily account for it and may have to be adapted.

Politics: CEO framework approaches can become politicized when they are too vague to be useful in decision making or resolving conflicts. For example, many business cases use value frameworks with categories such as “strategic” or “mission-critical.” Many executive leaders have different definitions of “strategic.” For some, strategic may equal revenue generating; for others, it may mean something they deem “important” such as replacing legacy equipment. When a framework lacks enough clarity and objectivity to help resolve conflicts, it can become politically weaponized instead. The CEO can also inadvertently create framework politics by holding some of the members of the executive team accountable for adhering to it, and making frequent exceptions for others. This can invalidate the framework as a conflict resolution tool.

Key to success: Consider formalizing an investment framework (see Figure 3 and Depoliticize Project Prioritization With a Decision Framework).

Figure 3: Investment Frameworks Help to Depoliticize

Investment Frameworks Help to Depoliticize

- **Competitive Differentiators**
  - Invest to Grow and Mission Enhancement
  - Customer-Facing Capabilities

- **Commodities and Operations**
  - Cost Manage and Drive Productivity
  - Back Office and Run Capabilities

- **Infrastructure and Compliance**
  - Reduce and Manage Enterprise Risk
  - Foundational and Regulatory Capabilities

- **Innovation and Game Change**
  - Experiment, Write Off and Take Risk
  - Research and Development Capabilities

Source: Gartner 728395_C

Action items: If your CEO uses this style to resolve conflict, executive leaders can:

- Come to agreement as quickly as possible regarding which decision framework the CEO is using, and which parts of the framework apply in the conflict situation and why.
Delegating Approach

The CEO survey respondents chose delegating as their first or second approach 29% of the time. This approach is summarized as, “I require them to work it out among themselves and let me know what they have decided.” In this instance, the CEO steps away from the conflict situation, providing little or no guidance, and instructs the team to return when the issue is resolved. The implication is that the CEO will accept the resolution that the team has decided upon.

Pros: This approach can convey CEO confidence and trust in the executive team and strong delegation. This approach works well when the issue at hand is relatively minor, and the executive leadership team has strong enough relationships that the CEO can trust they will resolve the issue on the CEO’s behalf in a healthy manner that benefits the enterprise.

Cons: This conflict resolution style does not work well when members of the executive leadership team do not have strong relationships with one another, and have challenges working together that have persisted over any significant period of time. In this case, delegation, at a minimum, will usually result in repetition of dysfunctional patterns and often escalates negative conflict situations.

Politics: This approach can create a “corporate cage match” mentality where better fighters — rather than better decision makers — win. Executive leaders who are better fighters will have little incentive to change their ways. Less adept fighters often have little incentive to inform the CEO of the group’s inability to resolve the conflict constructively, since “working it out” may be perceived as the primary goal of the CEO delegation exercise.

At one extreme, CEOs may send a signal that they are rewarding assertive or even aggressive behavior. These CEOs sometimes use “passion” and a willingness to “fight” as proxies for a good idea — an invalid correlation. At another extreme, CEOs may convey that they are, in actuality, conflict avoidant, as they may appear to be unwilling or unable to resolve the conflicts of the executive team.

The survey found that the delegation approach to conflict management is correlated with negative outcomes in digital business, while other conflict approaches correlated to positive digital outcomes relative to expectations (see Figure 4).
Figure 4: Conflict Resolution by Digital Business Initiative Outcomes

Action items: If your CEO uses this approach, executive leaders can:

- Ask the CEO for clear criteria to use as guardrails to guide the delegation, or a clear set of expected outcomes. This can help executive leaders gain some of the benefits of the questioning approach, where clear criteria and outcomes help the group focus, collaborate and reduce conflict.

- If the CEO does not offer or agree to guidance, the executive leadership team should choose its own criteria, and then share the criteria and data they applied with the CEO as part of the proposed solution.

- When a team agreement is not possible, present the CEO with options, rather than a single solution to the conflict or issue at hand. For example, rather than choosing one unsatisfactory solution, choose two or three that are viable for the enterprise and present them instead.

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**Confict Resolution by Digital Business Initiative Outcomes**

**Top Two Rank Sum**

| Approach                                                                 | Percentage
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<tbody>
<tr>
<td>I Listen to All of Their Points of View and Then Make a Decision</td>
<td>58%</td>
</tr>
<tr>
<td>I Gather as Much Data as Possible, and Ask a Thorough Set of Questions, Then Decide</td>
<td>52%</td>
</tr>
<tr>
<td>We Have a Clear Set of Decision Frameworks and Principles That Guide All Decision Making</td>
<td>38%</td>
</tr>
<tr>
<td>I Require Them to Work It Out Among Themselves and Let Me Know What They Have Decided</td>
<td>32%</td>
</tr>
<tr>
<td>I Have One or Two Key Advisors Whose Input I Rely on to Make the Final Decision</td>
<td>19%</td>
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*Source: The 2020 Gartner CEO and Senior Business Executive survey 728395.C*
The trusting approach is the least utilized by CEOs, with only 17 percent citing it as their first or second conflict resolution approach. We describe this approach as, “I have one or two key advisors whose input I rely on to make a final decision.” While this percentage may seem low, the data indicates that almost one in five CEOs use this approach, so it is critical that executive leaders have strategies for dealing with it. The success or risk of this approach is based almost entirely on whom CEOs trust to advise them.

Pros: When the CEO’s advisors are expert or unbiased in the situation, they can add significant value to decision quality. If the CEO brings in a true expert to advise on a situation novel to the CEO and the enterprise and acts as an honest broker, this can be a highly effective conflict resolution approach. Many CEOs partner with academia, for example, for precisely this purpose.

Cons: When CEOs place trust in those who are not expert in a given situation, it can degrade decision quality and create conflict. For example, CEOs who are not as familiar as they would like to be with digital technologies, may bring in someone with whom they have a good relationship and trust as an advisor and direct report. The CEOs’ temporary proxy for their own digital expertise is their trust in this individual advisor. This can inadvertently set up tension between the advisor who is close to the CEO, and the technology leaders accountable for execution.

Politics: One of the greatest dangers of this conflict approach is the risk of creating an “untouchable advisor status” and damaging group dynamics. If the CEO is intolerant of others questioning the key advisor or advisors, this will create a significant power imbalance and damage the rest of the executive leadership team’s trust in the CEO.

CEOs and executive leaders who use trusted advisors should consistently set clear targets and guardrails for their advisors and then hold them accountable for results (see Figure 5). This will help executive leaders objectively assess and validate their trust in their advisors, and help them correct their own potential political blinders.
Reduce Potential Politics and Decision Error

**Action items:** If your CEOs uses this conflict approach, executive leaders should:

- Ally with the CEOs’ advisors when they demonstrate expertise in the issue at hand and can productively support conflict resolution.

- Carefully assess the CEOs’ level of trust in their advisors and the political danger associated with challenging them. While many CEOs may be realistic about their advisors’ capabilities, some may have such a high level of trust that questioning the relationship will be the equivalent of questioning the CEOs’ abilities or judgment.

- Executive leaders who have advisors themselves, or are the CEO’s trusted advisor, should always strive to balance trust with data and accountability to avoid enterprise politics.
Conflict resolution is a critical skill for CEOs and executive leaders. Executive leaders should strive to master each of the five key approaches: consulting, questioning, framing, delegating and trusting. And they should know when and how to apply them. Each conflict approach has benefits when applied in the appropriate situations, and political risks when inadvertently misused. Knowing how to use each will provide executive leaders with a healthy toolkit for conflict resolution.

Evidence

Gartner conducted this research from July 2020 through December 2020, with questions about the period 2020 to 2023. One-quarter of the sample was collected in July and August, and three-quarters from October through December.

In total, 465 actively employed CEOs and other senior executive business leaders qualified and participated. The research was collected via 390 online surveys and 75 telephone interviews.

By job role, the sample mix was:

- 287 CEOs
- 115 CFOs
- 29 COOs or other C-level
- 34 chairpersons, presidents and board directors

By geographic region, the sample mix was:

- 183 North America
- 109 Europe
- 97 China, Japan, Australia and other APAC
- 56 Brazil, Mexico and other Latin America
- 13 Middle East
- 7 South Africa

By enterprise revenue, the sample mix was:

- 46 $50M to < $250M
- 122 $250M to < $1B
The survey was developed collaboratively by a team of Gartner analysts that examines technology-related strategic business change, and was reviewed, tested and administered by Gartner's Research Data and Analytics (RDA) team. The results of this study are representative of the respondent base and not necessarily business as a whole.

**Recommended by the Authors**

- Turn Conflict From a Negative to a Positive on Your Team
- How to Depoliticize Executive Relationships During a Crisis
- Quick Answer: Institutionalize Focused, Deliberate and Efficient Decision Making During a Crisis
- Lesson Videos: Mastering CIO Power Politics