SPARA Accounting Insights Advisory

WHITE PAPER

Dealing with Conflict

For Business Owners

Seven Practical Articles on Turning Difficult Conversations into Productive Ones

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Seven Practical Articles

1 Conflict Isn't the Problem in Your Business. Avoiding It Is.

2 Same Facts, Different Stories: Why You Should Ask Before You Argue

3 Why You Can't Think Straight Mid-Conflict — and What to Do About It

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1 Conflict Isn't the Problem in Your Business. Avoiding It Is.

Most business owners treat conflict like a fire to put out — or better yet, avoid altogether. That instinct is costing you money. Handled well, conflict is where the best decisions in your business actually get made: it's where pricing gets sharper, products improve, and real trust with your team and customers gets built. Handled poorly — or avoided entirely — it festers, strains relationships, and compounds in cost every single day you wait.

1.1 It Starts With You, Not the Other Person

Here's the part most owners skip: conflict resolution starts with how you process it, not with what the other person does. It's about whether you can shift your own framing of a disagreement from "a fight to win" to "a conversation to have." You can't control your business partner, your difficult customer, or your vendor. You can control how you show up to the friction.

There's a useful military idea here: think of your business as a machine, and conflict as the friction points where the wear and tear happens — where things slow down. As the owner, that's exactly where you need to inject yourself. Don't wait for friction to resolve itself. Go to it, work it, and move on.

1.2 What Avoiding Conflict Actually Costs You

This isn't just a soft-skills talking point — it shows up on the books. According to the CPP Global Human Capital Report, U.S. employees spend roughly 2.8 hours a week tangled up in workplace conflict — about $359 billion in paid time annually across the economy. For owners and managers specifically, unresolved conflict can eat 20 to 40% of the workday.

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Think of it like a leaky roof. Fix the stain the moment you see it, or wait for the rot, the mold, and the much bigger bill — plus the inevitable "I wish I'd just handled it when I first saw it." Conflict in a business works exactly the same way. It doesn't dry out on its own, and the cost of inaction compounds daily.

> The bottom line: conflict is already on your payroll. The only real question is whether you're managing it, or paying for it twice.

1.3 What Conflict Actually Is

Strip away the drama and conflict is simple: a situation where your concerns or interests genuinely differ from someone else's. That's it. There are no villains by default. The moment you start treating the person who disagrees with you as the problem — instead of treating the disagreement itself as the problem — you've turned a difference into a character issue, and that's where conflicts get personal and expensive.

It also shows up constantly because conflict is baked into two things you already do every day as an owner: making decisions and negotiating. Vendor terms, hiring calls, pricing disputes — these are all small conflicts you resolve to keep moving. The skill isn't avoiding the gap between two positions. It's working through it efficiently.

1.4 Find the Real Source Before You React

Most workplace arguments aren't actually about what they appear to be about. Before you respond to any conflict, diagnose where it's actually coming from — there are four places to look:

- **Facts & Information.** Two people working from two different datasets, both internally consistent. Before you poke holes in theirs, ask honestly whether their information might be better than yours.
- **Methods.** You agree on the goal but disagree on the "how." Extremely common between sales and operations, or between any two functions where the process matters as much as the outcome.
- **Goals.** You're simply aiming at different outcomes. A customer wants something free; you're not in business to give it away. That's not a personality clash — it's a real gap in objectives.
- **Values.** The hardest kind, because it touches identity. Hiring deliberately for shared core values heads off most internal value conflict before it ever starts.

Run your next disagreement — with an employee, a vendor, a difficult customer — through this lens. Nearly every one maps cleanly to facts, methods, goals, or values. Diagnose it correctly, and you'll already know what kind of conversation you're actually about to have, instead of guessing your way through it.

2 Same Facts, Different Stories: Why You Should Ask Before You Argue

Two people can look at the exact same situation in your business and walk away with completely different, equally sincere conclusions — and neither one is lying. Picture a simple exercise: half a room looks at a multicolored object from one angle and sees red; the other half, from a different angle, sees blue. Everyone's certain. Nobody's wrong. That's not a trick — that's how perspective actually works, and it's exactly what happens every time a customer dispute, a pricing disagreement, or an internal team conflict lands on your desk.

We narrate the world from wherever we happen to be standing, and then we defend that narration as if it were the complete picture. The first move in any conflict isn't to win the story — it's to find out what the other person is actually seeing.

2.1 Lead With the Question, Not the Verdict

Instead of opening with your conclusion, open with: "Help me understand how you're seeing this," or "Walk me through what you're looking at." This isn't conceding the point. It's gathering the information you genuinely need before you respond — and most owners skip straight past it because the urge to correct is so strong.

This matters especially at work, because perspective gets quietly shaped by things people rarely say out loud: their role, how they're compensated, their experience level, the specific outcomes they're measured against. Your sales team and your operations team will see the same missed delivery completely differently. Your marketing lead and your account manager will see the same customer differently. None of them are wrong from where they're sitting — they're just standing somewhere different than you are.

2.2 Eventually, Honesty Still Matters

None of this means avoiding hard truths. The skill is delivering honesty in a way that helps people grow, rather than just proving you're right. Kim Scott's concept of Radical Candor — caring personally while challenging directly — is the right model here. The truth is still the thing that ultimately moves a situation forward, and everyone, including you, has blind spots they genuinely can't see without someone willing to point at them clearly and kindly.

2.3 Try This Next Time You're in a Disagreement

> The next time you feel the pull to correct someone mid-conflict — an employee, a customer, a vendor — pause and ask one genuine question first: "What are you seeing that I might be missing?" Then actually listen to the full answer before you say anything back. That single pause, used consistently, changes more outcomes than any negotiating tactic you could learn.

3 Why You Can't Think Straight Mid-Conflict — and What to Do About It

Conflict drives emotions high, and it starts in the body before it ever reaches your reasoning brain. Your heart rate climbs. Cortisol floods in and your thinking literally fogs — you can't process as deeply, so your read on the situation distorts in real time. Worse, emotions are contagious: if you walk into a tense meeting already stressed, the room feels it and mirrors it right back at you. Left unchecked, you end up fully hijacked — your rational brain gets functionally blocked, and you react from fight, flight, freeze, or fawn instead of judgment.

Here's the cruel irony for any business owner: the exact moment you most need a clear head — a heated customer call, a tense negotiation, a confrontation with an employee — is the exact moment your body is chemically working against you. That's the thing worth training for deliberately, because it won't happen on its own.

3.1 Three Ways to Get Back in Control

Breathe. A simple cycle — 4 counts in, 7 hold, 8 out — is often enough to pull you back from the edge of a hijack. One full cycle changes your physiological state measurably.

Name it. Say it out loud or silently: "I'm frustrated because…" State the feeling instead of acting it out. Naming an emotion engages the part of your brain you actually need back online.

Find the fear. This is the deeper move. Most workplace conflict has a fear hiding underneath the visible agitation — fear of looking incompetent, fear of losing the sale, fear of a customer escalating to their boss. Name the fear, in yourself and in the other person, and the temperature in the room usually drops on its own.

3.2 A Practical Tool: Write It, Don't Send It

One reliable technique from owners who've actually used it under pressure: write the email. Just don't hit send. Get the whole reaction out on the page, then sit with it. It works because you're exercising the frustration somewhere safe, which frees you to think about the actual problem logically instead of firing from the hip. Email is also a uniquely bad medium for emotional conflict in the first place — there's no body language to soften it, and nearly every line is open to misreading by the person on the other end.

3.3 When the Stakes Are Real, Buy Time

One owner described receiving a passionate, emotional call from a client over work he'd thought was finished and excellent. Recognizing it as a fear response rather than a personal attack, he listened, took detailed notes, and simply said: "Give me two weeks." That time let him actually process what she was reacting to instead of responding defensively in the moment. He came back with a handful of thoughtful changes, and her response shifted entirely — from upset to delighted.

> Time is one of the most underused tools available to you when emotions are running hot. You don't have to resolve everything in the room where the temperature first spiked. You're allowed to step back, think clearly, and come back with something better than your first instinct would have produced.

4 You Can't Resolve a Conflict on a Foundation of Broken Trust

Trust is the single lever that turns conflict from a drain on your business into a way to actually move it forward. Stephen Covey called this "the speed of trust": with more trust, everything in a relationship or organization moves faster — decisions, deals, repairs. With less trust, everything slows down, including the conflicts you're trying to resolve. Build trust deliberately, and you reduce friction before it ever has the chance to flare up into something costly.

4.1 What Builds Trust, What Breaks It

Three things reliably build trust: integrity (your words and your actions actually match — people watch how you operate far more closely than they listen to what you say), empathy (you genuinely take the time to understand someone else's situation), and responsibility (you own your outcomes and say plainly when you got something wrong).

Three things reliably break it, and they're the mirror image: inconsistency (people can't predict which version of you is going to show up), apathy (your behavior signals that their concerns don't actually matter to you), and unreliability (you simply don't follow through on what you said you'd do).

Run a quick honest audit on yourself: which builder is your real strength, and how could you lean into it more deliberately? Which breaker trips you up the most — and is that the one habit worth fixing first? You can't grow as a leader without knowing this about yourself honestly, in your business and everywhere else.

4.2 Repairing Broken Trust: The I-ACT Model

When trust has already broken — a missed deadline, a dropped ball, a mistake that landed on someone else — words alone don't fix it. You have to act, literally. The I-ACT model gives you a concrete structure for a real repair:

- **Initiate.** Take the lead on the conversation yourself. Don't wait for them to bring it up, and don't hide from it.
- **Acknowledge.** Name the issue specifically and apologize for your actual part in it — not a vague, general apology.
- **Concern.** Show that you genuinely care about the impact it had on them, not just that you're sorry it happened.
- **Take Action.** Commit to something specific and real, then actually follow through on it.

In practice, it sounds plain and human:

> "I want to own that I missed the handoff, and I'm sorry — I know that put you in a tough spot. It matters to me, and I understand what that cost you this week. Going forward, I'll flag risks 48 hours ahead of time. And if you see me slip again, tell me directly."

Two things make this actually work. The commitment has to be realistic — something you can genuinely deliver given your actual workload, not an aspirational promise you'll quietly drop in three weeks. And you have to be honest the moment you can't keep it. Reputation researcher Marshall Goldsmith points out that it takes roughly a year to change how people see you, but only a couple of missteps for them to conclude you're right back to your old ways. Trust is slow to build and fast to dent — which is exactly why the follow-through matters more than the apology itself.

4.3 What This Looks Like When It Works

One business owner described a customer service mishap where errors on both sides snowballed into a much bigger miscommunication. The customer was upset, took no accountability for his side of it, and kept trying to escalate over the owner's head. Rather than letting it sit unresolved, the team member on the call owned her part of it directly, stayed on the line, and worked the problem through — resolving it entirely without it ever reaching a supervisor, and outlining a clear process to prevent it from happening again.

> The deeper move worth noticing: the customer's anger wasn't really about the mistake itself — it was fear of looking bad to his own people. Help someone work through the fear underneath their frustration, and you close the gap a lot faster than arguing about who was technically right.

5 There's No Right Conflict Style — Only the Right One for the Situation

The Thomas-Kilmann model lays out five distinct ways to handle conflict, and the single most important idea behind it is this: none of the five is inherently good or bad. Effective conflict management is skill plus situation, not a fixed personality trait. Each style is really a blend of two dials — how hard you push your own concerns (assertiveness) and how hard you push to accommodate the other side's concerns (cooperativeness).

Most owners default to one or two of these styles and overuse them regardless of the situation. The real skill is widening your range so the situation picks the mode — not your habit.

5.1 The Five Styles, and When to Use Each

Competing (assertive, uncooperative): Use it when speed genuinely matters, or when safety or a core principle is on the line. *Example:* production goes down at 2 a.m. and someone simply has to make the call.

Collaborating (assertive, cooperative): Use it when the stakes are high and you need real buy-in from both sides, not just a quick decision. *Example:* two senior team members split on a flagship product direction.

Compromising (moderate on both): Use it when power is roughly equal and time is tight — a workable middle beats a prolonged deadlock. *Example:* splitting a tight budget across two genuinely good projects.

Avoiding (unassertive, uncooperative): Use it when the issue is genuinely trivial, emotions are too hot for a productive conversation, or you need more facts before engaging at all. *Example:* letting a heated email thread sit overnight before responding.

Accommodating (unassertive, cooperative): Use it when you're actually wrong, when the issue matters more to the other person than it does to you, or when you're deliberately banking goodwill for later. *Example:* using the font or format someone else wants and moving on without a fight.

5.2 A Style in Practice

One owner described running a network security product line alongside three deeply technical specialists — without being the technical expert in the room himself. His approach: "Collaborate and figure it out together, but if you genuinely can't reach agreement, I'll make the final call on the business case, not on the technology." That gave the team real room to collaborate, while everyone understood the competing style was available as a backstop if they hit a true deadlock. Different situations call for different tools — the mistake is swinging the same hammer at every conflict regardless of what it actually calls for.

5.3 The Practical Takeaway

> Before your next disagreement — with a partner, an employee, a vendor — pause and ask which style actually fits: is speed the priority, or buy-in? Is this trivial, or does it matter enough to push? Are you actually right here, or is this one worth conceding to preserve the relationship? The owners who handle conflict well aren't the ones with the strongest natural style. They're the ones who've built the range to choose deliberately.

6 A Repeatable Framework for the Hard Conversation

When it's actually time to have the difficult conversation — with an employee, a partner, a customer who's escalating — don't improvise. Experienced negotiators in genuinely complex, high-stakes situations consistently follow the same five steps, because conflict and negotiation are functionally the same skill.

6.1 The Five Steps

1 **Prepare.** Know your own goal and the relevant facts before you walk in — and as best you can, know theirs too. What is the other side actually trying to achieve? Most owners skip this step and walk in only knowing their own side of the story.

2 **Set the stage.** Choose the right time, the right place, and the right channel — not just whichever is most convenient for you. A genuinely upset customer may need to see your face on a video call, not read a carefully worded email.

3 **Communicate.** Have the actual conversation. Speak clearly, and listen harder than you speak. This step is where most conflicts are actually won or lost.

4 **Focus on solutions.** Shift the conversation from what happened to where you go from here. Most people, even ones who are upset, genuinely want to move forward — give the conversation somewhere productive to go.

5 **Document and follow up.** Capture the commitments made and close the loop afterward. This is the step almost everyone skips, and it's exactly why so many "resolved" conflicts quietly resurface a month later.

6.2 Step Three Lives or Dies on Listening

Most people listen in order to reply, not in order to understand — and the difference is obvious to the person on the other side of the table. A few specific habits change this:

- **Watch the body language.** It often reveals fear or doubt before the words catch up to it.
- **Don't interrupt.** Let the other person get all the way through their thought, even when you're confident you already know where it's going.
- **Paraphrase back.** Especially when emotions are running high: "Here's what I think I heard — is that right?" You might discover you missed something — or the other person, hearing their own point reflected back, might catch something themselves.

6.3 When the Other Side Isn't Playing Fair

Sometimes you'll run into someone who isn't negotiating in good faith — a vendor stalling, a buyer playing games right before close, a customer who refuses any accountability. You can't control that. You can only control your own reaction and response. When you genuinely hit that wall, it's reasonable to draw a clear line, make your decision, and be willing to walk away. Doing everything right doesn't guarantee a clean resolution — it just gives you the best odds of getting to one, even if it ends up looking different than you originally pictured.

One owner, near the close of selling his company, described the buyer suddenly playing games with the price. His response: "We talked, this is the number — take it or don't, and if I need to walk away, I will." He held the line, and the deal moved forward on his terms.

6.4 Finding Common Ground Even in High-Stakes Conflict

In genuinely high-conflict situations, the underlying goal is often surprisingly shared. One leader described a slow, two-month process of building trust with a group that had previously been in real, physical conflict with his team — and discovering, eventually, that both sides wanted the same basic things: safety, stability, a future for their families. Finding that common ground is what let them build something durable afterward.

> That's an extreme version of the same skill behind a botched delivery and an upset customer — just a shorter timeline and dramatically lower stakes. Understand where the other side is actually coming from, and you move much faster toward an outcome that genuinely works for both of you.

7 Building Your Own Conflict Playbook: Start, Stop, Continue

Every framework in this series is theory until you make it concrete. The simplest way to do that is a start-stop-continue exercise — name one of each, and be specific. Specific beats ambitious every time when it comes to actually changing a habit.

Start.

One thing you'll begin doing differently the next time conflict shows up in your business — with an employee, a partner, a customer.

Stop.

One habit you currently have that's quietly making conflict worse — avoiding it too long, interrupting before someone finishes, responding the moment you're triggered instead of buying yourself time.

Continue.

One thing you already do well in conflict. It's worth naming explicitly, because most owners are so focused on what's broken that they never reinforce what's actually working.

7.1 The Through-Line Worth Remembering

Across every piece of this — the source of the conflict, the other person's perspective, your own emotional regulation, trust, style, and the structure of the actual conversation — one idea connects all of it: don't avoid the friction, move toward it.

It starts with you, not the other person. Understand their perspective before you try to win the argument. Regulate yourself before you engage. Build and repair trust as you go, deliberately. Pick the conflict style the situation actually calls for, not the one you default to out of habit. Then run the conversation with an actual plan, and listen harder than you talk.

You're never going to run a business — or have a life — entirely free of conflict. That's not the goal, and chasing it wastes energy you could spend building the actual skill: the muscle to work through conflict cleanly and keep things moving forward.

> Handled well, conflict isn't comfortable. It's just considerably better than the alternative — the slow, expensive cost of letting it sit unaddressed. Go find the one you've been avoiding, and use what's here to finally have that conversation.

> Don't avoid the friction — move toward it.