

Corporate Governance: Principles, Policies, & Practices



How To Resolve Disputes & Build A Winning Team

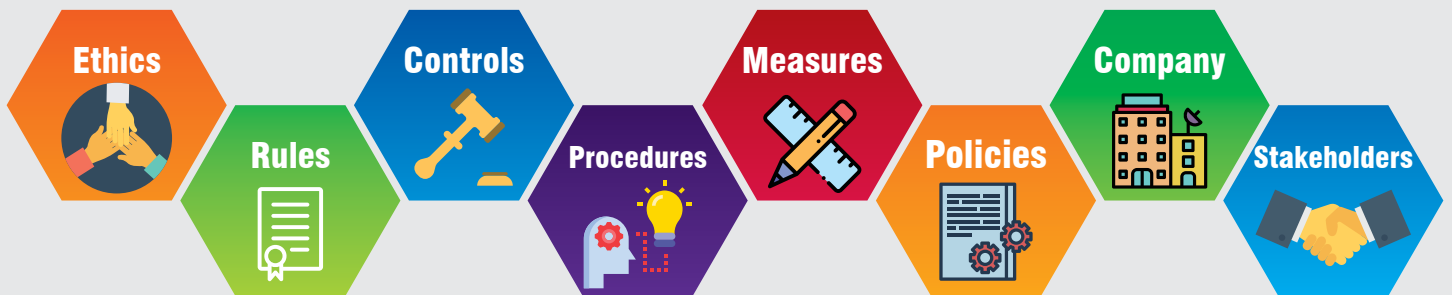
Governance, risk management and compliance (GRC) trends regionally and internationally, have been under the scanner for quite a while. With the recent changes to many of the regional Corporate Governance Codes, it's important to explore the impact this has had on organisations to strategically embed good governance to ensure sustainability, growth whilst maintaining business excellence. Similarly, an equal amount of focus needs to be given to the incorporation of change management, conflict management and dispute management as part of the overall corporate governance strategy. Moreover, an equal amount of importance needs to be given to embedment of enterprise risk management or design governance frameworks, policies and procedures to enhance risk management and performance management whilst maintain good corporate culture, employee engagement and maintaining a focus on customer centricity.



3 Key Pain Points to Look For Corporate Governance

The primary stakeholder having the greatest influence on corporate governance are the board of directors. They are elected by the shareholders as their representatives, and are responsible for appointing corporate officer, guiding the dividend policy, creating rules, processes and measures, building a capable hierarchy of executives to check the functioning of the company, maintaining and deciding the compensation of senior executives and the list goes on. But unfortunately, they usually get into conflicts, which hampers the overall governance process and curtail the productivity of the company.

Pillars of Corporate Governance



Topics to be Covered

- 1** Transforming Conflict in Opportunity for Effective Governance
- 2** Dispute Resolution Skills for Board Directors
- 3** Creating A Winning Team

1 Transforming Conflict in Opportunity for Effective Governance

For ensuring that shareholder's interests are well-served, companies need to make quick and effective decisions. This requires numerous debates and discussions, which may sometimes turn into a heated discourse. Difference of opinions are not often accepted positively and often escalate tensions, leaving the board immobilized. Directors may often take decisions based upon power politics rather than on the issue's merits. Thus, directors and other management professionals need to be trained in conflict management styles to handle interpersonal conflicts in order to maximize the organization's efficacy. Let's discuss a few conflict management styles that can help transform conflicts into opportunity leading to effective governance.

1. Amalgamating: (High Concern for Self & Others)

- A. Also known as 'Collaborating', 'Cooperating', and 'Integrating' Type of Conflict Management Style.
- B. Associated with Problem Solving.
- C. Promotes Openness, Exchange of Information, Analyses Differences That is Admissible to Both Parties.
- D. Works for The Company's Best Interests

2. Harmonizing: (Low Concern for Self & High Concern for Others)

- A. Also referred to as 'accommodating' and 'obliging'
- B. Diminishes the differences and accentuates commonalities to convince the other party's concerns
- C. Typically found in family firms' boards, where family members may often differ with the founder/director
- D. Decisions are often based more on fostering relationships than on merits

3. Compromising: (Intermediate in Concern for Self & Others)

- A. Also known as 'half-ground' and 'settlement' type of conflict management style
- B. Both sides give up something in order to establish a mutually admissible decision
- C. Director/founder has best interests for the other party that they are dealing with
- D. Director/founder follows well-established decision making processes.

4. Subjugating: (High Concern for Self & Low Concern for Others)

- A. Also known as 'competing', 'directing', or 'dominating' type of conflict management style
- B. In this, the director/founder forces one's position over the other party members to win his point
- C. The director/founder spares little room for debates and discussions
- D. The director/founder may even confront unanimous decisions and hegemonize conferences and all party meetings

5. Withdrawing: (Low Concern for Self & Others)

- A. Also known as 'sidestepping' or 'avoiding' type of conflict management style
- B. Predominantly found in passive management boards where director/founder accepts all proposals without proper consideration
- C. Often fails to satisfy own concerns and those of other parties
- D. Often leads to dysfunctional outcomes

The above infographic suggests that more the conflict management style leans towards being harmonious with people and amalgamating everyone on the board, the more it is likely to produce exceptional results, both on the individual level and organizational level. On the contrary, more the conflict management style leans towards being hostile, the more it is likely to escalate conflicts, create obstructions and deliver negative outcomes.

2 Dispute Resolution Skills for Board Directors

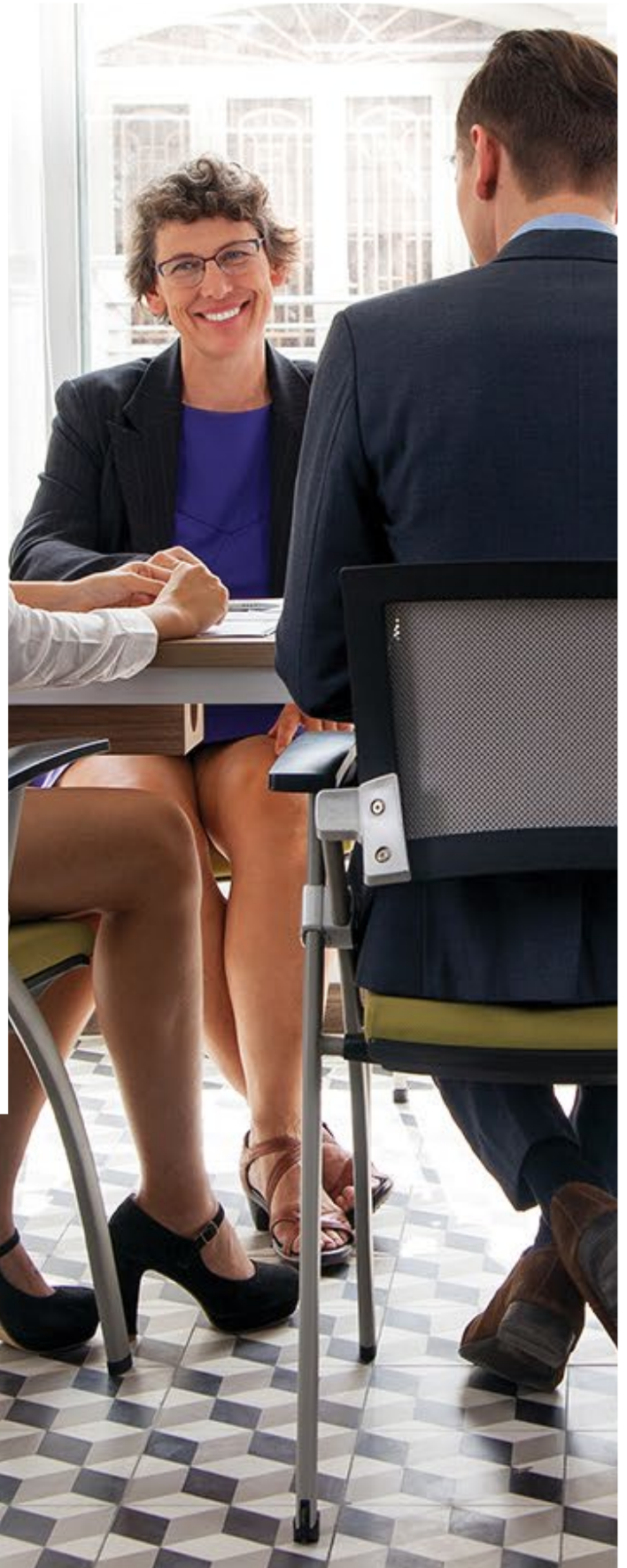
The chairperson must manage disputes and encourage productive board discussions by acting as a facilitator and a guide. They need to constantly check that shareholder's interests are met out in the given deadline, and disagreements are resolved at the earliest. This creates an environment where the directors encourage team spirit, treating everybody equally and without dominating discussions. The chairperson should appoint a trustable director who can act as a peacemaker and settle disputes between other directors at times when the chairperson is absent. The board directors need to adapt and have the will to learn to mediate without the need to find a common ground. This can be achieved if they strive to improve communication, bring clarity, and re-focus attention on the company's interests.

Following are few things that directors must keep in mind while mediating:

- A. Effective communication that includes active listening and assertive expression**
- B. Inculcating confidence and trust**
- C. Taking into consideration the cultural sensitivities**
- D. Constructing a consensus**
- E. Learning how to disagree constructively**
- F. Learning agility**
- G. Self-motivation**
- H. Collaborating effectively**
- I. Efficient decision making after**

Communicating effectively is another important skill that directors need to learn. Effective communication facilitates constructive dialogue, positive engagement, and minimizes obstacles. Moreover, it helps prevent misunderstandings and avoids the director's statements and opinions from getting misconstrued. Directors should learn to use the right lexicons as they have the ability to create persuasive messages, and engage deeply with the key stakeholders. Directors should also focus on various blocks to effective communications, and remember not to commit them consistently. Few of such blocks are mentioned below:

- A. Avoid interrupting while others speak**
- B. Argue unnecessarily**
- C. Avoid acting like a snob**
- D. Lecturing incessantly**
- E. Being moralistic**
- F. Being judgemental**
- G. Dominating conversations**



Conflict Resolution Skills Ladder

Unskilled Individual		Skilled Individual
<ul style="list-style-type: none"> Not willing to change Personal wants take charge Uses power to hegemonize 	<p style="text-align: center;">6</p> <p style="text-align: center;">Able to Negotiate A Win-Win Solution</p>	<ul style="list-style-type: none"> Is flexible Is open minded Looks after personal interests
<ul style="list-style-type: none"> Confined to 'fight or flight' options Does not care about anyone else Only works for getting a position 	<p style="text-align: center;">5</p> <p style="text-align: center;">Able to Produce Myriad Solutions</p>	<ul style="list-style-type: none"> Produces diverse options Tries to locate options that satisfy interest of both the parties
<ul style="list-style-type: none"> Fails to understand other's emotionally Sees other as the 'bad guy' Believes agreement is the result of empathy 	<p style="text-align: center;">4</p> <p style="text-align: center;">Able to Take Perspectives</p>	<ul style="list-style-type: none"> Knows how to react to other's emotions Hears out interests of other people Comprehends the difference between agreement and empathy
<ul style="list-style-type: none"> Exhibit only their position 	<p style="text-align: center;">3</p> <p style="text-align: center;">Able to Recognize & Demonstrate Own Interests</p>	<ul style="list-style-type: none"> Understand the difference between position and interests Segments one's interests in terms of needs/wants/fears/concerns
<ul style="list-style-type: none"> Often blame others Are unaware of their own thoughts Do not know how to express their feelings 	<p style="text-align: center;">2</p> <p style="text-align: center;">Able to Convey What One Thinks</p>	<ul style="list-style-type: none"> Is able to understand emotions of others Has full control over his/her emotions
<ul style="list-style-type: none"> Often yell and scream on others without any fault of the latter Often withdraws from the argument and dissolves into tears 	<p style="text-align: center;">1</p> <p style="text-align: center;">Able to Deal With Strong Emotions</p> <p style="text-align: center;">CONFLICT</p>	<ul style="list-style-type: none"> Does not yell or scream rather understands the main problematic areas and solves them.

3 Creating A Winning Team

There is no such thing as a perfect employee, a perfect team, or a perfect manager, but there are a few keys to great management that bring out the best in everyone. To be a great manager, you must learn when it's time to step in to guide and discipline and when it's best for you to step back and allow for some individual freedom. To build a winning team, you must offer change as a solution to a problem or a dilemma, build model team members, remove bad performers, and spark creativity and innovation. Let's see the qualities of an efficient manager that can help achieve the above stated qualities.

A. Propose Change As A Solution to A Problem or A Dilemma

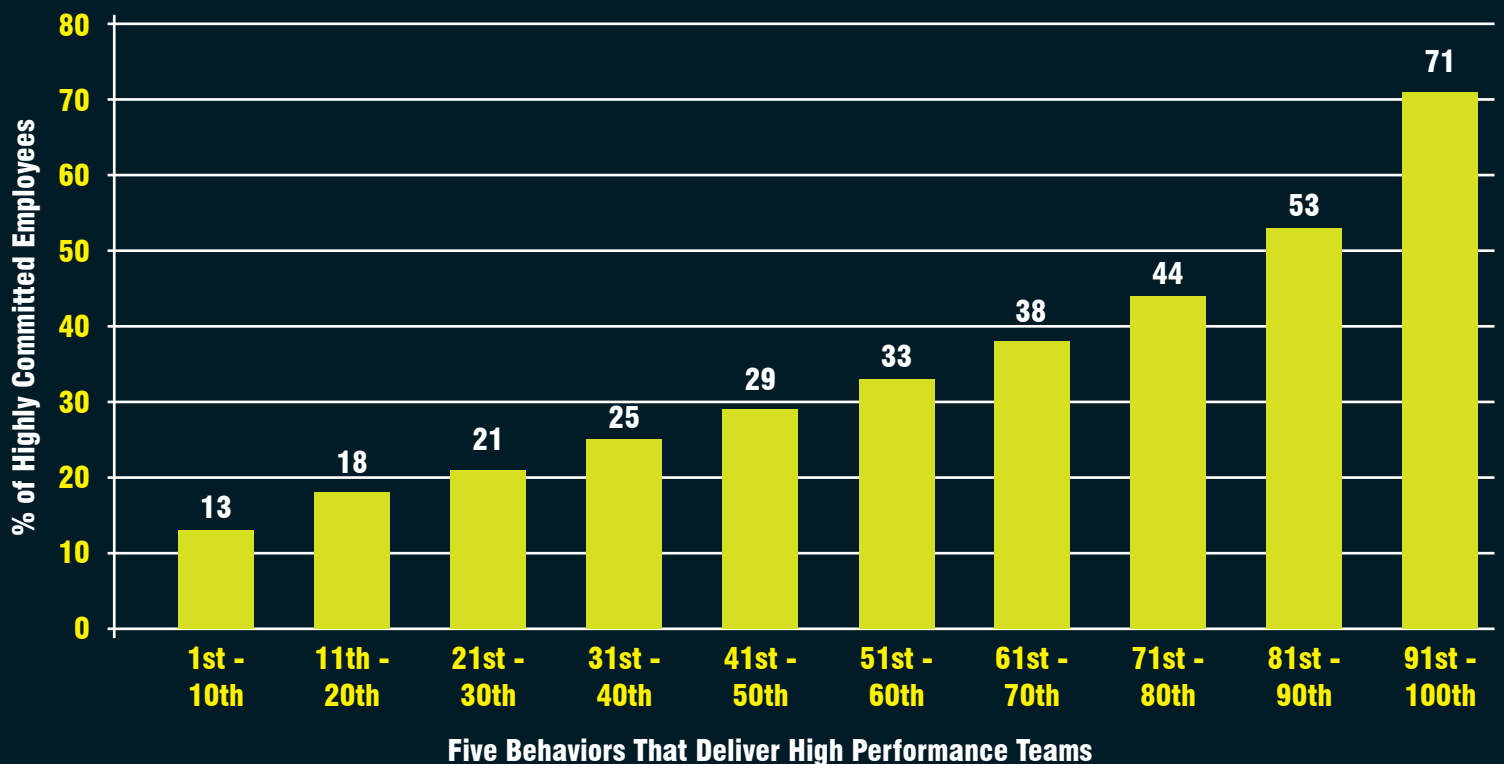
A. An effective manager spots problems, opportunities and trends early. He shares it with his colleagues and directs them to work on it so as to reap maximum benefits.

B. The best decision makers always remain open to and aware of problems after making a decision. They are ready to make the required changes whenever and wherever required.

C. Good managers accept that they have made a poor choice, in case they make one. They do not stick with a bad decision and rationalize that things will get better with time.

D. One of the most important qualities of effective managers is that they look into approximately three solutions instead of only one alternative. So in case one does not work, you always have two at your disposal.

E. An effective manager does not gather information that is readily available and is often biased towards the favourite alternative, but goes the extra mile in gathering data that actually benefits the company.



The above graph represents the percentage of highly committed employees under exceptional team leaders. As per the above graph, we can see the leaders who were exceptional across all the five dimensions (those at the top 10%), had 71% of team members who were highly committed.

Let us take a close look on the five behaviours that deliver high performance teams.

1. Effective Team Leaders Inspire More Than They Drive

When team members feel that they are on a mission, they feel inspired. Effective leaders know how to pull their team members out of tediousness by creating the required enthusiasm and energy.

2. Effective Team Leaders Rectify Conflicts & Improve Cooperation

Internal conflicts can break teams apart. Effective leaders understand this and address and resolve the problem, then and there. They do not focus on competition versus cooperation rather they see competition and cooperation in collaboration with each other.

3. Effective Team Leaders Know How to Set Stretch Goals

Employees do not like to work on things that can be easily achieved by others. Effective leaders understand this and assign work, which helps their team members to recognize how capable and competent they are. This not only increases their satisfaction with their work but also boosts their morale.

4. Effective Team Leaders Often Communicate Their Vision & Direction

One of the main qualities of an effective leader is that they communicate their vision and direct their team members quite often. This keeps the team members informed and focused on their mission.

5. Effective Team Leaders Are Trustable

The lack of trust hampers everything. If a leader does not enjoy unequivocal trust by his team members, neither will he be able to inspire his subordinates nor will the latter listen to him at times of conflicts. To become a trustable person, a leader must build positive relationships so that his subordinates accept his commands at the earliest. Also, knowledge is another important parameter of building trust. People look up to leaders who can solve problems instantly. Moreover, consistency is another parameter that people judge you on. If you keep your word and do what you take in your hands, people will trust you and follow your orders.

Today, there are myriad programmes on Corporate Governance but unfortunately, most of them are devoid of tools that can train Board directors to address and arbitrate unavoidable issues. Board directors are trained to see conflicts as a negative and undesirable feature. This kind of view escalates the conflicts, which negatively impacts the effectiveness of the management team, and ultimately leads to poor performance of the company as a whole. In our 4 day workshop, Robert L. Ford, will teach you how to sail your way through the nitty-gritties of Corporate Governance, through real life case studies, Role-Play Board Meetings, Conflict escalation models, and interactive presentations to equip you with Board Toolkit for Conflict Management etc. We urge you not to miss this opportunity, and take-home expert corporate governance skills to help you decide when and how to negotiate, mediate and arbitrate disputes.



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