Collegial-Style Management: Governance by Those Who Know

A 2015 book by Luis Manuel Calleja and Mercedes Rovira defends collegial-style management for adding plurality, deliberation and consensus to governance.



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It is often said that democracy is the worst system of government — except for all those

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other forms that have been tried. Yet few would propose running a company by throwing questions out to everyone and simply going with the majority.

An autocracy may not be the best way to run a company, either — even when the single leader on top seems fair and competent. History is full of negative examples of personality cults degenerating into some sort of oppression or tyranny, or, at the very least, a narrow-minded management.

Half-way between the two extremes is a form of governance known as collegial-style management ("*dirección colegiada*" in Spanish). It brings together the advantages of democratic systems (e.g., participation, plurality and a search for the common good) with the advantages of a more autocratic leadership (e.g., efficiency, decision-making agility and effectiveness).

What's more, collegial-style management encourages the representation of varying points of view, including the opinions held by a minority. Thus, strictly speaking, it is more of an aristocratic than a democratic system, with stewardship by a select group.

Theory and Practice

In their 2015 book on collegial-style management, IESE's **Luis Manuel Calleja** and Mercedes Rovira reflect on the value and essence of collegiality. They also analyze the key factors and circumstances that favor the successful introduction of this style of management in various types of institutions. They propose that this is not only the most appropriate form of governance to help ensure the sustainability of organizations, but also that it works as an operating philosophy and paradigm for how to work well as team.

In the first part of the book, the authors address fundamental questions about collegial-style governance: what it is and what its different interpretations look like. They also lay down the conditions that must exist for it to be implemented and the framework, rules and procedures required for it to work properly.

Research suggests that there is no single formula for collegial-style management. This way of governing is applied in varying ways, depending on the kind of institution in question and the circumstances in play. Furthermore, it is up to the leadership of the institution to define and formalize how it will work.

In the second part of the book, the authors bring in specialists to share their visions of how collegial management works in three distinct types of institutions: the Catholic Church, law

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firms and the boards of directors of commercial enterprises.

The Board of Directors: A Collegial Decision-Making Body?

Business interest is bringing collegial-style management to professional service firms, as addressed in a chapter written by Miguel Ángel Pérez de la Manga, who pays special attention to corporate boards of directors.

Collegiality is perhaps the feature that best characterizes the ideal way of working in an effective and sound board of directors. This is the argument of Enrique Taracena, who wrote a chapter on the application of collegial management in commercial enterprises.

The main contributions of collegial-style management highlighted here include encouraging different perspectives, impartiality, critical judgment, diversity (and dissent), legitimacy and institutional awareness.

If board members are not just knowledgeable, but also work to complement each other's knowledge, they will together have a broader and better vision. As Taracena explains, diversity and dissent can add depth to firm diagnoses in a collegial forum.

But, he warns that in actual practice not all bodies that are supposed to be managed in a collegial fashion are actually run that way. As many board members know, there is the risk that the intended collegial approach can degenerate, for a variety of reasons, into a sort of "negotiating process" — not to mention outright marketing — or into a "diversion dedicated to cultivating ego and praise" or a mere "roundtable of yes-men." Within a board, it is not a question of balance, but rather of unity of purpose.

Necessary Conditions

No system of governing is perfect — and this one is no exception. Furthermore, no matter which form of governance is chosen, achieving success depends less on the model itself and more on how well it suits the circumstances of each institution as well as the skills, predispositions and motivations of those who work with it.

For this reason, the book places a special emphasis on the necessary conditions for establishing a collegial-style management, including conditions for its general suitability (effectiveness with respect to the goals or problems to be resolved, proportionality between

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the available and necessary resources, adaptation to the skills of the management team and to circumstances) and conditions which are more specific and critical to the executive leadership and to the members of the board (predisposition to dialogue, professional competencies, etc.).

University of Navarra professor Rafael Alvira explains in his prologue that this book is about "how to form a governing body made up of those who know." Yet — careful here — "those who know" are meant to be those whose knowledge is not just technical or professional — or, worse yet, simply focused on profits. Those who know are meant to have a comprehensive knowledge, including personal and social skills, for good governance.

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