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**The Role of Conflicts in Top Management Teams**

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**Structured Abstract**

**Purpose:**

The purpose of this paper is to find out the role of conflicts and conflict management in Top Management Teams (TMTs).

**Design/Methodology/Approach:**

Based on the secondary research and literature review a conceptual model for conflict management in TMTs is proposed. 66 reasons for conflicts and 55 conflict resolution techniques are identified for TMTs from literature review. They are ranked based on reference count in the literature. TMT processes interaction is shown pictorially.

**Findings:**

Top 5 reasons for conflicts in TMTs identified are *value differences, resources, attitudes, structures* and *trust*. Top 6 conflict resolution techniques identified in TMTs are *avoidance, compromise, withdrawal, collaboration, confrontation* and *integration*.

**Research Limitations/Implications**

Further empirical research can be done based on the identified top reasons for conflicts and conflict resolution techniques. Also impact of countries and culture can be further be researched.

**Practical and Social Implications**

Based on the findings executive teams can manage the conflicts effectively in organizations. This research is useful for the society in proper management of organizations.

**Originality/Value:**

The main contributions of this work are the conceptual model of conflict management in TMTs, TMT processes interaction diagram, top 5 reasons for conflicts in TMTs, top 6 conflict resolution techniques in TMTs, managing conflicts in TMTs and the factors impacting TMT performance.

**Keywords:**

Top Management Teams, TMT, Executive Teams, C-Level Executives, CEO, Conflict Management, Conflict Resolution, Conflicts, Teams, Senior Management Teams

**Article Classification: Conceptual Paper**

**\* \* \***

1. **INTRODUCTION**

“The employment relationship is a mixture of conflict and cooperation”.

--- Osisioma et al. (2012)

TMTs (Top Management Teams) are required to solve complex and dynamic problems (Edmondson et al., 2003; Zaccaro et al., 2001). They face ambiguous unstructured problems (Edmondson et al., 2003). TMTs make better decisions when more information is required and the problem is more ambiguous, unique and complex (Tompson, 1997). TMT consists of the top two tiers in the organization including Chairman, CEO, CFO, COO, and the next highest management tier (Carpenter, 2002). TMT includes from inside board members till the Vice Presidents (Lohrke et al., 2004). Ensley et al. (2002) in their study consider TMT members as founders, who has stake of at least 10% or someone who plays active role in strategic decision making. Top Management teams play major role in strategy formulation, sales growth and organizational performance (Haleblian and Finkelstein, 1993). The strategies and actions of CEO and his direct reports can make or break the company (Albrecht et al., 2004; Vey et al., 2005). TMT members manage from broad of directors, to governmental officials, shareholders, analysts and partners (Edmondson et al., 2003). Decision making in TMTs is of multiparty and multi-motive negotiations. Participative safety is often low in TMTs. Usually conflicts in TMTs become public in the office which impacts TMT climate (Edmondson et al., 2003).

*Conflicts* can be categorized as *cognitive conflict, affective conflict* (Clerkin and Jones, 2013; Sternad and Schwarz-Musch, 2011; Zaccaro et al., 2001) and *process conflict* (Leffel et al., 2012; Osisioma et al., 2012; Sternad and Schwarz-Musch, 2011)*. Cognitive conflict* also known as task conflict (Simons and Peterson, 2000; Smith, 2008; Tompson, 1997), is task oriented and concentrates on common objective (Ensley et al., 2002; Zaccaro et al., 2001). Cognitive conflict involves differences of opinions, ideas and viewpoints (Simons and Peterson, 2000; Smith, 2008). Where as, *affectvie conflict*, also known as relationship conflict,corresponds to individual incompatibilities (Knight et al., 1999; Sternad and Schwarz-Musch, 2011; Thomas, 2006), annoyance, tension, animosity (Simons and Peterson, 2000; Smith, 2008), emotions (MacDonald, 2006; Sternad and Schwarz-Musch, 2011), disputes (Zaccaro et al., 2001), disaffections and interpersonal dislikes (Ensley et al., 2002; Osisioma et al., 2012). Cognitive conflict improves the decision quality (Bahadur, 1993; Eisenhardt et al., 1997; Ensley et al., 2002, Simons and Peterson, 2000; Sternad and Schwarz-Musch, 2011). Affective conflict reduces the decision quality (Simons and Peterson, 2000; Sternad and Schwarz-Musch, 2011), decision consensus and hampers the team performance (Ensley et al., 2002; Knight et al., 1999; Zaccaro et al., 2001). *Process conflict* refers to the rules and procedures to be followed in accomplishing the task and roles and responsibilities in maximizing the productivity (Osisioma et al., 2012). Team climate has to be managed to encourage cognitive conflict and discourage affective conflict (Ensley et al., 2002; Simons and Peterson, 2000; Zaccaro et al., 2001). Conflict is multidimensional (Ensley et al., 2002). Conflict is inevitable in organizations and it can be normal and healthy (Eisenhardt et al., 1997; Osisioma et al., 2012). There are similarities between metacognitive and executive control functions (Fernandez-Duque, 2000).

One interesting thing is Korn/Ferry’s (2009) global leadership survey did not find conflict management as an important leadership skill at executive level; however, they have found it as a differentiating skill at managers’ level. Jack Welch at GE and Andy Grove at Intel recognized that conflict is inevitable in dealing with complex decisions and Welch’s approach to conflict resolution at GE is collaboration (Thomas, 2006). Supervisors spend 25% of their time in conflict management and managers spend 18% of their time in conflict management (CreativeCommons, 2013; Thomas, 2006). There are no statistics on how much time TMT members spend on conflict management in literature.

1. **RESEARCH OBJECTIVES**

This objective of the paper is to discuss conflicts in top management teams. The paper gathers reasons for conflicts in TMTs from a through literature review and finds out the conflict resolution techniques for the same. The impact of conflicts on top management team performance and other factors impacting TMT performance are also discussed in the paper. The objective is to highlight the role of conflicts in top management team performance. It categorizes the factors effecting the TMT conflicts leading to TMT performance and proposes a model of conflict management for TMTs (Figure 1). It also categorizes the reasons for conflicts in TMTs (Table 1). The conflict resolution techniques identified are tabulated in Table 2. This research is very much needed in the current era where conflict is looked as an opportunity to improve the organizational performance.

This paper addresses the research questions such as what are the reasons for conflicts in top management teams?, what conflict resolution techniques are used in TMTs?, how to manage conflicts in TMTs?, what factors affect the TMT performance?, and under what model/framework TMT conflicts occurs?. The identified top reasons for conflicts and top conflict resolution techniques used in TMTs add to the body of literature on conflict management in TMTs. The paper is organized as next section-3 describes the literature review on TMTs, section-4 describes the research methodology, proposes a conflict management model for TMTs, lists the reasons for conflicts in TMTs, describes the conflict resolution techniques used in TMTs, section-5 explains the findings of research, section-6 describes managerial implication, and section-7 concludes and shows the scope for further research.

1. **REVIEW OF LITERATURE**

Earlier studies on TMTs have concentrated on demographic diversity such as age, education, functional diversity and tenure diversity (Edmondson et al., 2003; Knight et al., 1999). Morrill (1991) have studied TMTs in two large business organizations to find out the relationship between conflict management and interpersonal networks. He found that executives experienced fragmented and atomized interpersonal networks are less likely to confront than the executives with strong and densely connected networks. His research implications for TMT members include occasional disjunction between executive beliefs and conflict management, decision making, and isomorphism between social context and conflict management. According to Kabanoff (1991), organizational equity and equality among individuals can also lead to conflicts among top management teams.

Haleblian and Finkelstein (1993) have done a study of TMTs in 47 organizations in Computer and Natural gas industries to find out the relationship between TMT team size, CEO Dominance and organizational performance in turbulent times. They came to know that large teams performed better than smaller teams and CEO dominance resulted into poor organizational performance in turbulent times. The relationship between TMT team size, CEO dominance and organizational performance is significant when TMTs have high discretion in strategic decisions. Lohrke et al. (2004) have also found that CEO dominance has adverse effects on decision quality because of lack of inputs from TMT members. Bahadur (1993) has done a survey of 60 top level executives working in 15 public enterprises in Nepal. He found that conflicts occur at interdepartmental and interpersonal level mostly. Competition among individuals and departments are the main reasons for conflicts. The participants conveyed that the conflict is dysfunctional and destructive. The most favoured conflict resolution technique in Nepalese public organizations is the staff meeting. All the top executives believe that the conflict is dysfunctional and has negative consequence.

Knight et al. (1999) have researched TMTs in 76 high technology multinational firms in IT, biotechnology, aerospace, defence and hazardous waste management industries in US and Ireland with CEO interviews and comprehensive questionnaires to find out the relationship between TMT diversity, group processes and strategic consensus. They found that this relationship be mediated by interpersonal conflict. Also it was found that functional diversity and educational diversity are negatively related to strategic consensus and tenure diversity is positively related to strategic consensus. Functional diversity is positively related to interpersonal conflict.

Simons and Peterson (2000) interviewed 100 CEOs in US based Hotel companies comprising 70 TMTs and found that the relationship between task conflict and relationship conflict is mediated by the intragroup trust. Carpenter (2002) has done a study of 247 large and medium size companies from Standard & Poors (S&P) Industrial Index to find out the relationship between TMT heterogeneity and organizational performance. He found that the impact of education, tenure diversity, work experience on performance depends on the strategic and social context. There is a positive relationship between TMT education, functional diversity, tenure diversity and performance and these relationships are stronger in short-tenured TMTs. TMT’s situation affects the TMT demographic characteristics and outcomes. Demographic details impact TMT behaviour. Diversity is an advantage in most complex environments. The advantages with TMT heterogeneity are shared values, quick coordination and effective communication.

Ensley et al. (2002) have done a study of 192 TMT members in 70 new venture organizations from 1995 Inc. 500 and found that TMT cohesion is positively related to cognitive conflict and negatively related to affective conflict. They also found that TMT cohesion is positively related to new venture growth. Cohesive teams produce synergy, experience few process losses, experience fewer turnovers and tend to have longer tenures. It was also found in this study that morale is positively related to belongingness and belongingness is negatively related to affective conflict. On average CEOs spend 10 years in the position. Lohrke et al. (2004) have done extensive literature review and concluded that TMTs play major role in reversing fortunes of failing organizations. There are very few empirical studies on TMT role in organizational turnaround situations. The previous research has contrasting findings that some studies state organizations successfully implemented turnaround have hired external TMTs and some studies say that internal TMTs have lead the recovery efforts. Li and Li (2007) have done a study on TMTs of 184 high technology companies in Beijing, China to find out the relationship between TMT conflicts and entrepreneurial strategy making of new ventures. They found that cognitive conflict is positively related to entrepreneurial strategy making mediated by dysfunctional competition and team deftness.

Smith (2008) has done a multi-year study of two TMTs in a manufacturing company and a professional services company by following action science approach to find out the processes that convert task conflict into relationship conflict. According to Smith (2008), no earlier research studies are in favour of engaging relation conflict in team performance. He advocated using relationship conflict for the benefit of better team performance. He suggested two tools for using relationship conflict as a constructive force of team performance known as *Ladder of Reflection* and *Mapping Template,* which use reflecting and reframing. The ladder of reflection has steps such as select, describe, explain, predict, evaluate and decide. In a study done by Fredberg et al. (2008) on 26 CEOs of top American and European companies, they found that the TMTs have to make both long term strategies and short term performance happen simultaneously. They cannot choose between them. Leaders deal with competing values, roles and attitudes. CEOs build commitment and trust through direct communication (Edmondson et al., 2003; Fredberg et al., 2008; Hayes et al., 2002). In a study done by Sternad and Schwarz-Musch (2011) on TMTs of Austrian and Slovenian TMTs in printing, travel and construction industries they found that the role of conflict in strategic decision making is influenced by whether decisions are taken by team or individual, informal behaviour and whether TMT members are following individual interests or organizational interests but not the individual or collective cultures. National cultures can influence TMT decision making. Individual interests and informal influencing are positively correlated to both cognitive and affective conflicts.

Elien, et.al. (2016) have done study of 70 high-tech startups in Belgium to find out the relationship between top management team and outside board involvement in startups; found that relationship conflict is related to outside board involvement. Diánez-González and Camelo-Ordaz (2016), in a study of 167 Spanish academic spin-offs found that the presence of a non-academic manager in management teams indicate the level of entrepreneurial orientation; and the conflict mediates the relationship between management team’s age heterogeneity and entrepreneurial orientation. Ashkenas (2016), in a study of food industry startup found that senior leaders in fact avoid any difficult conversations with colleagues.

1. **Research Methodology**

The paper is developed based on the secondary research and literature review of earlier published empirical and conceptual studies. To find the scholarly research papers, the search was done using Google, Google Scholar, DOAJ, ResearchGate, Academia.edu, SSRN, etc. The keywords used for search include “top management teams”, “executive management teams”, “TMTs”, “Board of Directors”, “CEO”, “Conflict Resolution”, “Reasons for Conflicts”, “Team Processes”,etc. Papers from popular scholarly journals such as *Strategic* *Management Journal, The Leadership Quarterly, Journal of Management, Joournal of Management Psychology, Journal of Applied Psychology, Harvard Business Review, The Academy of Management Journal, The Academy of Management Review, American Anthropologist, etc.* have been collected. On need basis, systematic literature review has been carried out.

* 1. **Conflict Management Model in Top Management Teams**

*TM Team Characteristics* has the items such as team size (Haleblian and Finkelstein, 1993; Sternad and Schwarz-Musch, 2011), team composition (Edmondson et al., 2003; Mitchell et al., 2008), functional diversity (Carpenter, 2002; Edmondson et al., 2003; Knight et al., 1999), tenure diversity (Carpenter, 2002; Edmondson et al., 2003; Knight et al., 1999) and demographic diversity (Carpenter, 2002; Ensley et al., 2003; Knight et al., 1999; Tihanyi et al., 2000; Zaccaro et al., 2001). *TM Team Processes* comprises the items such as decision making (Carpenter, 2002; Lohrke et al., 2004; Morrill, 1991; Sternad and Schwarz-Musch, 2011; Tihanyi et al., 2000;), communication (Carpenter, 2002; Fredberg et al., 2008; Miles and Watkins, 2007), coordination (Carpenter, 2002; Zaccaro et al., 2001), cohesion (Ensley et al., 2002; Zaccaro et al., 2001), cooperation, strategy (Knight et al., 1999), trust (Fredberg et al., 2008; Miles and Watkins, 2007; Simons and Peterson, 2000), loyalty and process loss (Ensley et al., 2002; Haleblian and Finkelstein, 1993).

*TM Team Shared Capabilities* has items such as shared vision (Miles and Watkins, 2007), shared resources (Lohrke et al., 2004; Zaccaro et al., 2001), shared leadership (Edmondson et al., 2003) and shared power. *Individual Characteristics* consists of the items such as individual goals, individual interests (Sternad and Schwarz-Musch, 2011), individual competencies, individual confidence, behavioral integration (Carpenter, 2002; Sternad and Schwarz-Musch, 2011; Tihanyi et al., 2000;), greed and ethics. *Task Characteristics* has items such as task complexity (Sternad and Schwarz-Musch, 2011) and goal uncertainty (Sternad and Schwarz-Musch, 2011). *CEO Characteristics* has items such as dominance (Haleblian and Finkelstein, 1993), retirement stage, CEO tenure, leadership style (Ensley et al., 2003; Zaccaro et al., 2001) and power. *Environmental Factors* comprises CEO succession plan, sales growth, large debts & leverage, board of directors influence, organizational strategy/norms (Carpenter, 2002; Fredberg et al., 2008; Knight et al., 1999; Li and Li, 2007; Lohrke et al., 2004; Sternad and Schwarz-Musch, 2011), booming economy, stock price, shareholder interests, Wall street expectations and CPA firm behaviour. TM Team conflicts factor comprises cognitive conflict (Li and Li, 2007) and affective conflict (Ensley et al., 2002; Sternad and Schwarz-Musch, 2011; Zaccaro et al., 2001). According to Hambrick and Mason (1984), top management team performance has impact of managerial background characteristics of the TMT, which generate the conflicts. That is nothing but the TM team characteristics. Figure 1 gives the conceptual model.

From the above literature following hypotheses can be proposed:

H1: Top Management Team has an impact on top management team conflicts

H2: Top Management Processes have an impact on top management team conflicts

H3: CEO Characteristics have an impact on top management team conflicts

H4: Environmental Factors have an impact on top management team conflicts

H5: Top Management Team Shared Capabilities have an impact on top management team conflicts

H6: Individual Characteristics can impact on top management team conflicts

H7: Task Characteristics can impact on top management team conflicts

H8: Top Management Team Conflicts can effect top management team performance.

* 1. **Reasons for Conflicts in Top Management Team**

TMT team size creates communication and coordination problems (Haleblian and Finkelstein, 1993). The more the external contacts the more power is exhibited by the TMT member. The sources of TMT conflicts include data, interests, structures, values, and relationships (MacDonald, 2003).

According to Zaccaro et al. (2001), team problems come from its environment. Negative mood in team results into internal conflicts impacting the team performance. TMTs having less cohesion tend to have more affective conflicts and experience higher turnover (Ensley et al., 2002). Cognitive conflict turns into affective conflict in the presence of hurtful, harsh, forceful and aggressive tactics. Cognitive conflict can also turn into affective conflict in presence of raising voices. Cognitive conflict changes across issues. Where as affective conflict is stable across issues (Simons and Peterson, 2000). In a survey done by Accenture (Vey et al., 2005) on TMTs, 43% of the respondents gave preference to individual and business unit goals than to the organizational goals. The reasons for conflicts in TMTs along with their relative reference count in literature are as shown in Table 1. The reasons for conflicts in TMTs (Table 1) can be classified as *individual reasons, team reasons, organizational reasons* and *environmental reasons*. From the Table 1, it is evident that the individual and team reasons dominate the reasons for conflicts in TMTs.

**Figure 1: Top Management Team (TMT) Conflict Management Model**

(Source: Author)

**TM Team Characteristics**

* Team Size
* Team Composition
* Functional Diversity
* Tenure Diversity
* Demographic Diversity

**TM Team Processes**

* Decision Making
* Communication
* Coordination
* Cohesion
* Cooperation
* Strategy
* Trust
* Loyalty
* Process Loss

**CEO Characteristics**

* Dominance
* Retirement Stage
* CEO Tenure
* Leadership Style
* Power

**Environmental Factors**

* CEO Succession Plan
* Sales Growth
* Large Debts & Leverage
* Board of Directors Influence
* Organizational Strategy/Norms
* Booming Economy
* Stock Price
* Shareholder Interests
* Wall street Expectations
* CPA Firm Behaviour

**TM Team Shared Capabilities**

* Shared Vision
* Shared Resources
* Shared Leadership
* Shared Power

**Individual Characteristics**

* Individual Goals
* Individual Interests
* Individual Competencies
* Individual Confidence
* Behavioural Integration
* Greed
* Ethics

**Task Characteristics**

* Task Complexity
* Goal Uncertainty

**TM Team Conflict**

**Top Management Team Performance**

Cognitive Conflict

Affective Conflict

**Table 1: Reasons for Conflict in Top Management Teams**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Reason for Conflict in TMT** | **Reference** | **Total Number of References** |
| **Individual Reasons** | | | |
|  | Value differences | Bahadur (1993); MacDonald (2003); Leffel et al. (2012); CreativeCommons (2013) | 4 |
|  | Attitudes | Albrecht et al. (2004); Leffel et al. (2012); CreativeCommons (2013) | 3 |
|  | Differences in Goals | Bahadur (1993); CreativeCommons (2013) | 2 |
|  | Personality | MacDonald (2003); Thomas (2006) | 2 |
|  | Power | Bahadur (1993); MacDonald (2006) | 2 |
|  | Skills | Leffel et al. (2012); CreativeCommons (2013) | 2 |
|  | Assumptions | MacDonald (2003) | 1 |
|  | Authority | MacDonald (2006) | 1 |
|  | Behaviour | Albrecht et al. (2004) | 1 |
|  | Different Ideas | MacDonald (2006) | 1 |
|  | Differences in Culture | Clerkin and Jones (2013) | 1 |
|  | Differences in Interests | Bahadur (1993) | 1 |
|  | Different Interpretations | MacDonald (2003) | 1 |
|  | Differences in Understanding | MacDonald (2006) | 1 |
|  | Differences in Views | MacDonald (2003) | 1 |
|  | Dishonesty | Albrecht et al. (2004) | 1 |
|  | Greed | Albrecht et al. (2004) | 1 |
|  | Grievance Expressions | Morrill (1991) | 1 |
|  | Guesses | Eisenhardt et al. (1997) | 1 |
|  | Harsh Language | Simons and Peterson (2000) | 1 |
|  | Hunches | Eisenhardt et al. (1997) | 1 |
|  | Hurt feelings | Simons and Peterson (2000) | 1 |
|  | Ideology Differences | MacDonald (2003) | 1 |
|  | Negative Mood | Zaccaro et al. (2001) | 1 |
|  | Perceived Opportunities | Albrecht et al. (2004) | 1 |
|  | Perceived Pressures | Albrecht et al. (2004) | 1 |
|  | Public Insult | Morrill (1991) | 1 |
|  | Social Position | Bahadur (1993) | 1 |
|  | Status | Bahadur (1993) | 1 |
|  | Stereotypes | MacDonald (2003) | 1 |
| **Team Reasons** | | | |
|  | Differences among TMT members | Carpenter (2002); Governance Matters (2013) | 2 |
|  | Interdependency | Osisioma et al. (2012); CreativeCommons (2013) | 2 |
|  | Poor Communication | Leffel et al. (2012); Osisioma et al. (2012) | 2 |
|  | Trust | MacDonald (2006); Clerkin and Jones (2013) | 2 |
|  | Arguments | Morrill (1991) | 1 |
|  | Demographic Diversity | Carpenter (2002) | 1 |
|  | Dispersion of Control | Kellermanns and Eddleston (2004) | 1 |
|  | Diverse Membership | MacDonald (2003) | 1 |
|  | Feud | Morrill (1991) | 1 |
|  | Lack of Information | MacDonald (2003) | 1 |
|  | Misinformation | MacDonald (2003) | 1 |
|  | Open Discussion | Simons and Peterson (2000) | 1 |
|  | People Involvement | MacDonald (2003) | 1 |
|  | Processes | MacDonald (2003) | 1 |
|  | Shared Leadership | MacDonald (2003) | 1 |
|  | Sharing Responsibility | Albrecht et al. (2004) | 1 |
|  | Struggle | MacDonald (2003) | 1 |
| **Organizational Reasons** | | | |
|  | Resources | Bahadur (1993); Kellermanns and Eddleston (2004); Thomas (2006); Osisioma et al. (2012) | 4 |
|  | Structures | Bahadur (1993); MacDonald (2003); Albrecht et al. (2004) | 3 |
|  | Bureaucratic structure | Osisioma et al. (2012) | 1 |
|  | Debt and Leverage | Albrecht et al. (2004) | 1 |
|  | Executive Incentives | Albrecht et al. (2004) | 1 |
|  | Organizational Policies | Osisioma et al. (2012) | 1 |
|  | Organizational Politics | MacDonald (2003) | 1 |
|  | Strategic alienation | Morrill (1991) | 1 |
|  | Too much Data | Eisenhardt et al. (1997) | 1 |
| **Environmental Reasons** | | | |
|  | Adversarial Environment | MacDonald (2003) | 1 |
|  | Booming Economy | Albrecht et al. (2004) | 1 |
|  | CPA Firm Behaviour | Albrecht et al. (2004) | 1 |
|  | Environment | Zaccaro et al. (2001) | 1 |
|  | Excessive Perquisites | Albrecht et al. (2004) | 1 |
|  | Shareholder Interests | Albrecht et al. (2004) | 1 |
|  | Stock Price | Albrecht et al. (2004) | 1 |
|  | Technologies | Bahadur (1993) | 1 |
|  | Unclear Rules & Regulations | Bahadur (1993) | 1 |
|  | Wall Street Expectations | Albrecht et al. (2004) | 1 |

* 1. **Conflict Resolution Techniques for Top Management Teams**

Thomas-Kilman model of conflict resolution specifies the techniques such as competing, avoiding, collaborating, accommodation, and compromising using dimensions such as assertiveness and cooperativeness (Osisioma et al., 2012). The conflict resolution techniques in TMTs along with their reference count in the literature are shown in Table 2.

**Table 2: Conflict Resolution Techniques Used in Top Management Teams**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Conflict Resolution Technique used in TMT** | **Reference** | **Total Number of References** |
|  | Avoidance | Morrill (1991); Tompson (1997); Kellermanns and Eddleston (2004); Thomas (2006); Leary (2008); Smith (2008); Osisioma et al. (2012); Sameer (2012); CreativeCommons (2013) | 9 |
|  | Compromise | Tompson (1997); Thomas (2006); Leary (2008); Sternad and Schwarz-Musch (2011); Osisioma et al. (2012); Sameer (2012); CreativeCommons (2013) | 7 |
|  | Withdrawal | MacDonald (2003); Kellermanns and Eddleston (2004); Sternad and Schwarz-Musch (2011); Osisioma et al. (2012); Sameer (2012) | 5 |
|  | Collaboration | Thomas (2006); Leary (2008); Smith (2008); Leffel et al. (2012); Osisioma et al. (2012) | 5 |
|  | Confrontation | Morrill (1991); Bahadur (1993); Osisioma et al. (2012); Sameer (2012); Sameer (2012) | 5 |
|  | Integration | Tompson (1997); Kellermanns and Eddleston (2004); Osisioma et al. (2012); Sameer (2012); CreativeCommons (2013) | 5 |
|  | Accommodation | Thomas (2006); Leary (2008); Osisioma et al. (2012); Sameer (2012) | 4 |
|  | Competition | Tompson (1997); Thomas (2006); Leary (2008); Osisioma et al. (2012) | 4 |
|  | Dominating | Kellermanns and Eddleston (2004); MacDonald (2006); Osisioma et al. (2012); CreativeCommons (2013) | 4 |
|  | Mediation | Morrill (1991); Osisioma et al. (2012); Governance Matters (2013) | 3 |
|  | Negotiation | Morrill (1991); Osisioma et al. (2012); Sameer (2012) | 3 |
|  | Consensus Method | Eisenhardt et al. (1997); Tompson (1997); Leffel et al. (2012) | 3 |
|  | Problem Solving | Sternad and Schwarz-Musch (2011); Osisioma et al. (2012); CreativeCommons (2013) | 3 |
|  | Resignation | MacDonald (2003); Osisioma et al. (2012); Sameer (2012) | 3 |
|  | Tolerance | Morrill (1991); MacDonald (2003); Osisioma et al. (2012) | 3 |
|  | Appeasement | Osisioma et al. (2012); Sameer (2012) | 2 |
|  | Arbitration | Osisioma et al. (2012); Sameer (2012) | 2 |
|  | Buying Time | Thomas (2006); Osisioma et al. (2012) | 2 |
|  | Force | Sternad and Schwarz-Musch (2011); Osisioma et al. (2012) | 2 |
|  | Obliging | Sameer (2012); CreativeCommons (2013) | 2 |
|  | Power Structure Balance | Eisenhardt et al. (1997); Osisioma et al. (2012) | 2 |
|  | Unyielding | Tompson (1997); Kellermanns and Eddleston (2004) | 2 |
|  | Accusations | Morrill (1991) | 1 |
|  | Adjudication | Osisioma et al. (2012) | 1 |
|  | Amnesia | Morrill (1991) | 1 |
|  | Challenge | Morrill (1991) | 1 |
|  | Contending | Smith (2008) | 1 |
|  | Counselling | Morrill (1991) | 1 |
|  | Crying | Morrill (1991) | 1 |
|  | Defusion | Sameer (2012) | 1 |
|  | Devil’a Advocate | Tompson (1997) | 1 |
|  | Dialectical Inquiry | Tompson (1997) | 1 |
|  | Duals | Morrill (1991) | 1 |
|  | Escalative Intervention | Tompson (1997) | 1 |
|  | Fighting | Morrill (1991) | 1 |
|  | Flying Low | Morrill (1991) | 1 |
|  | Group Meeting | Bahadur (1993) | 1 |
|  | Hearings | Osisioma et al. (2012) | 1 |
|  | Hiding | Morrill (1991) | 1 |
|  | Humor | Eisenhardt et al. (1997) | 1 |
|  | Job Enlargement & Job Enrichment | Bahadur (1993) | 1 |
|  | Leave | MacDonald (2003) | 1 |
|  | Lumping | Osisioma et al. (2012) | 1 |
|  | Management by Objectives | Bahadur (1993) | 1 |
|  | Manipulation | MacDonald (2003) | 1 |
|  | Open Communication | Leffel et al. (2012) | 1 |
|  | Poor Attendance | MacDonald (2003) | 1 |
|  | Process Consultation | Bahadur (1993) | 1 |
|  | Reflecting | Smith (2008) | 1 |
|  | Reframing | Smith (2008) | 1 |
|  | Replacement | Morrill (1991) | 1 |
|  | Selection and Socialization | Carpenter (2002) | 1 |
|  | Silence | MacDonald (2003) | 1 |
|  | Suppression | CreativeCommons (2013) | 1 |
|  | Vengeance | Osisioma et al. (2012) | 1 |

1. **Findings**

This paper identified different types of conflicts from literature review. This research found that top most reasons for top management team conflicts include value differences, attitudes, differences in goals, personality, power and skills. The most frequent conflict resolution techniques used by top management teams include avoidance, compromise, withdrawal, collaboration, confrontation and integration. This paper contributes towards the reasons of conflicts and conflict resolution techniques for top management teams.

According to Simons and Peterson (2000), open discussions are the reasons for conflicts in TMTs. According to Leffel et al. (2012), open communication can be used as a conflict resolution technique. Thus open communication is a double edged sward; it can create conflicts and also resolve the conflicts. It has reciprocal relationship with conflict in TMTs. From the Table 1, total 66 reasons for conflicts are identified in TMTs. The top 5 reasons for conflicts in TMTs identified are *value differences, resources, attitudes, structures* and *trust*. From Table 2, total 55 conflict resolution techniques are identified. The top 6 conflict resolution techniques used in TMTs are *avoidance, compromise, withdrawal, collaboration, confrontation* and *integration*. *Value difference* is the most important reason for conflicts in top management team. In TMTs, the mostly used conflict resolution technique is *avoidance*.

The top reasons for conflicts and the top conflict resolution techniques linkage is as follows. In case of value differences the best conflict resolution techniques are withdraw and tolerance (MacDonald, 2003; MacDonald, 2006). According to Bahadur (1993) the best techniques to resolve conflicts in value differences, resources, structures and goal differences are the staff meetings and confrontation. Consensus is the best technique to resolve conflicts in value differences, attitude differences and poor communication (Leffel et al., 2012). For dealing with conflicts in leaders having concern for others and concern for self with value differences, attitude differences and goal differences the best conflict resolution techniques include avoidance, compromise and integration (CreativeCommons, 2013). Integration is the best technique to deal with conflicts because of resources and distribution of control in family businesses (Kellermanns and Eddleston, 2004). Avoidance and collaboration are the best techniques to deal with resource conflicts (Thomas, 2006). The dominating conflict resolution technique among Nigerian executives in manufacturing and services sectors are integration followed by accommodation and compromise (Ossisioma et al., 2012). Confrontation is the best technique to resolve differences between board and executive directors in non-profit organizations (Carpenter, 2002). Confrontation is the best technique to resolve executive conflicts in business organizations arise because of arguments, strategic alienation, feud and grievances (Morrill, 1991). The impact of conflicts on TMT performance is discussed in the next section.

* 1. **Impact of Conflicts on Top Management Team Performance**

TMT performance measures include profitability, stakeholder opinion, slack resources and proximity to bankruptcy (Lohrke et al., 2004). Sales growth is another measure for new venture performance (Ensley et al., 2002). Team leaders who exhibit emotional control tend to reduce affective conflict (Zaccaro et al., 2001). Affective conflict is negatively related to sales growth (Ensley et al., 2002) and TMT performance (Simons and Peterson, 2000; Smith, 2008). Cognitive conflict is beneficial to TMT performance (Simons and Peterson, 2000; Smith, 2008; Tompson, 1997). Cognitive conflict is less likely to convert into affective conflict in presence of intragroup trust. Conflict can stimulate the participation from TMT members, motivates and increases commitment from team members (Edmondson et al., 2003; Tompson, 1997). Anxiety or frustration in TMT member over tough situations results into anger (Smith, 2008). Tenure diversity leads to low levels of conflicts and consensus and consensus is related to high levels of performance (Edmondson et al., 2003; Tihanyi et al., 2000). Usually conflicting TMT members fight for financial investments and losses, promotions to executive positions, executive compensation, unethical behaviour, and long range planning (Morrill, 1991). The interaction between team processes in TMTs is as shown in Figure 2.

1. **MANAGERIAL IMPLICATION**

Based on the findings executive teams can manage the conflicts effectively in organizations. This research is useful for the society in proper management of organizations. Positive mood among team members results into cooperation, less conflict, more participation and more social cohesion (Zaccaro et al., 2001). The CEOs can be benefited by TMT functional diversity which can predict the environmental ambiguity and reduces the uncertainty. Selection and socialization among TMT members reduces the conflicts resulting from demographic diversity (Carpenter, 2002). TMT members who feel belongingness are able to manage conflict better than those who feel less belonging in the team (Ensley et al., 2002). There are three conflict resolution approaches in organizations such as *power*, *regulation* and *interest* based resolutions (Osisioma et al., 2012). Conflict management in

**Figure 2: Top Management Team (TMT) Processes and their Interaction**

(Source: Author)

TMTs can be done with clarifying roles and responsibilities, effective communication, having a grievance procedure, create a win-win situation, open dealing, skilled chairperson, celebrate successes and early involvement of outsider (MacDonald, 2003). TMTs should manage the conflicts so that business relationships are maintained (Creelman, 2013). Conflicts in TMTs can be managed using training, contingency planning, identifying vulnerabilities, what-if analysis, encourage usage of planning tool, keep everybody on same side of the table and crisis management through effective analysis of conflict situation (Fraidenburg, 2011).

1. **SUGGESTION AND CONCLUSION**

In this paper, conflict management model, reasons for conflicts, conflict resolution techniques for TMTs, managing conflict, factors impacting the TMT performance and processes interaction in TMTs are discussed. Poor TMT decisions result into reduced stock price and reduced profitability (Lohrke et al., 2004). In the current study, interestingly cultural differences are not identified as one among the top 5 reasons for conflicts in TMTs.

The limitations of study include the yet to verifiability of findings empirically. The conflict resolution techniques may also vary based on culture, and family oriented business, a conglomerate or a start-up setup. Impact of language on conflict resolution in TMTs is also to be explored. Further an empirical research can done on TMTs regarding the reasons for conflicts specific to cultures or countries. Whether these reasons for conflicts vary along cultures or countries can further be studied. Similarly whether the conflict resolution techniques vary according to family situation, educational background, experience, age and culture can further be studied using an empirical analysis based on the identified top conflict resolution techniques in this current study. Thus constructive conflict management leads to the performance of TMTs.

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