Balanced Conflict, *Better Decisions*

By Mark T. Engle, FASAE, CAE

High-quality, strategic decisions on an association board don't happen the same way they do in for-profit organizations. A first-of-its-kind study shows that association boards that succeed in strategic decision making face personal conflict head-on, rather than discouraging it.

Association boards bring together professionals in our communities to make decisions that often touch people's lives in meaningful ways and can even transform society. Why, then, do we often fail to make consequential or courageous decisions, those game changers that can propel our professions forward? Why is it that, unlike our corporate counterparts with their hierarchal structures and clear decision makers, association boards are often reluctant to make bold decisions? Does reaching consensus actually water down our decisions?

With Paul Salipante, Ph.D., a nonprofit scholar at Case Western Reserve University's School of Business, I conducted a three-year research project aimed at helping association boards and CEOs to make high-quality, consequential decisions. We wanted to determine how association boards, a group of professional peers with relatively limited time to devote to high-level decision making, actually make weighty strategic decisions such as changing their association's governance or dues structure or launching a major initiative.

For answers, we conducted a qualitative study that looked at "high-performing" associations as defined in ASAE's 2006 study *7 Measures of Success* and how their boards made wise decisions. A subsequent quantitative study measured how 215 associations and their boards make strategic decisions. A key finding countered what we expected to learn about conflict in decision making among association boards, and it compelled us to dig deeper into the role of debate and conflict in making high-quality, con- sequential decisions.

In general, we found that high-functioning boards allot time for strategic decision making by clearing their meeting agendas of operational issues and by tasking committees with fact finding and reaching consensus on important issues. Once armed with a committee's recommendation, the board is then free to discuss high-level strategy. With associations, this may involve debating "the facts of the case" or, frequently with volunteer leaders, deliberating issues of keen personal and professional importance to them.

Simply put, what separates high-functioning boards from other boards is their ability to zero in on strategic rather than operational issues and to balance both positive and negative types of conflict.

Smart Time Management

On average, nonprofit board members spend only 40 hours per year on board activity, which provides limited time to devote to strategic issues that confront associations. To use that time productively, association boards need to use processes that promote fair, thoughtful interaction among board members and a clear understanding of issues.

Our research indicated a significant positive effect on decision quality when the board allocated time to strategic issues—those of high magnitude, relative uncertainty, or significant political ramifications—and conducted a fair and impartial process. Boards should devote fully 75 percent to 80 percent of their meeting time and energy to strategic issues, such as industry trends or weighty issues that hit at the core of the association or profession. Operational tasks, such as approving minutes or task forces, should be conducted before meetings, preferably electronically, to help free up face-to-face time. Spending time on inconsequential issues impedes the progress of associations by robbing the board of valuable time to focus on strategic issues. (See "Use a Board's Time Wisely" below.)

Rethinking Conflict

Although conflict has long been studied and linked to high-quality decision making in the corporate world, until now little has been published on the role of conflict in the decision-making process of association boards. This is particularly important for associations, where a consensus approach among peers is highly valued in decision making.

Our research indicated that some high-performing boards limit conflict during board meetings by offloading tensions stemming from strategic issues to smaller groups, such as task forces, which debate and work toward consensus on recommendations to be presented to the board. High-quality decisions result from identifying and managing *cognitive conflict,* which involves contradictory perspectives and application to the issue, early in the decision-making process. *Affective conflict,* or personalized conflict that may reflect emotional and political factors, is then identified and managed during the later stages of board decision making, sometimes at the board level. This approach, however, differs from what is often found in the for-profit environment.

In the corporate arena, numerous studies have found that cognitive conflict produces high-quality decisions and is actively embraced at the group-decision level. In 2007, researchers S. Parayitam, Ph.D., and Robert S. Dooley, Ph.D., studied cognitive and affective conflict and found that both types have important and differing impacts on decision quality. They and other researchers have found that by properly injecting reliable data or research into the decision process at the right time, groups can influence decision quality, whereas debating personal issues impedes decision making.

Our research took what is known on conflict in decision making in the corporate community and applied it to association decision making. Most association board leaders have at one time served on a dysfunctional board that is overwhelmed by affective conflict or operational tasks—or worse, both. Indeed, our study found that high-performing boards handle such challenges skillfully by delegating contentious issues to task forces and often by hiring third-party consultants to enhance their information gathering.

Interestingly, we also found that, if managed well, affective or personal conflict actually improves decision-making quality by helping members work through contentious issues before their recommendation is considered for final approval. This came as a surprise to us. We expected to find that encouraging cognitive conflict and discouraging affective conflict would improve decision quality among association boards, similar to the corporate setting. However, our findings supported the opposite, indicating that debating the

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USE A BOARD'S TIME WISELY

What's the best use of an association board's time? Research conducted by Mark T. Engle, DM, FASAE, CAE, and Paul Salipante, Ph.D., at Case Western Reserve University's School of Business indicates a significant positive effect on decision quality when a board allocates its time to strategic issues and minimizes time spent on operational tasks. A recommended framework:

Reports and updates
- use consent agenda
- no decisions or directions necessary
- time saving

Board-obligated items
- minutes
- governmental actions
- financial requirements
- nominations and appointments
- governance items

Environmental scanning and strategic discussion
- unframed and trend seeking
- unfiltered
- limited boundaries
- directional, not decisional

Seeking decisions and action items
- well framed
- may be directional for CEO
- may be crisis oriented
- may be contentious
- issues requiring a position
- issues regarding the strategic plan or corporate objectives
- issues challenging the core of the association or profession

Board Agenda Management

10%
40%
40%
10%

objective merits of the issue (cognitive conflict) during board meetings leads to lower-quality decision making. But allowing personal elements into deliberations (affective conflict) at the board level drives consensus among peers and improves decision quality when members have a personal interest and perceive a fair process in making a decision.

This comes as little surprise, however, to at least one seasoned association executive. "People in associations are much more vested personally [than in the corporate community]," says Thomas Dolan, Ph.D., FACHE, CAE, president and CEO of the American College of Healthcare Executives (ACHE). "In the business world, you are typically a customer, an employee, or a stockholder, whereas in the association world you are an owner, a customer, and sometimes the workforce. Often members are much more vested in what their associations do, and that can get personal."

Steve Smith, CAE, executive director and CEO of the American Academy of Hospice and Palliative Medicine, also says he sees this dynamic in action. "Fairness and due diligence are critical within committee or board processes," says Smith. "If a process is seen as unfair, such as when all views are not heard, the focus is likely to be on personal issues or affective conflict." Smith encourages committee and board members to voice different perspectives on issues and recommends framing statements with "I think," "I feel," or "I know" when discussing complex or contentious issues.

Here are two telling case studies on how high-performing associations effectively managed conflict that led to courageous decisions.

A Wholesale Governance Restructuring

Seven years ago, the American Speech-Language-Hearing Association (ASHA) desired to reevaluate and restructure its governance structure, which was similar to a House of Representatives model and included a 150-member Legislative Council, an Executive Board, and several dozen programmatic committees and boards. While there was growing concern at times among volunteer leaders over what they saw as a cumbersome system, it provided a rich legacy of achievement for the association.

An ad hoc committee was formed in 2005 "to conduct its work with consideration of governance trends and issues and best practices of individual membership organizations," says ASHA Executive Director Arlene A. Pietranton, Ph.D., CAE. A governance consultant was hired, who held educational