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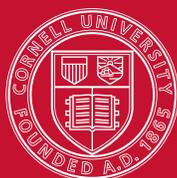


## Cornell Hospitality Report

Why Trust Matters in Top Management Teams: Keeping Conflict Constructive,

*by Tony Simons, Ph.D., and Randall Peterson, Ph.D.*

Vol. 7, No. 14, October 2007



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Cornell Hospitality Report,  
Volume 7, No. 14 (October 2007)  
Single copy price US\$50  
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the benefit of the hospitality industry by  
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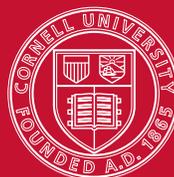
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# Why Trust Matters in Top Management Teams:

## Keeping Conflict Constructive

By Tony L. Simons and Randall Peterson

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### EXECUTIVE SUMMARY

People who study conflict in decision making groups divide group conflict into that based on issue-focused controversy and conflict arising from personal tensions or grudges. While issue-based controversy is typically constructive in decision making, personal tensions and grudges are invariably dangerous. The two types of conflict, though, usually occur simultaneously, and this linkage creates a problem when considering how to manage conflict in groups. Clearly, the ideal situation would be to encourage and channel constructive conflict while discouraging the destructive type. The conundrum is how to do so, and, indeed, whether that is even possible. Drawing on a sample of top management teams in 70 hotel companies, this study explores the interrelationship of issue-focused conflict and personal conflict, with an eye to limiting personal conflict without diminishing the open discussion that characterizes personal conflict. The results suggest that within-group trust is the moderating factor that allows teams to gain the benefits of issue-focused conflict without suffering the costs of personal conflict. Moreover, executives' tactical choices during debate seem also to make a big difference. Thus, we recommend trust-development and training in constructive debate practices to enhance executive teams' effectiveness.

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## ABOUT THE AUTHORS



Associate Professor **Tony Simons**, Ph.D., teaches organizational behavior, negotiation, and leadership at the Cornell University School of Hotel Administration (tls11@cornell.edu). His research examines trust, including employees' trust in leaders, executive team member trust, and trust in supply chain relationships. In particular, he has focused on how well people are seen as keeping their word by delivering on their promises and living espoused values. His research and consulting work supports managers in meeting this challenge for organizations both within and beyond the hospitality industry.

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# Why Trust Matters in Top Management Teams:

## Keeping Conflict Constructive

By Tony L. Simons, Ph.D., and Randall Peterson, Ph.D.

**T**he way a company's executives function as a team strongly affects the firm's performance. Whether major decisions are formally made solely by the senior executive or by the whole executive team, the quality of discussion and the ability of qualified team members to articulate and integrate their different perspectives into the companies' strategic decisions will drive the quality of those decisions and the extent to which those executives commit to making those decisions work.

In this report we examine what makes the team interactions and discussion processes most successful. We know from considerable research that vigorous debate during the decision-making process offers the possibility of examining those decisions closely and from a variety of perspectives, thus refining and enhancing them.<sup>1</sup> For example, your firm might be considering buying or developing a new property. Members of your executive team would raise positive and negative aspects of the deal. The CFO, for instance, might be excited at the prospect of rapidly increasing property values around the potential purchase site, as well as increased revenue flow. The operations VP, though, might see the potential for lowering supply-cost percentages as volume goes up. The EVP of marketing could be concerned about competition from other hotels soon to come online. The HR director might optimistically project that your other properties can provide a ready pool of management talent, but be concerned about the local labor market. Each of these executives, if he or she is effective, is likely to be passionately concerned about his or her specialty in connection with the decision. How well these different concerns are addressed and reconciled will often make the difference between a good investment decision and a bad one. In principle, the

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<sup>1</sup> For example, see: C.M. Fiol, "Consensus, Diversity and Learning in Organizations," *Organization Science*, Vol. 5 (1994), pp. 403-420; O. Janssen, E. Van de Vliert, and C. Veenstra, "How Task and Person Conflict Shape the Role of Positive Interdependence in Management Teams" (working paper), University of Groningen, 1997; D. Schweiger, W. Sandberg, and J. Ragin, "Group Approaches for Improving Strategic Decision Making: A Comparative Analysis of Dialectical Inquiry, Devil's Advocacy, and Consensus Approaches to Strategic Decision Making," *Academy of Management Journal*, Vol. 29 (1986), pp. 57-71; and D. Schweiger, W. Sandberg, and P. Rechner, "Experiential Effects of Dialectical Inquiry, Devil's Advocacy, and Consensus Approaches To Strategic Decision Making," *Academy of Management Journal*, Vol. 32 (1989), pp. 745-772.

executive team wants to have an open debate to make a good decision.

The problem is that feelings can be bruised in the course of a wide-ranging debate. People can take offense and sometimes take any conflict personally. Many managers are wary of fully voicing their professional concerns because of the need to keep smooth working relationships. This need is genuine, and the risk is genuine too. Several studies of work groups have shown that constructive, task-focused debate often spills over into destructive animosities and interpersonal tensions. The challenge, if you want an executive team that fully capitalizes on its full range of expertise, is to capture the benefits of conflict while minimizing its risks.

## Two Kinds of Conflict

People who study groups make a distinction between task conflict, which arises from the disagreements that emerge from different perspectives and preferences about decisions, and relationship conflict, which stems from interpersonal tensions and animosities.

Reasoned debate, with different team members advocating different courses of action, constitutes task conflict. Through this kind of discussion team members typically increase their understanding of issues relevant to a decision.<sup>2</sup> Task conflict also generally means that team members feel greater commitment to decisions that have explicitly drawn on their input and in which they have had

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<sup>2</sup> For individual member understanding as an outcome, see, for example: R.A. Baron, "Positive Effects of Conflict: A Cognitive Perspective," *Employee Responsibilities and Rights Journal*, Vol. 2 (1991), pp. 25-36; and L.L. Putnam, "Productive Conflict: Negotiation as Implicit Coordination," *International Journal of Conflict Management*, Vol. 5 (1994), pp. 285-299; for group level outcomes, see Fiol, *op.cit.*; Janssen, Van de Vliert, and Veenstra, *op.cit.*; Schweiger, Sandberg, and Ragin, *op.cit.*; and Schweiger, Sandberg, and Rechner, *op.cit.*

**EXHIBIT 1****Correlations between task and relationship conflict in past studies**

Amason (1996); Amason & Sapienza (1997).....	.39
de Dreu & Van de Vliert (1997). .....	.34
Friedman, Tidd, Currall & Tsai (1998) .....	.84
Janssen, Van de Vliert, & Veenstra (1997).....	.46
Jehn (1995) .....	-.17
Jehn & Mannix (1997).....	.55
Jehn, Northcraft & Neale (1997) .....	.57
O'Reilly, Williams, & Barsade (1998) .....	.88
Pelled, Eisenhardt, & Xin (1997).....	.45
Peterson (June 1997) .....	.40
Simons and Peterson (this study) .....	.55

voice. In this way, task conflict has the potential for positive consequences in the form of better decisions and greater personal commitment.

Task conflict also entails risk, particularly when a debate extends without proper ground rules or deadlines. Too much task conflict can be exhausting and can reduce team members' commitment to the team.<sup>3</sup> The costs of task conflict seem to be especially pronounced when the conflict is allowed to drag on without some form of resolution. A study of top management teams of electronics manufacturers found that task conflict improved company performance where decisions were made quickly. When decisions were slow, however, task conflict drove company performance down.<sup>4</sup> In sum, task conflict has strong potential benefits, but can be a problem when it is excessive.

Relationship conflict, on the other hand, with its perceptions of personal animosities and incompatibility, has no

<sup>3</sup> For example, see: A.C. Amason, "Distinguishing the Effects of Functional and Dysfunctional Conflict on Strategic Decision Making: Resolving a Paradox for Top Management Teams," *Academy of Management Journal*, Vol. 39 (1996), pp. 123-148; Amason & Sapienza, *op.cit.*; Schweiger, Sandberg, & Ragin, *op.cit.*; Jehn, *op.cit.*; and Jehn & Mannix, *op.cit.*

<sup>4</sup> T. Simons, "Clash of the Titans: The Performance impact of Top Management Team Debate—A Test of Multiple Contingency Models," *Dissertation Abstracts International*, Vol. 55, No. 01 (1993), p. 4729A.

known benefits.<sup>5</sup> Studies of relationship conflict universally show that it drives down group satisfaction and commitment, and it damages group decision quality in three inter-related ways. First, relationship conflict limits the group's information processing ability, because group members spend their time and energy focusing on each other rather than on the decision at hand.<sup>6</sup> Second, relationship conflict limits group members' constructive thinking by increasing their stress and anxiety levels.<sup>7</sup> Third, relationship conflict encourages antagonistic or sinister attributions for other group members' behavior. Not only does that create a self-fulfilling prophecy of mutual hostility and conflict escalation, but it leads group members automatically to discount ideas that would otherwise be considered worthy, simply based on the source of a particular idea.<sup>8</sup> In sum, substantial research with many groups of managers shows that relationship conflict reduces both decision quality and members' commitment to the group.

### How Conflict Goes Wrong

If moderate task conflict has positive consequences and relationship conflict has negative consequences, one should expect managers simply to encourage task conflict and discourage relationship conflict. However, almost all studies that measure these two kinds of conflict have shown that one often occurs alongside the other. That is, teams that report task conflict also tend to report relationship conflict despite any efforts to the contrary. The eleven studies listed in Exhibit 1 demonstrate the strong relationship between these two forms of conflict (range = -.17 to .88, mean correlation  $r = .47$ ). Thus, efforts to stimulate potentially beneficial task conflict run a substantial risk of triggering detrimental relationship conflict. That said, the association between the two conflict types, while almost always strong, is also variable.

<sup>5</sup> For examples of the long history of conflict literature, see: H. Guetzkow and J. Gyr, "An Analysis of Conflict in Decision-making Groups," *Human Relations*, Vol. 7 (1954), pp. 367-381; and M. Deutsch, "Conflicts: Productive and Destructive," *Journal of Social Issues*, Vol. 25 (1969), pp. 7-41; for more recent studies, see: Janssen, Van de Vliert, and Veenstra, *op.cit.*; and K.A. Jehn, "A Qualitative Analysis of Conflict Types and Dimensions in Organizational Groups," *Administrative Science Quarterly*, Vol. 42 (1997), pp. 530-557.

<sup>6</sup> W. Evan, "Conflict and Performance in R&D Organizations," *Industrial Management Review*, Vol. 7 (1965), pp. 37-46; and K.A. Jehn and E. Mannix, "The Dynamic Nature of Conflict: A Longitudinal Study of Intragroup Conflict and Group Performance" (working paper), Wharton School, Univ. of Pennsylvania, 1997.

<sup>7</sup> Jehn and Mannix, *op.cit.*; and B. Staw, L. Sandelands, and J. Dutton, "Threat-rigidity Effects in Organizational Behavior: A Multilevel Analysis," *Administrative Science Quarterly*, Vol. 26 (1981), pp. 501-524.

<sup>8</sup> Barron, *op.cit.*; Janssen et al., *op.cit.*; E.P. Torrance, "Group Decision Making and Disagreement," *Social Forces*, Vol. 35 (1957), pp. 314-318; and R.E. Walton, *Interpersonal Peacemaking: Confrontations and Third-party Consultation* (Reading, MA: Addison-Wesley, 1969).

Variability of this kind suggests that a third factor might be influencing the strength of the link between them.

Research has heretofore not looked directly at why these two sources of within-group conflict are so tightly connected. The study described here focuses on this question, and compares different proposed mechanisms for this concurrence. Understanding the psychological mechanisms that link task conflict with relationship conflict is necessary if we are to develop a practical approach for managing decision-making groups.

Scholars have offered at least three possible explanations for why task conflict and relationship conflict so often coincide. These are misattribution, aggressive tactics, and sabotage. Misattribution occurs when one or more group members apply sinister interpretations to another group member's arguments. In misattribution, people infer intentions, appraise whether an argument is driven by the task or the speaker's personality, and assess the completeness and accuracy of the arguments themselves. When this evaluation leads group members to believe that others are attacking them (whether directly or by inference) or otherwise acting on a hidden agenda, that belief colors how they hear the argument. The discussion changes character, and starts to become personal.<sup>9</sup> Once an executive notices that she is not being trusted and her intentions are no longer being taken at face value, she tends to reciprocate the mistrust.<sup>10</sup> A spiral of mistrust then emerges, and the managers so engaged stop paying attention to the content of the discussion.

If task conflict triggers relationship conflict through mistaken interpretations of task-focused arguments, then the context of the interpersonal relationship can spill over to the factual discussion. When group members do not trust each other, they are likely to interpret the ambiguous comments or behavior of others in a sinister light and infer relationship conflict as a plausible explanation for the

<sup>9</sup> When the attribution process points toward personal attack or hidden agendas, task conflict triggers relationship conflict through a process of biased information processing and self-fulfilling prophecy. See: Jehn (1997), *op.cit.*; and Torrance, *op.cit.*; Amason, *op.cit.*; A.C. Amason and H. Sapienza, "The Effects of Top Management Team Size and Interaction Norms on Cognitive and Affective Conflict," *Journal of Management*, Vol. 23 (1997), pp. 495-516; K.M. Eisenhardt and J.L. Bourgeois III, "Politics of Strategic Decision Making in High-velocity Environments: Toward a Midrange Theory," *Academy of Management Journal*, Vol. 31 (1988), pp. 737-770; and, particularly, S.T. Fiske and S.E. Taylor, *Social Cognition*, 2nd edition (New York: McGraw-Hill, 1991).

<sup>10</sup> D.E. Zand, "Trust and Managerial Problem Solving," *Administrative Science Quarterly*, Vol. 17 (1972), pp. 229-239; and W.E.D. Creed and R.E. Miles, "Trust in Organizations: A Conceptual Framework Linking Organizational Forms, Managerial Philosophies, and the Opportunity Costs of Controls," in *Trust in Organizations: Frontiers of Theory and Research*, ed. R.M. Kramer and T.R. Tyler (Thousand Oaks, CA: Sage Publications, 1996), pp. 16-39.

## Task conflict improved company performance when decisions were made quickly, while relationship conflict always damages group decision quality.

behavior.<sup>11</sup> If group members trust each other, on the other hand, they will be more likely to accept stated disagreements at face value and less likely to "misinterpret" task conflict arguments by inferring hidden agendas or personal attacks as their driving force.<sup>12</sup> The misattribution trigger mechanism suggests the following hypothesis:

*Hypothesis 1:* Task conflict will lead to relationship conflict when trust is low, but not when trust is high.

**Aggressive tactics.** The second mechanism posited by conflict scholars is behavioral. In the process of task conflict, group members may use harsh language, intimidation tactics, or *ad hominem* arguments. Participants can feel bruised, humiliated, offended, or even brutalized by the debate tactics of other group members. The hurt feelings that result from poorly managed or expressed task conflict can easily stimulate relationship conflict. People care deeply about being treated with respect.<sup>13</sup> Harsh language is likely to be interpreted as disrespectful and, hence, as an indicator of relationship conflict. To the extent that the linking mechanism between task and relationship conflict is the use of harsh, hurtful, or aggressive tactics, we would expect task conflict to lead to relationship conflict primarily when such tactics are used.

*Hypothesis 2:* Task conflict will lead to relationship conflict when aggressive conflict tactics predominate, but not when they do not.

**Sabotage.** Conflict scholars suggest a third possible motivator for relationship conflict in the context of task conflict,

<sup>11</sup> For a test of test a similar mechanism, see: Amason and Sapienza, *op.cit.*

<sup>12</sup> A.K. Mishra, "Organizational Responses to Crisis: The Centrality of Trust," in *Trust in Organizations: Frontiers of Theory and Research*, ed. R.M. Kramer and T.R. Tyler (Thousand Oaks, CA: Sage Publications, 1996), pp. 261-287.

<sup>13</sup> T.R. Tyler and E.A. Lind, "A Relational Model of Authority in Groups," in *Advances in Experimental Social Psychology*, Vol. 25, ed. M. Zanna (New York: Academic Press, 1992), pp. 115-192.

namely, an intent to sabotage a discussion. This occurs when one group member wants to make life difficult for another.<sup>14</sup> As a consequence, the one group member may try to sabotage any influence that the other might have by manufacturing task conflict. This possible situation has not been well supported by the literature. Direct field observation of ongoing work groups has found few examples of sabotage.<sup>15</sup> Pelled argues that this process is not likely to explain the substantial correlation between task and relationship conflict because it amounts to an attempt to disguise relationship conflict as task conflict.<sup>16</sup> She argues further that participants in such conflicts are seldom fooled, and are likely to correctly label the resulting conflict as being personal in origin, thus constituting relationship conflict. In addition to its weak conceptual support, this mechanism would be difficult to test, as it would require issue-specific, longitudinal data. We therefore did not test the sabotage as an underlying cause of conflict.

## Our Study Approach

### Data Sample

One hundred CEOs of multi-site United States-based hotel companies agreed to participate in this research in return for a report offering them benchmarks and an assessment of their company's top management group dynamics. These companies were drawn from the American Hotel & Lodging Association membership directory and (with four exceptions) were owner-operators of at least three hotel properties.<sup>17</sup> Operating revenues for participating companies ranged from \$1.9 million to over \$600 million, with median revenues of \$37 million. The median participating company size was eight properties, although the mean company size was 42.8 properties. Excluding the largest two companies from this calculation, however, dropped the mean size to 23.5 properties. Fifty-two of the participating company CEOs identified their primary segment as mid-price, thirteen defined theirs as economy, and sixteen defined theirs as luxury.

We conducted one-hour telephone interviews with study participants. During this interview a group process survey was completed and the CEO identified the top management group that is regularly involved in strategic decisions at the

company, usually the CEO and an average of four or five senior officers. After this interview, we sent participating CEOs a packet containing paper surveys to be completed and returned by top management group members. These paper surveys contained group process scales identical to those completed during the CEOs' interviews. We were able to complete the CEO's interview and receive at least one additional paper survey from seventy-nine of the 100 companies that agreed to participate. Seventy of the seventy-nine firms recorded near complete participation, which was defined as no more than one nonresponding executive. To minimize concerns about nonresponse bias, we used only the data from the seventy companies for which we had near-complete participation (fifty-four with unanimous response, and sixteen missing only one survey). To assess the effects of incomplete data, we re-checked our analyses by comparing the findings for the fifty-four companies that had 100-percent participation with those from all seventy-nine responding companies. The results were substantively identical for both groups.

The sample comprised 380 individual respondents, 81 percent of whom were male. Respondents averaged 47 years of age and 20 years of industry experience, with 8.5 years of tenure with their top management group and 11.4 years of tenure with their companies. Ninety-five percent of the respondents classified themselves as Caucasian, 3 percent as Asian, and 2 percent as one of the other ethnic groups. Twenty-seven percent of the respondents classified their functional background as general management, 22 percent as operations, 19 percent as finance, 11 percent as sales and marketing, 6 percent as development and acquisitions, 5 percent as human resources, 2 percent as strategic planning, and 8 percent as other.

### Measures

We measured task conflict and relationship conflict using Jehn's four-question Likert-type scales.<sup>18</sup> As shown in Exhibit 2, we modified the questions slightly to anchor them more securely in the executive context. Respondents rated the four questions for each construct from 1 = none to 5 = a very great deal, and we summed the item responses. Coefficient alphas for these scales were .78 for task conflict and .87 for relationship conflict.

We measured intra-group trust using a five-item Likert-type scale that has been used successfully with previous executive group samples. In this scale, respondents rated these questions from 1 = never to 7 = always. Again, we summed the responses. Items assessed group members' perception of group-wide trust; their perception of group-wide expectations of truthfulness, integrity, and living up to one's word; and their sense of shared respect for

<sup>18</sup> Jehn, 1995, *op.cit.*

<sup>14</sup> For example, see: K.A. Jehn, "A Multimethod Examination of the Benefits and Detriments of Intragroup Conflict," *Administrative Science Quarterly*, Vol. 40 (1995), pp. 256-282

<sup>15</sup> Jehn, 1997, *op.cit.*

<sup>16</sup> L. Pelled, "Demographic Diversity, Conflict, and Work Group Outcomes: An Intervening Process Theory," *Organization Science*, Vol. 7 (1996), pp. 615-631.

<sup>17</sup> The exceptions were four small companies which had participated in a previous study by the principal investigator. These four companies did not differ significantly from the rest in any of the variables studied here and so were combined for analysis. Results of analyses excluding these cases were substantively the same as inclusive results.

**EXHIBIT 2**

**Factor analysis of intragroup trust, tactics, and conflict items (pattern matrix)**

Item	Task Conflict	Relationship Conflict	Trust	"Control"
How much do these executives disagree about the content of strategic decisions?	.76	.05	.07	.08
How frequently are there disagreements about ideas in your executive group?	.80	.09	.07	.00
To what extent are there differences of professional opinion in your executive group?	.80	.02	.03	-.06
How often do people in your executive group disagree regarding the company's strategic decisions?	.64	-.02	-.24	.16
How much personal friction is there among members in your executive group?	.18	.68	-.16	-.09
How much are personality clashes evident in your executive group?	.09	.76	-.08	-.05
How much tension is there among members in your executive group?	.13	.72	-.12	-.17
To what extent are grudges evident among members of your executive group?	.19	.67	-.08	-.18
We absolutely respect each others' competence.	-.01	-.20	.60	.20
Every executive present shows absolute integrity.	.03	-.11	.80	.02
We expect the complete truth from each other.	.03	.08	.86	-.06
We are all certain that we can fully trust each other.	-.03	-.14	.80	.03
We count on each other to fully live up to our word.	-.03	-.01	.86	-.03
We stand firm in expressing our viewpoints during disagreements.	.13	-.02	-.02	.72
Each of us takes a stand in the disagreement.	.15	-.11	.02	.64
We maintain our respective positions unless we are persuaded by a reasonable argument.	-.09	.00	-.02	.70
We assert our opinions forcefully.	.02	.26	.28	.58
<hr/>				
We raise our voices at each other.	-.11	.58	.01	.11

group members' competence. The questions were phrased as extremes to attenuate ceiling effects that could emerge from social desirability regarding answers (e.g., "We are all certain that we can fully trust each other"). Reliability for the intragroup trust scale was strong, with alpha = .89.

We measured aggressive conflict tactics using a question set based on the control dimension of Putnam and Wilson's Organizational Conflict Communication Inventory (OCCI).<sup>19</sup> Questions assessed group members' agreement with statements such as, "We stand firm in expressing our viewpoints during disagreements," and "We assert our opinions forcefully." Reliability for the four-item scale was moderate, at alpha = .65, which is similar to reliabilities achieved for the Putnam and Wilson scale in other samples.<sup>20</sup> A fifth measure of aggressive conflict tactics that was originally written and included as part of the control scale was dropped from it due to inadequate item-total correlation.

<sup>19</sup> L.L. Putnam and C. Wilson, "Communicative Strategies in Organizational Conflict: Reliability and Validity of a Measurement Scale," in *Communication Yearbook*, Vol. 6, ed. M. Burgoon (Newbury Park, CA: Sage Publications, 1982), pp. 629-652.

<sup>20</sup> For example, see: S.R. Wilson and M.S. Waltman, "Assessing the Putnam-Wilson Organizational Communication Conflict Instrument (OCCI)," *Management Communication Quarterly*, Vol. 1 (1988), pp. 367-387.

tion. That item was, "We raise our voices at each other." All scale items are included in Exhibit 2, which also includes the results of exploratory factor analysis.

To filter out individual group members' personal biases in reporting what happened in the group, we averaged the survey responses for all group members. Statistical tests showed that there was substantial agreement among group members, so such averaging was supported.

**What We Found**

As shown in Exhibit 2, the factor analysis found that all scale items but one loaded appropriately on the four factors, and all factors had eigenvalues over 1.0. The exception to this pattern was the item that we separated out, regarding raised voices. Confirmatory factor analysis found a good fit to the proposed model, with chi-square/df = 1.69, GFI = .95, AGFI = .93, RMR = .05 and RMSEA = .04. These analyses show that respondents were clearly able to distinguish task conflict, relationship conflict, trust, and aggressive tactics as separate constructs. The four variables of interest demonstrated sufficient independence and internal consistency to allow for further analysis.

The results of the moderated regression analyses show that trust moderates the relationship between task conflict

EXHIBIT 3

Results of hierarchical moderated regression analysis predicting relationship conflict

Variable	Hypothesis 1		Hypothesis 2		Combined Model	
	Main Effects Model	Moderated Model	Main Effects Model	Moderated Model	Main Effects Model	Moderated Model
Task Conflict	.64**** (.15)	.52**** (.14)	.88**** (.16)	.81**** (.16)	.55**** (.15)	.41** (.15)
Intragroup Trust	-.34**** (.06)	-.35**** (.06)		-.35**** (.07)	-.37**** (.07)	
Control Tactics			-.26* (.12)	-.23* (.12)	.01 (.11)	.06 (.11)
Voice volume			.66* (.30)	.60* (.30)	.49† (.26)	.41† (.26)
Task Conflict x Intragroup Trust		-.10*** (.04)				-.09* (.04)
Task Conflict x Control Tactics				-.13 (.08)		—
Task Conflict x Loudness				.34† (.18)		.15 (.14)
Δ R <sup>2</sup>		.06***		.04*		.06*
Model R <sup>2</sup>	.52****	.58****	.39****	.43****	.55****	.61****
Adjusted R <sup>2</sup>	.51	.56	.36	.39	.53	.58

Notes: n = 70 groups, β-coefficients reported, standard errors in parentheses. Significance levels: † p < .10; \* p < .05; \*\* p < .01; \*\*\* p < .005; \*\*\*\* p < .001.

and relationship conflict, in accord with Hypothesis 1 (see Exhibit 3). In the first, simpler model, task conflict drives relationship conflict up, while trust drives relationship conflict down. The matter becomes more complicated, however, when you insert the interaction term. The analysis shows that the impact of task conflict on relationship conflict depends on the level of trust within the group. Where trust is high, task conflict does not lead to relationship conflict. For groups where trust is low, task conflict almost always leads to relationship conflict. This relationship is depicted in Exhibit 4.

The second two columns of Exhibit 3 report the hierarchical regression test of Hypothesis 2, to the effect that aggressive conflict tactics moderate the link between task conflict and relationship conflict. In the analysis that reflects Hypothesis 2, we found that control tactics as measured here did not affect the spillover from task conflict to relationship conflict, but there was some evidence that the question we separated out (raised voices) does. When voices are allowed to elevate, task conflict is slightly more likely to lead to relationship conflict than when people keep their voices down. The slopes associated with the interaction between task conflict and voice volume are shown in Exhibit 5.

The fifth and sixth columns of Exhibit 3 show a regression model that draws on the significant predictor variables

from tests of both hypotheses. This combined regression model, designed to test the extent to which the uncovered effects are cumulative, accounted for a total of 61 percent of the variance in relationship conflict, with 6 percent of that total emerging from the interaction terms. The combined R<sup>2</sup> score of .61 is consistent with a small element of additivity among the tested predictors. In this pooled regression equation, all main effects were similar to the results of separate analyses. The interaction term between task conflict and trust remained significant, but the interaction term between task conflict and raised voices dropped from marginal significance to nonsignificance.

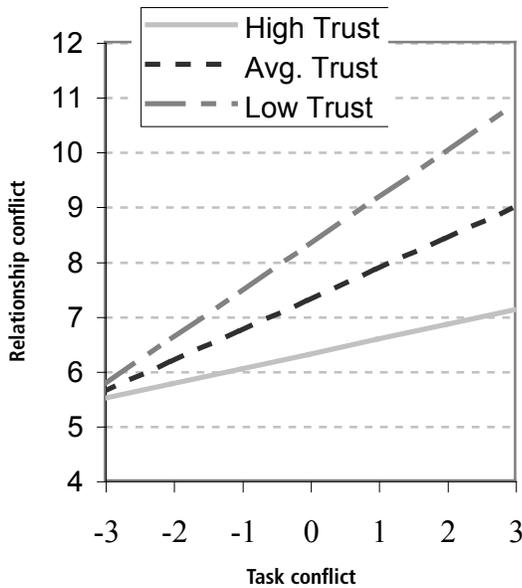
### Implications for Practice

This study suggests that companies can realize the benefits of task conflict with minimal danger of relationship conflict if an appropriate basis of intragroup trust is established. This focus on intragroup trust represents a crucial amendment to the recommendations of other management scholars who have advocated task conflict as a remedy to groupthink and other organizational ills.<sup>21</sup> Stimulating task conflict, however,

<sup>21</sup> For example, see: I.L. Janis, *Groupthink: Psychological Studies of Foreign Policy Decisions and Fiascos*, 2nd edition (Boston: Houghton-Mifflin, 1982); and D. Tjosvold, *The Conflict-Positive Organization* (Boston: Addison-Wesley, 1991).

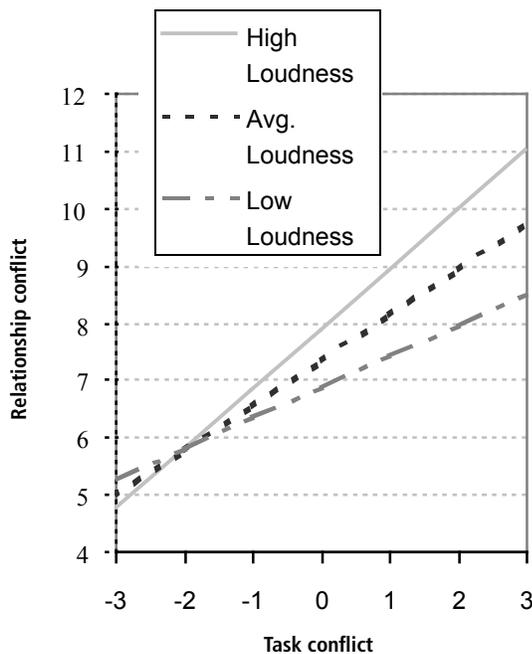
**EXHIBIT 4**

**Regression slopes at high, average, and low intragroup trust**



**EXHIBIT 5**

**Regression slopes of high, average, and low volume of voices in discussions**



runs a high risk of unintentionally triggering relationship conflict, with all its attendant negative consequences. Our study suggests that efforts to stimulate task conflict must be augmented by generation of trust. Further, our findings complement the work of Amason and Sapienza, who argue that openness without cooperation can lead to relationship or emotional conflict.<sup>22</sup> In short, you must generate open communication, while at the same time managing the group's climate to keep the openness constructive. As a practical matter, it is not hard to find consultants willing to help your team engage in trust-building activities. Try to select a consultant who can create a powerful experience and who can help your team constructively talk through any interpersonal and organizational issues that might arise.

Our study suggests that high levels of trust constitute a crucial element of any successful executive team, as trust allows the team members to engage in constructive debate without rancor. Such debate is necessary to allow the team to apply the full range of its members' expertise and perspectives. To the extent that the decisions faced by the executive team are complex and require creativity, it makes sense to promote constructive debate and also to monitor and build the level of trust within the team.

A second implication of this work is that executive teams may benefit from some discussion of—and possibly training in—rules of engagement, or the ground rules for argument. Where team members understand how to criticize another's argument without personal attacks and elevation of emotional heat (and volume), they are less likely to accidentally trigger relationship conflict through their discussion process.

As a final observation, we suggest that you look carefully at the levels of trust in your executive group. If, as a senior executive, you consider your team to have a high level of trust—and therefore little need of the recommendations presented here—our findings suggest that you should perhaps think again. Although they tried to do so, the CEOs in our study were almost entirely unable to correctly predict the level of trust reported by their team members. It was as though they were describing another group, rather than the one their executive team depicted. In statistical terms, the correlation between the CEOs' assessment and that of their executive groups was around .10—only slightly better than random chance. The reason for this disconnect is clear: Everybody wants to look good for the boss. As a boss, it is wise to recognize that you sometimes only see what your executives choose to show you. With that limitation in mind, the best courses of action would be to gather information more widely, or to put in place trust management work as a proactive, positive measure regardless of the level of trust you see. ■

<sup>22</sup> Amason and Sapienza, *op.cit.*

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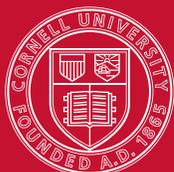
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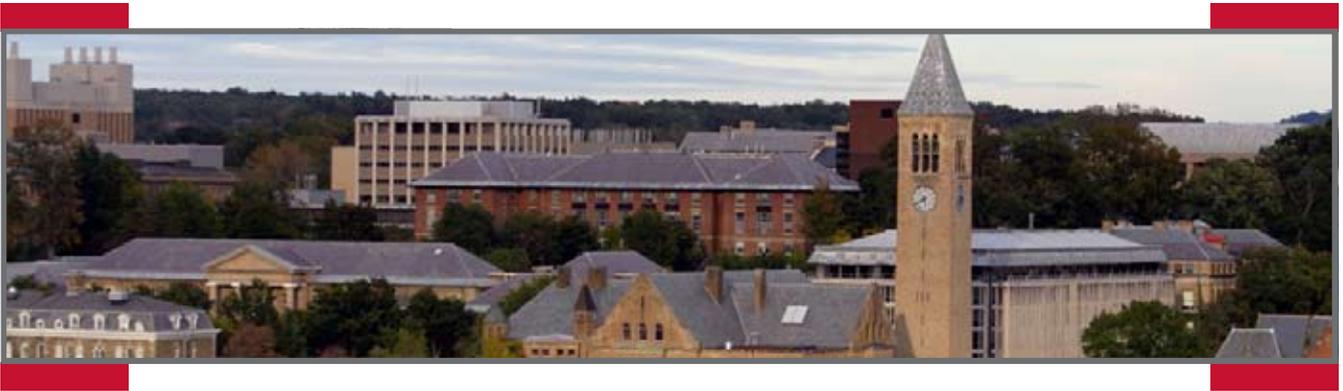
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