Why Conflict Resolution Is Important for Your Business

In every workplace, people of different personalities, opinions, and experiences come together – and this kind of diversity can be of great benefit to businesses as everyone's different backgrounds and approaches can lead to incredible creativity, innovation, and problem-solving abilities.

Differences, however, also tend to lead to conflict.

While workplace conflict can, in certain situations and when handled properly, be productive, it can also become a major hindrance to workplace happiness and employee productivity if it is left unresolved and allowed to spin out of control.

What Is Conflict Resolution?

Conflict Resolution Definition: Conflict resolution can be defined as the process, methods, or strategies (formal or informal) used to facilitate a peaceful solution to a dispute between two or more parties [1].

The 5 Types of Workplace Conflict

Workplace conflict typically falls into four different categories:

1. Process Conflicts

These types of workplace conflicts arise when people have differing opinions about the best or right way of doing something like completing a project or initiative. In these conflicts, employees agree on the basic goals of the task but disagree on how they should complete the task.

2. Task Conflicts

This type of workplace conflict occurs when team members disagree about the actual goals of a project. Since they don't agree that they're completing tasks for the same reasons, they can struggle to see eye to eye on both the processes and the desired results.

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3. Status Conflicts

These conflicts occur in the workplace when a clear hierarchy (whether within the organization, an individual team, or a department) is not established resulting in employees arguing about who is actually in charge.

4. Relationship Conflicts

Although they occur in the workplace, relationship conflicts are personal in nature. Personal conflicts between individuals can start out as process, task, or status conflicts before the feelings involved get personal. These types of conflicts can lead to bullying, disrespect, or the feeling of being unwelcome, unwanted, or disliked.

5. Personality Clashes

Personality clashes can occur when individuals of different personality types disagree on processes, tasks, or values. For example, a person with a classic, go-getter, type-A personality is likely going to disagree with a person who has a more relaxed approach to work.

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Factors That Worsen Workplace Conflict

Certain factors that arise as a result of individual personalities, learned behaviors, and human nature can exacerbate conflict in the workplace. These include:

- **Self-Bias** - People often rely on their personal experience – rather than a neutral perspective – to decide what is fair. We then look for evidence to confirm these biased opinions.
- **Overconfidence** - People can often be overly confident about their own opinions and judgments. This can lead to unrealistic expectations and difficulty with compromise.
- **Commitment Escalation** - Through the process of arguing for their own preferences or opinions, individuals can unintentionally "dig in" or become increasingly committed to one side or the other.
- **Conflict Avoidance** - While you might think avoiding conflict is the best way to prevent conflict, the opposite is actually true. Avoiding conflicts most often leads to increasingly severe conflicts. In other words, conflict avoidance turns molehills into mountains.

5 Conflict Resolution Strategies for the Workplace

There are several strategies for resolving conflict in the workplace. The [strategy](#) that is right depends greatly on the situation and type of conflict at hand. Some methods include negotiation and mediation or, in more extreme cases, legal arbitration and litigation. It is best to instill a healthy workplace culture around conflict that neither avoids it nor fuels it. Consider the following strategies to create a positive workplace culture around workplace conflict.

1. Foster Psychological Safety

A workplace culture that feels psychologically safe is a culture where people feel like it is safe to take interpersonal risks. For example, they should feel comfortable being themselves, offering feedback, sharing their opinions and ideas, and otherwise speaking their minds. This is a culture where clear and open communication is encouraged, where it is okay to fail, and where failure is regarded as necessary on the path to success.

2. Communicate Clearly

Clear and effective paths of communication are essential to conflict resolution and prevention. Conflict often occurs as a result of simple misunderstandings. Clear communication can prevent misunderstandings from occurring in the first place. It can also facilitate the swift and positive resolution of conflict.

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3. Align Your Team

To prevent task or process-related conflicts from developing, be sure your whole team is aligned around the same goals and core workplace values. They should understand what the company's priorities and future vision are. Make sure everyone understands the roles they have to play in achieving benchmarks and how those benchmarks help the whole organization achieve its future goals and vision.

4. Have a Conflict Resolution Plan

No matter what steps you take to mitigate conflict, workplace conflict is always inevitable. You should have a plan and procedure in place for how employees should deal with conflicts. It should be clear how conflict resolution issues should be escalated within the company. For example, your plan should outline who is responsible for conflict resolution and how they should go about resolving the problem (i.e. understanding the dispute, gathering facts, weighing options, and escalating to a higher-level manager if necessary).

5. Improve Your Emotional Intelligence

Preventing and resolving workplace conflict is highly dependent on everyone's ability to operate with empathy and understanding. Being able to see and understand everyone's perspective – even if you don't agree with it – can go a long way in maintaining a calm and peaceful work environment.

Why Conflict Resolution Is Important for Your SMB

The average employee spends 2.8 hours each week dealing with conflict in the workplace [2], and 29% of employees experience constant workplace conflict [3]. Conflict resolution is essential for an SMB to run smoothly because conflicts prevent tasks from being efficiently completed. They can also lead to negative feelings and bad experiences in the workplace that diminish employee satisfaction, employee engagement, retention, productivity, and profits.

Good workplace conflict resolution is important for business leaders and managers to practice in order to facilitate:

- Better leadership and management with improved conflict-resolution skills
- Improved workplace culture
- Increased employee retention rates
- Increased employee engagement
- Greater productivity

So, as you can see, implementing a positive workplace culture and a plan for resolving workplace conflict won't just make your business a better place to work, but it will also improve your company's financial health.

[1] https://www.pon.harvard.edu/daily/conflict-resolution/what-is-conflict-resolution-and-how-does-it-work/

[2] https://pollackpeacebuilding.com/workplace-conflict-statistics/

[3] https://img.en25.com/Web/CPP/Conflict_report.pdf