Clash of the Titans: When Top Executives Don't Get Along with the Team

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Testifying in a Delaware court last month, Stanley P. Gold, a former Walt Disney Co. director, joined a long list of company executives who had dirty laundry to air regarding the 1995 hiring of Michael Ovitz as Disney's president and his subsequent firing in 1996. Gold and others detailed how Ovitz had clashed with Disney CEO Michael Eisner and other executives, how he had tried to cut deals the company didn't want and how he had failed to fit into the Disney culture. The situation eventually deteriorated to the point where the only way to refocus the company and end the disputes, said Gold, was to fire Ovitz.

"This was two big volatile egos banging against each other and they just didn't get along," Gold testified, referring to Eisner and Ovitz. Terminating Ovitz, the once-mighty talent agent, just 14months after hiring him cost the company a $140 million severance package, not to mention ensuing legal fees and distractions brought on by a shareholder suit against the company's board for failing to properly scrutinize Ovitz's contract.

"The severity of the clash at Disney is unique," says Michael Useem, head of Wharton's Center for Leadership and Change Management, which is planning a conference on leadership in San Francisco. "At that level, the executive search firms and internal company procedures are so exacting that it would be unlikely such different styles would enter a top executive suite. Having said that, executives do come in and sometimes they just don't work out with those who are already there."

The dysfunctional Disney team may have been an aberration -- both in scale and cost. Yet while the Eisner/Ovitz scenario presents an extreme case, it contains all the elements of what companies seeking to build successful management teams should avoid.

The Root of Executive Team Clashes

Other major companies over the past decade have had their share of dysfunctional executive teams, says Useem. He cites AT&T's hiring and firing in the mid-1990s of John Walters as CEO Robert Allen's heir apparent. Walters lasted just nine months on the job, most of which was spent butting heads with Allen and his closest allies.

When companies face the awkward situation of having two people on one team mired in bitter dispute, they normally chalk up the tension to a personality clash. There is a tendency, according to management experts, to think that personality is the *cause* of organizational discord rather than perhaps an *effect* of it.

For example, Ben Dattner, an associate at Dattner Consulting executive coaching firm, believes that personality conflict might be a symptom of a larger organizational issue. "When I work with my clients, I often try to get them to see how it is not just a conflict between two people. I try to get them to see that it is also potentially a conflict between two visions, two agendas, two constituencies or two visions for the future." Dattner adds, however, that there is a reciprocal relationship: If trust breaks down and people do not collaborate as conflicts begin to emerge, the tension can take on a life of its own and spill into the personal realm.

Peter Cappelli, director of Wharton's Center for Human Resources, believes that when such personal animosity stalls a company's performance, the leadership is usually to blame. "In many ways it is the failure of the leadership to get disparate people to work together. The leadership has not offered the right kind of incentives ... to [encourage] people to play along and get things done."

Cappelli maintains that team members don't need to like each other personally to be effective, but they do need to be working toward a common goal. Internal battles, he says, are linked to clashing priorities as each team member pushes his or her separate agenda. This is common in organizations where the leadership has failed to articulate its goals. "A common problem in an organization is that it is rewarding something different than it says it is. For example, the overall goal of this organization might be to maximize shareholder value. But then when you look at how people get promoted, they get promoted by meeting their own targets rather than contributing to the overall organization's targets."

Adding to the tensions caused by murky goals is an unclear leadership hierarchy, says Wharton management professor Katherine J. Klein. "When one person is clearly in power and the other is not, these matters can be solved relatively easily," says Klein referring to a boss and subordinate. "But when you have two people on the team who share power, it further complicates matters." In such cases, management needs to delineate the line of power even if it means the person who loses clout eventually leaves the organization.

Executive Coaching

A growing number of companies are hiring coaches to teach executives and management teams to overcome internal rivalries, conflicts and personality clashes. The phenomenon has been around since the 1950s but faded until the past decade. Previously, coaching was seen as a way of overcoming problems at work and receiving "acceptable" psychological counseling. Now coaching is common enough that it is almost expected -- especially as organizations have trimmed down or eliminated the divisions that offered such developmental programs. "Most companies don't have time or a systematic way of guiding their management teams in a sophisticated way," says Cappelli. "So they hire coaches to help people figure out what is going on in their job and what they ought to be doing."

Dattner, an executive coach based in New York City, says that when he is asked to intervene he first tries to find out the real causes of the conflict. To what extent is it different divisions, different strategies or different agendas? "Then you bring this to the attention of your clients so maybe they will stop taking things so personally or at least realize that their conflict is representative of larger organizational issues," says Dattner. "When people realize that such issues are at play, they can take things less personally."

Dattner tries to reestablish trust between the team members even if they continue to dislike each other. "It is important for them to trust and respect each other, but liking the other person is not a necessary ingredient for an effective team."

Maggie Craddock, president of Workplace Relationships, a New York-based executive coaching firm, notes that there are times when the management team might be better off shedding a few of its members to bring back a unified vision or goal. This includes situations where trust has broken down beyond repair or where some people with strong personalities have refused to acknowledge the need to change.

While coaching to repair or build relationships on management teams at an early stage is wise, Useem notes that executives such as Jack Welch and Louis Gerstner have said their only regrets as managers have been taking too long to drop someone from a team as opposed to doing it quickly. "This is not a damning of the individual, but a realization that there is a poor fit between the executive and the rest of the management team," says Useem. "Many people get fired and go on to do great things elsewhere."

Cappelli, however, believes that breaking up a team is rarely the solution, especially if you have a group of people who are competent and who have the right skills. "If you are effectively managing the team from above, then you shouldn't really have to rotate people out. And if you do rotate people out, there is absolutely no reason to think that the new group of people is going to be any different."

Getting It Right in the First Place

Teams in which people have worked together for a long time eventually face the reality of needing to bring a new person on board. Such teams, however, have developed specific cultural norms and values, according to Klein. These norms vary from how team members dress and how they communicate with each other to whether meetings start on time or as people trickle in. "Whenever you bring someone brand new onto a team," says Klein, "unless they come in resigned to just conform, or unless current management is truly seeking a change of culture, there is a tremendous potential for conflict." The potential for trouble is even stronger in smaller firms that might have only a dozen employees with just one or two personalities controlling the culture, she adds.

The first step is often the hardest in building an efficient team. Management experts believe that most executives simply do not have the judgment or insight to hire effectively. During the interview process, the hiring executives often latch on to particular qualities that they like in a person and are willing to overlook other telling traits that signal the candidate will simply not fit in. "Everyone thinks they can tell who is going to be good, but they tend to be biased toward people who are like them, who look like them, and who have similar experiences," says Cappelli. "The predictive validity of these kinds of interviews is pretty much zero."

Often, the hiring executives are busier making themselves look good during an interview then getting to know a candidate. They boast that their company has a particular culture, but often this is simply an aspiration. "My experience is that people at the top often have very little sense of what their company's culture really is," says Cappelli. "Culture is about the informal rules -- how things get done regardless of what the corporate credo says." In this respect, the top executives are often insulated from how things really work.

Executives frequently will talk about wanting to bring in fresh blood -- to change course dramatically. "'This will be great,' they think," says Klein, "but be careful what you wish for." In this case, the hiring executives may assume that they know what that new vision or course of action is, adds Klein. If they find that their assumptions were wrong, they are likely to become frustrated and even angry.

The more astute executive search firms are skilled at peeling away a hiring company's layers of wishful thinking. Management experts recommend that companies hire executive search firms that begin by uncovering the underlying company culture. The search firms should also clarify the exact role the hiring company wants a potential candidate to play and articulate the company's goals, vision and strategy. "Most candidates will have all the required technical strengths," says Joseph Griesedieck, vice chairman and head of global CEO practice at executive search firm Korn/Ferry International. "The difficult part is to assess whether the person truly fits a company's culture and whether they share a vision and philosophy." That does not mean looking for someone who is malleable, Griesedieck adds. "You want someone who has the strength to stand up and say, 'I think this is not right,' but in a constructive way."

Klein notes that the ideal candidate will bring both vision and an ability to work on a team, although finding such a prospective executive requires some digging. "It makes sense to look at people's past accomplishments and history to see if they have shown visionary leadership and if they have a similar vision for your business," says Klein. "The second part of the puzzle is to uncover their experience working on a team. Have they worked in a team setting with people who disagree with them? Has this person worked in a team setting where he or she didn't hire all the members of the team to be 'Yes men' and "Yes women'"?

Disney and Eisner blundered on almost all counts. After all, Eisner personally hired his good friend Ovitz, bypassing standard executive hiring procedures. In making the hire, Eisner had no clear goals for his new president. There was also a power struggle from the very beginning as other Disney executives refused to report to Ovitz. Finally, the former talent agent's extravagant spending clashed with Disney's more frugal culture. Each clash was a recipe for management disaster.

"Losing an executive is a very expensive proposition," says Griesedieck. "Not just in terms of the money spent on executive search firms, but the opportunity cost and the time spent" trying to make the relationship work.

A lesson Disney learned the hard way.