Managing Workplace Conflict

Overview

Workplace conflict is inevitable when employees of various backgrounds and different work styles are brought together for a shared business purpose. Conflict can—and should—be managed and resolved. With tensions and anxieties at an all-time high due to the current political divide and racial inequity discussions at work, the chances for workplace conflict have increased. This toolkit examines the causes and effects of workplace conflict and the reasons why employers should act to address conflict.

This toolkit also explores the various roles employers play in managing workplace conflict, ways to communicate an organization's conflict-resolution procedures and how to measure the effectiveness of those procedures. The toolkit does not examine the details of procedures for settling conflicts. Overview (www.shrm.org#overview) Background (www.shrm.org#background) Business Case (www.shrm.org#business-case) The Employer's Role (www.shrm.org#employerrole) A Framework to Minimize Conflict (www.shrm.org#framework) Communication (www.shrm.org#communication) Metrics and Reporting (www.shrm.org#metrics) Additional Resources (www.shrm.org#resources)

Background

Conflict can occur in any organization when employees with different backgrounds and priorities work together. Conflict can be expressed in numerous ways such as insults, noncooperation, bullying and anger. Its causes can range from personality clashes and misunderstood communication to organizational mismanagement. The negative effects of workplace conflict can include work disruptions, decreased productivity, project failure, absenteeism, turnover and termination. Emotional stress can be both a cause and an effect of workplace conflict.

Although conflict is generally regarded as having a negative effect in the workplace, a degree of conflict is actually normal and healthy. In fact, many believe it's a vital ingredient to organizational success. The most effective teams are those in which members feel safe enough to disagree with one another. A culture where dissent is allowed, or even encouraged, can spur innovation, diversity of thought and better decision-making.

Alternatively, conflict becomes unhealthy when it becomes personal and emotional, often resulting in clouded judgment. By contrast, good conflict can lead to higher levels of trust. If people see that it's OK to challenge their manager, they can question the status quo, which is better for the company.

Difference is at the heart of conflict, so it's important to explore areas where people often don't align. Common causes of workplace conflict include:

- **Conflicting priorities.** Some fights are over resources such as budgets; others erupt from incompatible goals or reactions to structural change in the company.
- **Conflicting perspectives.** In an increasingly global and diverse workplace, sometimes the heart of the problem is that people differ from each other in age, gender, ethnicity, religion, political views or personality type, among other characteristics.

- Conflicting assumptions. One of the biggest drivers of conflict is when people misinterpret others' intentions. We each view
 the world through a framework based on our life experiences and might assume others experience things the same way we
 do. Employees working remotely also can increase the chance of miscommunication which should be addressed. See Settling
 Conflicts in a Remote-Work World (www.shrm.org/resourcesandtools/hr-topics/people-managers/pages/remote-workerconflict-.aspx).
- Conflicting tolerances. Employees have differing levels of comfort with addressing conflict. Too often, discomfort causes conflicts to be avoided entirely which can lead to real blowups when one person can't hold it in any longer. See Working with People Who Avoid Conflict (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/working-with-people-who-avoid-conflict.aspx).

Signs of conflict include:

- **Burnout.** This might be signaled by workers who constantly call in sick or often talk about how overwhelmed they are with work demands. Talk to them—and really listen.
- Complaints. A clear sign of conflict, employers should get to the root of the problem to timely address complaints.
- **Confusion.** Confusion can lead to resistance of new policies or procedures. Quickly address the confusion by being transparent and answering questions, such as sharing with employees the factors that went into making a decision.

See How to Identify and Address Conflict in the Workplace (www.shrm.org/resourcesandtools/hr-topics/employeerelations/pages/talent-2022-address-workplace-conflict.aspx), Addressing the Six Sources of Workplace Cultural Conflicts (www.shrm.org/resourcesandtools/hr-topics/behavioral-competencies/global-and-cultural-effectiveness/pages/addressing-the-sixsources-of-workplace-cultural-conflicts.aspx) and Bringing Political Civility into the Workplace (www.shrm.org/resourcesandtools/hrtopics/behavioral-competencies/pages/bringing-political-civility-into-the-workplace.aspx).

Employers can manage workplace conflict by creating an organizational culture designed to preclude conflict as much as possible and by dealing promptly and equitably with conflict that employees cannot resolve among themselves. To manage conflict, employers should consider the following:

- Make certain that policies and communication are clear and consistent and make the rationale for decisions transparent.
- Ensure that all employees—not just managers—are accountable for resolving conflict.
- Do not ignore conflict, and do not avoid taking steps to prevent it.
- Seek to understand the underlying emotions of the employees in conflict.
- Keep in mind that approaches to resolving conflict may depend on the circumstances of the conflict.

Business Case

A well-functioning work environment is one in which employees communicate with respectful, inoffensive language; show tolerance and acceptance of differences among each other; and demonstrate respect for all individuals in the organization regardless of position, status or tenure.

If an employer has mechanisms in place to resolve conflict at its early stages, employees will generally see their employer as fair in their dealings with them and will likely be more satisfied with their jobs. Reductions in employee conflict can lead to increased employee productivity, greater motivation and loyalty, lower medical costs, fewer workers' compensation claims, and reduced litigation costs.

Unresolved issues of interpersonal tension and conflict can create emotional stress for employees, politicize the workplace and divert attention from the organization's mission. If employers do not act, conflicts will escalate into larger problems, discrimination and harassment complaints may increase, and the employer's reputation could be damaged. Other possible consequences of failing to manage workplace conflict include:

 Absenteeism. Unscheduled absences drive up employers' costs through benefits outlays, the use of replacement workers, higher stress levels among employees and a decrease in overall employee performance.

- **Turnover.** When employees mistrust management or perceive the organization as acting unfairly, turnover may increase. This can lead to recruiting and training expenses for new hires and the costs attributable to a slippage of performance until new employees become fully proficient in their jobs.
- Unionization. When employees perceive their employers as unfair, they are more inclined to seek outside resources such as a union to help protect them and to negotiate on their behalf on matters such as employment, compensation and benefits.
- Litigation. An employee who cannot achieve a resolution of a workplace conflict may seek outside legal help, which can cause an organization to mount a costly defense or agree to an expensive settlement. Lawsuits resolved in an employee's favor can result in significant financial penalties for the employer and can even produce criminal or civil sanctions.

Employers should also take steps to manage the growing trends of incivility and bullying in the workplace. Employers are well-advised to treat such types of power conflicts seriously and to seek to address them proactively.

The Employer's Role

The employer has a responsibility to develop and implement workplace conflict policies and procedures and to create and manage conflict-resolution programs. This responsibility is grounded in the development of a workplace culture designed to prevent conflict among employees to the extent possible. The basis for such a culture is strong employee relations, namely, fairness, trust and mutual respect at all levels. See Understanding and Developing Workplace Culture (www.shrm.org/ResourcesAndTools/tools-and-samples/toolkits/pages/understanding-developing-organizational-culture.aspx).

Additionally, resolving workplace conflicts does not always require top-down interventions. Organizations need people who can handle day-to-day issues on their own, think independently, analyze problems, come up with solutions and take steps to implement them. This includes both task-related and people-related problems.

Below are some tips for building trust, encouraging good conflict, and preventing or addressing destructive conflict:

- Survey employees. Conduct annual engagement surveys and have conversations with employees in the interim. Survey employees about how well conflict is being handled. The results will identify departments that have widespread problems so the employer knows where training and intervention are needed.
- **Catch people doing things right.** Have managers seek out opportunities to acknowledge and praise employees. Doing so creates an environment where people feel comfortable bringing up problems.
- Welcome dissent. Managers should encourage dissent that's focused on tasks, strategies and mission. Sometimes a retreat with an outside facilitator is the best way to get beyond surface conversations.
- **Create diverse teams.** Create work teams whose members have diverse expertise, ways of thinking and backgrounds. Appointing a rotating devil's advocate is a good way to stir up productive conflict.
- Create accountability. This is a conflict preventative, since many fights arise from a lack of clarity over who has the final authority to make a decision. Making sure that roles are well-established and communicated prevents problems from arising.
- Encourage people to manage their own conflicts. Tell employees to work out conflict at the level it happens, instead of
 pushing it up the organizational chain. Doing so will give people confidence that they are capable of handling these issues on
 their own.
- Provide training. Employers can help people learn the skills they need to handle conflict by sending them to courses or recommending helpful books. Conflicts tend to become emotionally fraught when someone chooses not to focus on the issue at hand but rather to question another person's competency, autonomy or integrity.

DEVELOPING STRONG EMPLOYEE RELATIONS

When it occurs, conflict must be resolved equitably and quickly. It is also important, though, to try to prevent it—that is, to create an environment in which corrosive conflict is less likely to occur in the first place. The foundation of such a culture is employee relations, the process of building strong relationships between managers and employees based on fairness, trust and mutual respect. It takes time, effort and money to create such a work environment, but a good employee relations climate supports motivation, loyalty and high

performance among employees, and it encourages them to try to achieve the best results possible for their organization. See Developing and Sustaining Employee Engagement. (www.shrm.org/ResourcesAndTools/tools-andsamples/toolkits/Pages/sustainingemployeeengagement.aspx)

Employers can use the following ingredients to create a strong employee relations strategy:

- Interactive communication. Communication that is clear and two-way can help build trust between employees and their managers.
- Trust. The absence of trust among employees and managers can compromise communication in either or both directions.
- Ethics. If employees do not perceive their manager as having good business ethics, they will indirectly question the manager's motives, which may cause stress and reduce performance.
- Fairness. All employees should be treated in a consistent manner under the same circumstances. Superior performance, however, should still be recognized and rewarded.
- Empathy. Managers need to be alert and sensitive to their employees' feelings, and showing empathy and awareness is central to establishing a trusting relationship with employees. See 6 Ways to Become a More Empathetic Organization (www.shrm.org/resourcesandtools/hr-topics/behavioral-competencies/global-and-cultural-effectiveness/pages/6-ways-tobecome-a-more-empathetic-organization.aspx).
- Perceptions and beliefs. Perceptions can be essential in employee relations. Employees respond positively when they believe the organization's policies and practices are fair and its communication is truthful. Frequent, honest communication helps ensure that employees' beliefs and perceptions are consistent with reality in the workplace.
- Clear expectations. Employees need to know what to expect from their managers. No one likes to be surprised with new or conflicting requirements, which can cause stress and distract employees from the job at hand.
- **Conflict resolution.** Although conflicts arise in every organization, the methods to handle them vary. Employers must deal with issues head-on and resolve disputes fairly and quickly.

If an organization is large enough to support an employee relations position, this can send a positive message to the workforce about the value the employer places on maintaining positive employee relationships. HR professionals are often trained to handle workplace conflict and to resolve problems among employees; however, a specialist in employee relations or an ombudsman dedicated to working with employees experiencing conflict or other dissatisfaction in the workplace can eliminate many issues before they escalate. See Handling Employee Conflicts: When HR Should and Shouldn't Get Involved (www.shrm.org/hr-today/news/hr-news/pages/handlingemployee-conflicts-when-hr-should-and-shouldnt-get-involved.aspx).

When Should You Seek Outside Help?

While it's better to address workplace conflicts as soon as possible and at a local level, sometimes you need outside help from a mediator, arbitrator or attorney. Experts say those situations include the following:

- When potential legal issues are involved, such as allegations of discrimination or harassment.
- When the HR department doesn't have the time or training to provide the conflict resolution assistance needed.
- When there are patterns of recurring issues.
- When the flare-ups are becoming abusive or resemble bullying.
- When a manager needs retraining that can't be done in-house.
- When the environment is so toxic it's time to get everyone offsite so the office doesn't trigger continuing negative responses.

There is no single strategy to create a positive workplace climate. A number of tools are used in various combinations to stimulate employee engagement and to minimize conflict. There are, however, several essential tools HR professionals can use to create a positive workplace climate.

WRITTEN RULES, POLICIES AND AGREEMENTS

Employees should understand how workplace conflicts will be resolved. An organization communicates its expectations typically via an employee handbook, HR policies, and written contracts and agreements with certain high-level individuals.

Written HR policies are essential to provide guidance to managers and employees on how conflicts and other issues should be handled. Such policies include any formal mechanisms in place to help employees resolve differences and provisions to prohibit retaliation against employees who raise concerns.

Agreements and contracts with key executives are designed to ensure a common understanding about the employment relationship. Such contracts may include a requirement that binding arbitration—rather than potentially costlier litigation—be used for resolving employment-related disputes.

EFFECTIVE MANAGEMENT

Conflicts have a better chance of being managed quickly and successfully when an organization has a strong leadership team in place. Leaders that allow poor behavior from employees or ignore workplace bullies will certainly experience damaged employee relations. An effective management team is imperative in preventing slippage in employee morale and increases in turnover. See How to Handle Employee Conflict on Your Team (www.shrm.org/resourcesandtools/hr-topics/people-managers/pages/handling-workers-who-do-notget-along.aspx), How to Deal with Conflict at Work as a Manager (https://blog.shrm.org/blog/how-to-deal-with-conflict-at-work-as-amanager) and Conflict Management and Dispute Resolution - Necessary skills for every organizational leader (www.shrm.org/resourcesandtools/hr-topics/behavioral-competencies/pages/conflict-management-and-dispute-resolution.aspx).

CAREFUL HIRING

A key strategy to avoid employee relations problems is to make sure the organization's hiring process embodies good interviewing skills and selection procedures and pre-employment screening, including a background investigation. Asking open-ended relationship management interview questions (www.shrm.org/resourcesandtools/tools-and-samples/interview-questions/pages/relationshipmanagement.aspx) can uncover the conflict resolution skills a candidate may or may not have.

Just as the requisite experience and education are key in hiring, so are demeanor and communication style, which can suggest whether a job candidate would be a "good fit" for the organization. A company's culture can have a significant impact on whether a candidate is likely to succeed within the organization.

FAIR GRIEVANCE PROCESSES

Organizations should have written policies and definitions pertaining to dispute mechanisms available in the organization that provide clear guidance for the employer and the employees. The policy should state the scope and limitations of each mechanism and spell out each method's terms, such as eligibility, frequency, decision process, and required sign-off and approvals for settling a matter.

Employers that implement a system through which parties can resolve conflict within the company create incentives for employees to avoid engaging in costly and time-consuming external litigation. Organizations typically have multiple ways for employees to work out interpersonal or organizational differences. The existence of a grievance system may also improve employee morale because employees feel they have options for pursuing conflict resolution.

- **Open-door policy.** This is a first step. It encourages employees to meet with their immediate supervisor to discuss and resolve work-related issues. Employees should know that there will be no negative repercussions for voicing a complaint.
- Management review. If the open-door approach does not resolve the conflict, the next step is to have the issue reviewed by the next-higher level of management.
- Peer review. The aggrieved employee presents his or her side of a dispute to a small panel of employees and supervisors selected from a pool of employees trained in dispute resolution. This method often succeeds because employees participate in decisions that affect them. Depending on the organization, a peer review may be binding on both parties. If it is not binding and the resolution is not satisfactory to the employee, the dispute may be submitted to mediation or arbitration.

The following are types of conflict resolution techniques available to organizations:

- Facilitation. A neutral employee in the organization—often an employee relations manager—acts as a facilitator, not to judge the merits of the dispute or to render a final decision, but to help both sides decide the best way to settle the dispute.
- Mediation. A mediator is a neutral third party who helps the conflicting parties explore innovative solutions to their dispute.
 Mediators can be internal employees trained in conflict management and mediation, or they can be trained external professionals who have no perceived conflict of interest with the employer. Resolving a dispute through mediation should be voluntary. See How do we mediate a "cease fire" between employees? (www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/howdowemediatebetweentwoemployees.aspx)
- Arbitration. This is typically the most formal, costly and time-consuming method of resolving disputes. Witnesses may be presented and cross-examined, and an arbitrator issues a binding decision.

10 Steps to Resolving Conflict

Schedule a meeting to address the problem, preferably at a neutral place.

- 1. Set ground rules. Ask all parties to treat each other with respect and to make an effort to listen and understand others' views.
- 2. Ask each participant to describe the conflict, including desired changes. Direct participants to use "I" statements, not "you" statements. They should focus on specific behaviors and problems rather than people.
- 3. Ask participants to restate what others have said.
- 4. Summarize the conflict based on what you have heard and obtain agreement from participants.
- 5. Brainstorm solutions. Discuss all of the options in a positive manner.
- 6. Rule out any options that participants agree are unworkable.
- 7. Summarize all possible options for a solution.
- 8. Assign further analysis of each option to individual participants.
- 9. Make sure all parties agree on the next steps.
- 10. Close the meeting by asking participants to shake hands, apologize and thank each other for working to resolve the conflict.

TRAINING FOR MANAGERS

The employer must ensure that effective management training is provided regularly in the organization. Managers should also know how to spot issues and seek counsel from specialists before responding to a problem. This can ensure fair treatment of subordinates and can also protect the employer from being inadvertently exposed to legal issues.

HR must ensure that managers have skills and training in several additional areas, including:

- Conflict resolution. Managers should be trained to recognize problems, ask questions and devise solutions before the issues become time-wasters and legal risks. See Conflict Resolution Training (www.shrm.org/ResourcesAndTools/tools-andsamples/presentations/Pages/conflictresolutiontraining.aspx).
- Organization rules and expectations. Managers should understand what is expected of them, and they should know the
 organization's rules and policies. If a manager does not know how to enforce the rules, the result can be confusion and conflict.
- Laws and regulations. Managers must understand the basic laws and regulations of the employment relationship so they have at least a general knowledge of their employees' rights.
- **Professionalism.** Managers who commit themselves to high standards of professionalism and who follow stringent business ethics gain employees' respect, whereas managers who bend the rules are viewed with skepticism. Employees respect and do their best work for managers who are committed to doing what is right regardless of possible repercussions.
- Communication. A manager's ability to communicate effectively with staff is critical for building good relationships. Managers should be trained in how to give complete, specific assignments; listen carefully; provide constructive feedback; respond to employee suggestions; and deal with conflict. They should also know how to share information with employees—and how much to share—based on the organization's philosophy and preferences for sharing.
- Work assignments. Managers should be trained in how to assess their employees' abilities and to understand their employees' strengths and weaknesses to determine what assignments are reasonable for each employee. Employees are most productive when they feel that their work is significant and valued by management.

PERFORMANCE MANAGEMENT AND FEEDBACK

Performance reviews typically occur at least once a year; some are more frequent. During such reviews, goals and objectives are determined and agreed on, and managers can give candid feedback to employees. Managers who constructively and frankly communicate such information to employees tend to establish stronger workgroups and foster better individual performers. Without feedback, employees are left to wonder how they are doing and what their manager really thinks about them, which in turn can lead to dissatisfaction, misunderstandings and conflict. See Managing Employee Performance (www.shrm.org/ResourcesAndTools/tools-and-samples/toolkits/Pages/managingemployeeperformance.aspx).

FAIR TERMINATION PROCESSES

Most workplace litigation arises because individuals feel they were not taken seriously or did not receive a fair hearing. HR should review disciplinary policies and procedures to ensure there is a fair process that protects employees from impulsive or ill-considered reactions by management. Employees are more likely to view a dispute-resolution system as fair and equitable if it allows them to correct problematic behavior before termination is considered. This perception of fairness can also help minimize emotions and disruptions by other employees when a co-worker must be terminated.

Communication

Supervisors and managers should be well-informed about all the organization's dispute resolution systems. They should know the rationale for each system and be able to explain how each works in practice. An employer's decision about how to communicate a dispute-resolution system's details to employees will depend on the culture of the organization and the various types of media that are available and that are most effective within the workforce. Such media may include training, staff meetings, policy and procedure manuals, organization intranet, e-mail, newsletters, flyers, new-employee orientation training materials, and individual letters to employees. HR should regularly remind managers and supervisors about the importance of dealing with conflict early and about the options available to them to resolve such matters.

Experts suggest five employee relations metrics that employers should consider monitoring:

- Number of grievances per given period—month, quarter or year—using a constant measure, such as the number of grievances per 100 or 1,000 employees. This information can then be viewed according to manager, department, region or facility.
- Cost of grievances by calculating the time spent by managers, HR professionals and legal counsel in the investigation and resolution of complaints, the cost of lost productivity, and legal expenses.
- Root causes of grievances, such as supervisor errors, unclear policies and procedures, lack of management training, and poor hiring decisions.
- Average close time—similar to the time-to-fill measure used in recruiting. This is a measure of the efficiency of the grievance resolution process. It is based on how many days it takes to resolve an issue from the day it is identified as a problem.
- Return on investment (ROI) to determine how much money the employee relations program has saved the organization. For example, revenue per employee and profit per employee can be monitored to see if the implementation of an effective grievance resolution process has made any impact.

Additional Resources

TOOLS AND SAMPLES

Problem Resolution and Peer Review Procedures (www.shrm.org/ResourcesAndTools/tools-and-samples/policies/Pages/problemresolution-peer-review.aspx)

Conflict Resolution Policy (www.shrm.org/ResourcesAndTools/tools-and-samples/policies/Pages/conflict-resolution.aspx)

Conflict Resolution Rules and Steps (www.shrm.org/ResourcesAndTools/tools-and-samples/hr-forms/Pages/1cms_012552.aspx)

Incident Report (www.shrm.org/ResourcesAndTools/tools-and-samples/hr-forms/Pages/incidentconcernrequest.aspx)

Grievance Procedures: Non-Union (www.shrm.org/resourcesandtools/tools-and-samples/policies/pages/grievance-procedures.aspx)

AVAILABLE IN THE SHRM STORE

Solve Employee Problems Before They Start: Resolving Conflict in the Real World (https://store.shrm.org/Solve-Employee-Problems-Before-They-Start-Resolving-Conflict-in-the-Real-World)

The Price of Pettiness: Bad Behavior in the Workplace and How to Stomp It Out (https://store.shrm.org/The-Price-of-Pettiness-Bad-Behavior-in-the-Workplace-and-How-to-Stomp-It-Out)

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