

Institute of
Certified Secretaries



Webinar on Disputes and Disagreements in Meetings



Thursday July 22nd 2021

Time: 9:00am-11:00am



'The Governance Profession'

Disputes and Disagreements in Meetings

Your expectations:



The Need for Disagreement



- The growth of knowledge depends entirely on disagreement
- Disagreements are inevitable in the presence of independent-minded, skilled and outspoken directors
- Healthy debate should be encouraged in the Boardroom
- A Board that never argues or disagrees is most likely to be an inactive, passive, or inattentive board

The Need for Disagreement

- Decisions should result from a process in which directors consider all reasonably available information

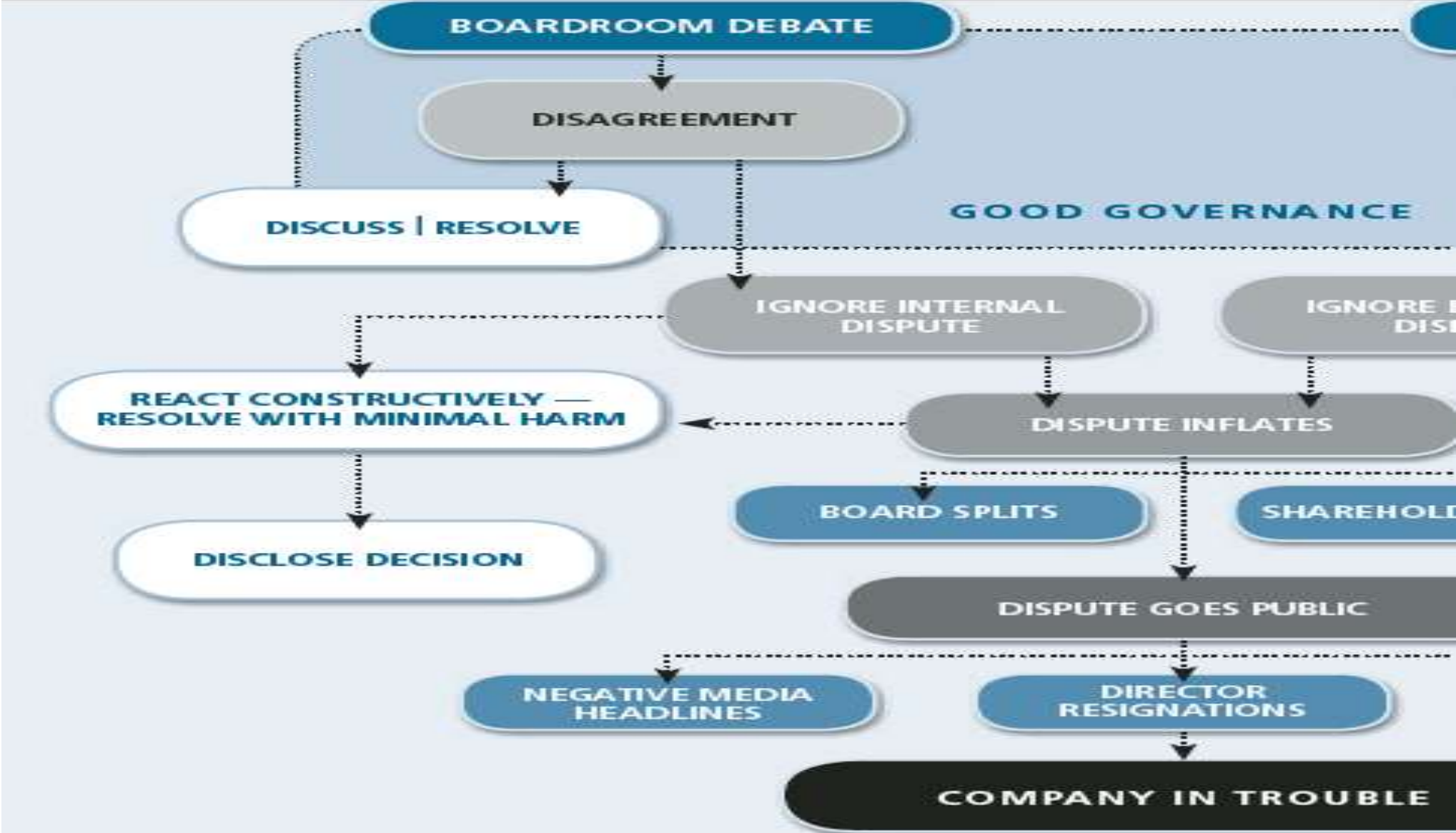
“Gentlemen, I take it we are all in complete agreement on the decision here. I propose we postpone further discussion of this matter until the next meeting to give ourselves time to develop disagreement, and perhaps gain some understanding of what the decision is all about.”

Alfred Sloan (1875-1966), GM Chairman 1937-1956

Types of Corporate Governance Disputes

- Board and Shareholders
- Disputes between Board members/directors
- Board and Management/CEO
- Powers/Roles of the Board
- Actions of the Board
- Failure or Refusal to Act
- Issues between directors and stakeholders

Development of Disputes/Conflict



Impact of Corporate Governance Disputes

- Divert boardroom resources
- Disrupt board's work
- Obstruct company's operations
- Delay major strategic decisions
- Undermine reputation
- Reduce market share
- Deter investors
- Cause share value to fall
- Divert corporate financial and Human resources
- Weaken stakeholder trust
- Prompt Resignations
- Impair Growth
- Increase governance costs
- Entail high litigation costs
- Cause a breakdown in stakeholder relations
- Affect corporate results

Handling Interpersonal Conflicts/Disputes

<p>For each statement, check the appropriate column, as it applies to your actual behaviour in a meeting</p>	<p>TRUE</p> <p>4 POINTS</p>	<p>SOMEWHAT TRUE</p> <p>3 POINTS</p>	<p>SOMEWHAT FALSE</p> <p>2 POINTS</p>	<p>FALSE</p> <p>1 POINT</p>
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STYLES OF HANDLING INTERPERSONAL CONFLICT



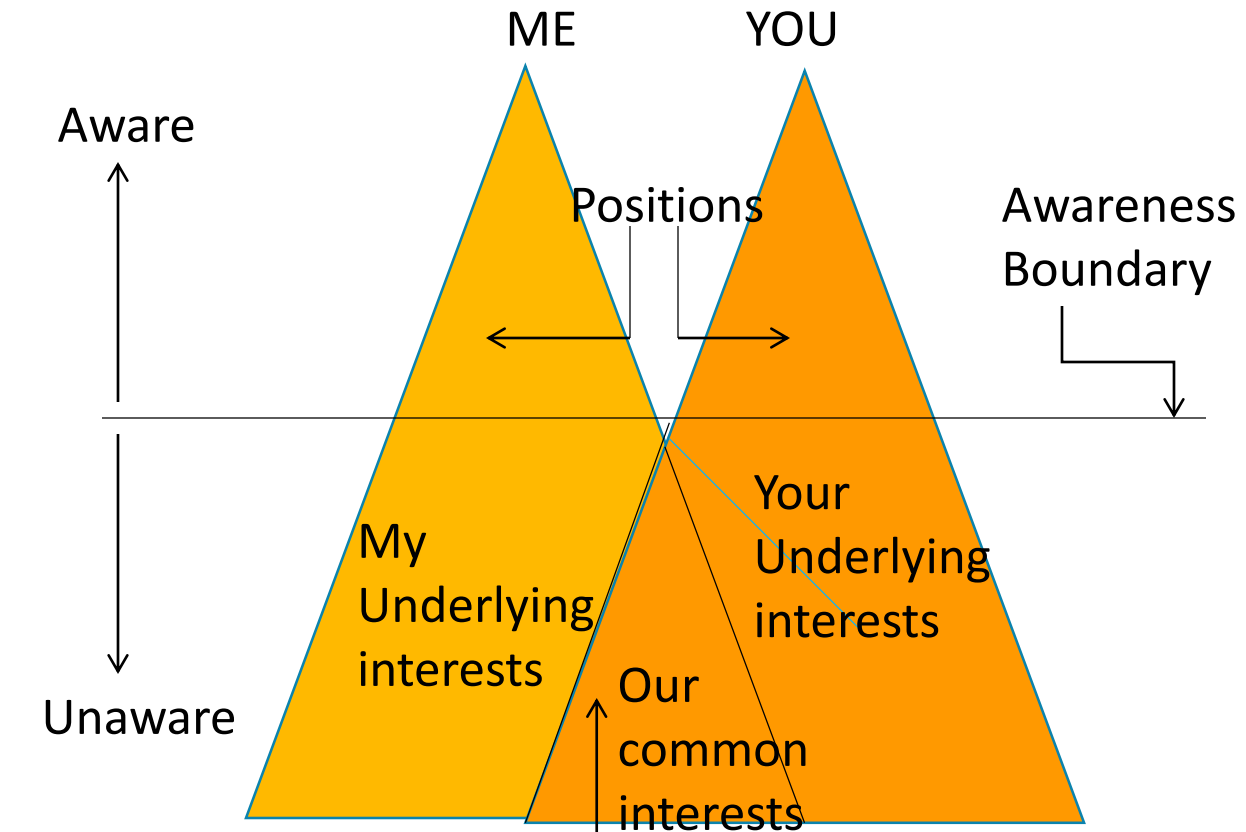
SOURCE: M. A. Rahim and T. V. Bonoma, "Managing Organizational Conflict: A Model for Diagnosis and Intervention." *Psychological Reports*, 1979, 44, 1323-1344.

Dynamics of Dispute Resolution

- In a dispute, people can use antagonism or collaboration
- Collaboration allows them to define the dispute and share their interests, ideas or information
- This quickens the dispute resolution process by building a rapport and trust and finding options
- Antagonism causes anger, fear and defensiveness and results in rigidity which blocks communication

Positions & Interests

Asking questions to uncover self-interests and common interests



Disputants become aware of common interests

Dispute Resolution Skills Ladder



Handling Conflict Through De-escalation

De-escalating Disagreements:

- Listen attentively, show interest, and use open-ended questions.
- Manage time with balanced opportunities for opposing parties to express views.
- Minimize interruptions, blocking.
- Avoid the polarization of opinions. Elicit diverse perspectives from impartial directors.

Handling Conflict Through De-escalation

De-escalating Avoidance:

- Ensure that all board members have opportunities to communicate concerns within the board meeting.
- Ask open-ended questions of directors that act concerned yet seem reluctant to participate.
- (“What are your thoughts about...?”)

Handling Conflict Through De-escalation

De-escalating Contentious Behavior:

- Stay calm. Be aware of body language and tone.
- Re-focus the discussion on constructive ideas and practical suggestions.
- Take a break, or re-schedule discussions.
- Agree to disagree, or to address more difficult topics with the help of a respected third-party expert at a later date.

Handling Conflict Through De-escalation

De-escalating Accusations:

- Stop personal attacks. Re-focus deliberations on the company's best interests
- Help reformulate ideas or statements. Speak on behalf of self, using "I" statements.
- Take a break, or re-schedule discussion, as necessary.
- Determine an appropriate time and place to enforce board procedures and practices.

Handling Conflict Through De-escalation

De-escalating Bullying:

- Review board norms and practices at the meeting's beginning.
- Determine an appropriate time and place to approach the aggressive party separately.
- Take appropriate action to prevent a repeat of aggressive behavior.

Dealing with Deadlocks

Issues to Consider:

- Voting
- Democracy
- Dissenting Opinion
- Collective Responsibility
- Resignation
- ADR

Further Reading:



- [Managing Conflict in Meetings - Communication Skills from Mind Tools](#)
- [How to Handle a Disagreement on Your Team \(hbr.org\)](#)
- [How to manage conflict during a meeting | &MEETINGS \(andmeetings.com\)](#)
- [Toolkit 4: Resolving Corporate Governance Disputes \(ifc.org\)](#)

Emotional Intelligence



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