PROBLEM SOLVING

How to resolve business conflict amicably

TAMMY TAWLEY, FEBRUARY 22, 2017 13 MIN READ

Business partner not pulling their weight? Client angry because you've charged more than quoted? Contractor not performing? Here's how to resolve business conflict peacefully.

You are tossing and turning, trying to sleep. The 'issue or incident' runs through your head repeatedly. In each loop that plays, you are speaking your mind, articulating clearly why the other person has not met their side of the bargain.

Then you wake up, knowing in the pit in your stomach that the issue remains. You also know the conversation you played over and over last night isn't actually going to happen. That the issue will remain unresolved, or worse, will escalate.

If this scenario feels familiar, you are not alone. There is a reason why Amazon has over 5000 different titles dedicated to helping with conflict resolution; it's much easier for us to deal with conflict in the safety of our bed at night than in the cold light of day.

For soloists it can be harder still to resolve business conflict, without the support of a large organisation behind us, it can feel very lonely and scary addressing issues on our own.

So, it is great news that resolving conflict almost always starts **with our own behaviour** rather than the other person! "What", I hear you say? "No, it's not me – it's the other person…"

When conflict is a good thing

Before we get into dealing with conflict situations, it's critical to mention that conflict is not only a fact of life; it can be a (very) good thing.

Conflict can mean diversity of thought or opinion. It can mean simply that someone has an idea that is different to ours. If we're open to listening (truly listening), rather than protecting our position at all costs, there are times when taking the other person's position or perspective on board can improve the overall result and lead to outcomes that far exceed what was originally intended.

The trick here is to ask yourself.

> ***"What is the end result I am hoping to achieve here? Do I want the best possible outcome for the project, or do I just want to be right and win this argument."***

This may require putting ego on the back burner; something that takes practice, but can also eliminate most unnecessary conflict in our lives.

Remember too that more often that we think, the issue is simply a misunderstanding; something that can be resolved by looking at things through their eyes. This is why it always helps to get someone independent to read your emails/letters/texts to make sure they mean what you think they mean!

When business conflict turns bad

However, there are times when the situation is such that simply agreeing with the other person is **truly not the right thing to do**:

- When such agreement will either breed further and ongoing resentment.
- When it will damage you or your business.

Your body will do a good job in telling you about this sort of conflict. You may feel your stomach turn, your heart beating faster or feel your hands grow sweaty.

This sort of physiological reaction is a good sign to listen to your body and understand the dynamics of what is going on. It's the good old 'fight or flight', the very old part of your brain telling your body that it is in danger, and to get ready to either pick up the club or run for your life.

I would deal with business conflict except …

Ask anyone why they don't want to deal with a particular conflict situation and almost always the answer revolves around a fear of how the other person will react.

- "They'll be angry with me."
- "They won't want to work with me anymore."
- "They'll badmouth me to other clients".
- "They'll think badly of me."

And so on …

But the reality is:

1. We have absolutely no way of knowing for sure how another person is going to react; and
2. We have no control over another person's behaviour anyway.

By making conflict about the other person, it gives us a free pass out of addressing the situation. It also takes the control away from us and gives it to the other person; which then adds to the frustration and resentment around the situation. Which in some cases is unfair, as the other person doesn't even know you're in conflict because you've run through the scenarios above and decided it is too risky to even raise it.

Here are a couple of scenarios that might be familiar and some suggested approaches to deal with them.

The angry client scenario

The client is angry for being charged for going out of scope – despite the fact they'd been given the heads that their project had gone beyond the originally agreed scope.

Option 1: Do nothing and chalk it up to experience

It may be that the client has been a nightmare to deal with all along and you're now over the whole thing and just want to move on. You might be prepared to accept losing money over having another fight.

Just pause though. Doing nothing about this situation only works if you actually change what would happen next time (otherwise you're accepting that your business will always lose money because of pain in the proverbial clients).

Before you decide to do nothing, it's a good idea to have a conversation with a sensible friend or family member or a trusted business advisor or coach. This is not the time to ask the person who always agrees with you – especially given our bias is always to present facts to favour the conclusion we want to reach.

If after all this, you really do think it is better to do nothing – change your systems and processes now. Don't rely on remembering to do it when the situation arises again (and it will arise again!!)

Option 2: Address the situation

If, after taking it over with someone, you decide that the issue does need to be addressed – what next?

The key here is being clear on the *end outcome or result* that you're seeking.

- Do you want to retain the client, but make them aware of the extra work that has been involved in the project?
- Do you want to just have your bill paid and bring the project/relationship to an end?
- Is it about standing up for yourself and not being taken for granted?

Be prepared

In any tricky situation, spending time working out what you are going to say is time well spent. Write it down if that makes you feel more comfortable. And ask someone you trust to role-play it with you.

Here's an example of what you might say if your outcome was to get the invoice paid and retain a good relationship:

Via phone:

> **Hilda:** "Hi Ian, it's Hilda here from XYZ Website Design. Is now a convenient time to speak?"
>
> **Ian:** "Yes, I have a few minutes now."
>
> **Hilda:** "As you know, we have been having some email correspondence around the final payment for your website. I understand that the final invoice is not what you expected it to be. I would like to talk you through how we arrived at that amount, and discuss how we can move the issue forward."
>
> **Ian:** "Well, you know, I am not going to pay any more than I agreed up front." Starts to get angry.
>
> **Hilda:** Ignoring the anger, goes back to her intent, which is about the invoice and the relationship.
>
> "Ian, the ongoing relationship with your business is important to me, and I want to find a way to resolve this that is acceptable to us both. I understand that you're annoyed that the final invoice is more than we originally quoted to you. If you're ok with it, I wanted to talk through how we arrived at that amount…"
>
> **Ian:** "Ok but be quick about it"
>
> **Hilda:** So when we first signed off the proposal, we agreed that we would be developing you a ten-page website. We have had a subsequent series of discussions with your team about including additional features for the website, such as e-commerce facilities, which we have now developed. Whilst we didn't get an additional proposal signed, we did agree up front that any additional work outside of those ten pages would be additional. I accept that I should have been clearer with you regarding the additional cost of the work, so that this didn't come as a surprise to you and because we were working with your team not you, I can't be completely sure that you knew all about this. As I said, our ongoing relationship is important to me, and I want to make sure that you don't feel ripped off. At the same time, I know that given you're also in business, you will understand that I need to charge for the work that is done. I would value a discussion around how we can meet both of our needs."

Some key points:

- Own your part of the issue –where you could have done something differently, be clear about that. But don't apologise for wanting to have the conversation.
- Use 'I' language rather than accusatory 'you' language.
- Try to identify mutually beneficial outcomes.
- Be clear about your intent – try to not get sucked into the other person's drama. It's hard to retain rage when faced with calm equilibrium.
- Give them the benefit of the doubt until you know for sure that's not the case.
- Think about the situation from their perspective before you go into the discussion. What might be causing their annoyance? Is it you? Their team? Or the situation in general?

To dive deeper into this type of scenario, a really good book to read with great advice on tricky conversations is *Crucial Conversations*.

The substandard contractor scenario

In this example, you have a sub-contractor who isn't doing the job they've been paid to do.

Option 1: Do nothing, and do the work yourself

Well yes, you can take this option.

The upside being that the work is done to the standard you and your client expects.

The downside, of course, is that you're paying for something you didn't receive.

The other downside is that without feedback, your subcontractor is none the wiser that there are any issues with his or her work. This is the equivalent of letting someone walk through the day with their tights tucked into their knickers. It avoids a potentially awkward conversation for you – but doesn't help the other person at all. And then you need to deal with why you're not going to ask that person to do any more work for you, or terminate an arrangement you have, or just continue to put up with sub-standard work.

Why? Because you want to avoid a conversation that might be awkward. Every single time I've been brought in to speak to a sub-contractor in this situation (usually after a long period of this type of underperformance), the person has said, "But why didn't anyone tell me?"

So, by avoiding it – you're doing yourself a disservice and you're doing them a massive disservice. They can't change or improve unless you tell them.

There's one other way to frame this – if it were you as the subcontractor, wouldn't you want to know if your work wasn't meeting the brief?

Option 2: Addressing the situation

Acknowledging the conversation is awkward/messy makes it easier to have it.

Stick to the facts.

As with the previous case, acknowledge any part that you may have played in it or how misunderstandings may have arisen.

Ask for their perspective on how best to address the situation to move it forward.

Be prepared (and have this written down if need be) to be clear on what your needs are to resolve the situation, but also be open to doing things differently in the future if there was some action on your behalf that contributed to it. For example, if you were a bit rushed with the briefing etc.

A really good book to read on giving feedback is *Radical Candor*.

The partner who you feel isn't doing as much work as you are scenario

Oh, this scenario is so tricky (and common).

Assuming you've been clear about who is meant to do what in the beginning and have divided up the responsibilities, the good news is there is lots you can do about it.

Firstly, there is significant research around what is called the 'responsibility bias'. This is where, as individuals, we exaggerate how much we do relative to the other person! It's an actual thing. It happens in relationships, in partnerships, in work teams. All our brains are wired this way.

In part, this is because we have all the information about what we do and how much we contribute (because we're actually doing it)! But we don't see everything our partner is doing.

The first step in addressing this (often very painful) source of conflict is that BEFORE you think about ALL that you have done, spend time thinking about what the other person has done and THEN estimate your own contribution.

This issue also becomes a source of conflict because of the relative value that we place on various tasks. For example, we may diminish work that our partner has done, because 'it's easy' or perhaps because it doesn't bring in revenue.

Finally, if you were looking at it through their eyes, what would they say that they do vs what you do (and why would they say that)?

If you haven't had a conversation about who does what, then a good starting place is to draw an organisational chart with all the roles that are in the partnership. So bookkeeper, admin person, filing person, marketing etc.. Then, schedule a time to talk to your partner about who is going to undertake these roles. You can also start a time sheet where you both log the hours and the types of tasks you're doing each week/month.

If it becomes clear after a few months that there is a huge discrepancy, then it's time for a conversation. Remember to go back to the end outcome. What do you want as the end result?

- Is it about feeling valued for the work that you are doing?
- Is it about receiving more income because of your efforts?
- Is it that you want the other person to do more?

Knowing what you want the end outcome to be, and being armed with facts (rather than biased emotion) will enable you to use the tips above and come up with a conversation plan that works.

The trick with this scenario is to make sure you're not being passive, and putting everything in the 'it's too hard to deal with drawer', only to have them all tumbling out in the form of passive and increasing resentment.

A really good book to read on giving vs taking is *Give and Take* by Adam Grant.

Some general tips on how to resolve business

Some general tips on how to resolve business conflict

In person vs in writing

In almost every situation, resolving situations is best done in person or on the phone. This is because, in a live situation, we can change direction/tone/tactics depending on how our message is being received. If you email or text, the message is static, and there's no opportunity to check that it is being accurately received or check for any misunderstandings. Often this can add to the drama rather than resolving the original issue.

The exception to this is if the fear of **doing it in person** means the issue won't be broached at all; then an email is a passable second option. Be aware though of the research that shows that positively worded emails are often received as neutral, and neutrally worded emails are often received as negative. This means you'll need to be very very careful when drafting the email. Ask a trusted advisor to look it over before you send it.

Choose your time

The other advantage of having the conversation in person/over the phone is that you have some ability to suss out how the other person is feeling at the time. If it's clearly a very bad time, you can make the decision to have the conversation at a better time. With an email or text, you have no control over when the message will be received (or the mood of the recipient at the time).

In choosing your time, think about whether the person would prefer to have a bit of warning about the conversation so they can prepare, or whether that will make the situation worse. Remember, this is about getting the result or outcome you want, so it may be that you take some steps that don't feel perfectly natural in order to get to that outcome.

Make sure *you're* in a good frame of mind as well. Don't wait until you are so angry you need to lash out at someone, anyone. If you need to calm your nerves or anxiety beforehand, do some deep breathing or mindfulness before hand. Have your notes with you if need be, and refresh what you're going to say – and WHY you are going to say it. (What's the outcome you want?)

Be brave

At the end of the day – not dealing with conflict is a short-term solution to a longer-term issue. Not dealing with it has consequences above and beyond the immediate issue.

The following reminders have stood me in good stead with conflict resolution, and might help you too:

- You have no control over other people's behaviour or reactions. But you can control how you respond, what you say, and when you say it.
- Treat others as you would like to be treated. That is: assume good will, stick to the facts, but show you care about the long-term relationship.

Good luck. As with all things that are a bit tricky in life, the more you do it, the easier it becomes. Conflict resolution is a skill – one that you can most definitely get better at with practice.

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Tammy Tansley

This can mean anything from getting the **people basics right**, to the **solving of a systemic or¬†difficult people or team problem**, to the¬†**introduction of complex organisational and cultural changes**. **Why** do I do this? Because I know that the bit that makes work unpleasant usually is when people interactions start to go wrong. I love working with clients to help them resolve issues or put in place¬†approaches so that the issues don't arise in the first place, rather than for them to spend hours lying awake at night trying to work out how to move an issue (or person) forward.

There are lots of consultants out there; so how will you know if I am the right person to work with you and your business? Clients have described me as part confidante, part strategist, part tactician. Clients say that they have a sense of relief that¬†things are being dealt with, and that they are no longer alone in trying to deal with an issue (particularly complex or long standing¬†issues). They say that it is not just the quality of the advice but the depth of the¬†advice. That they feel¬†that they have someone on their side. In answer to the question - what do you do?

I work with either individual clients (usually via ¬†a coaching relationship) or organisations either at the team or organisational level. Sometimes I am working with a CEO on people strategy, a team on high performance and coaching individual employees, all in the same organisation. ¬†I can work in organisations for a discrete period of time or a specific project. Other times, it is an ongoing and varied relationship that evolves as the organisation evolves. I work as a¬†**human resources, culture & change**¬†and¬†**industrial relations consultancy**¬†for businesses in¬†**finance, manufacturing, resources, oil and gas, government, retail, services and not for profit sectors**¬†- both in Western Australia and nationally.

These include both smaller 100-500 employee organisations and large global businesses. I am also the author of *Do What You Say You'll Do* (a book for new leaders and those reinventing their leadership styles). ¬†Check out the website here:¬†**www.dowhatyousay.com.au** and Enterprise Agreements : Made Easy (a book on how to easily negotiate an enterprise agreement that meets the needs of all parties). Check out the website here: **www.easmadeeasy.com.au**

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