



CONFLICT COST TOOL FOR TEAMS

"Workplace conflict costs can be managed and are reducible"

Time lost to increased tension, actual disputes, recovery, and delays in collaborative projects	Cost estimate
Primary individuals involved [hours x hourly pay rate(s) x employees affected]	
Secondary individuals involved such as co-workers, observers, etc. [hours x hourly pay rate(s) x employees affected]	
Supervisors/managers (up to 20% of time/salary typically is spent on conflict management)	
Subtotal	
Staffing	
Recruitment and hiring costs following terminations (ranges from 30% to 150% of annual salary per employee)	
Replacing employes through transfers (ranges from 30% to 150% of annual salary per employee)	
Resignations (temporary restructuring of duties, interim staff, postponed changes, change in direction, etc.)	
Subtotal	
Decision quality	
Delay in making decisions (include loss of potential discounts, additional charges, postponed changes, etc.)	
Haste in making decisions (consider unnecessary equipment, unwise staff choice, commitment to a faulty plan, etc.)	
Reorganization/restructuring based on personnel rather than business needs (facility, equipment, interim staffing, communication, etc.)	
Subtotal	
Lowered productivity/reduced effectiveness	
Primary parties [hours x hourly pay rate(s) x employees affected]	
Secondary parties such as co-workers, observers, etc. [hours x hourly pay rate(s) x employees affected]	
Supervisors/managers [hours x hourly pay rate(s) x employees affected]	
Subtotal	
Complaints/charges	
Customer complaints (staff hours as well as cost of changes, accommodations, etc.)	
Grievances (measure investigation, counseling, ruling time, hearing cost, etc.)	
Discrimination charges with EEOC (measure consultation fees, internal investigation time, response time, morale, etc.)	
EEOC charges handled in mediation (include legal fees, staff time, loss of productivity prior to this point, etc.)	
EEOC charges going through investigation (productivity, morale, legal costs, etc.; can take up to two years)	
Legal fees not already counted (\$100,000 is a conservative cost of a wrongful termination defense)	
Settlement costs & awards (\$38,000 is the average claim paid on a sexual harassment claim--Rand Corporation, 2001)	
Subtotal	
Health costs	
Leave time due to stress-related causes (hours x hourly pay rate(s) x employees affected)	
Health payments (expenditures are nearly 50% greater for workers who report high levels of stress)	
Subtotal	
Theft and loss of public confidence	
Theft of real and intellectual property	
Damage to reputation and public image (can affect future sales, profits, recruitment ability, business alliances, etc.)	
Subtotal	
COST OF UNMANAGED CONFLICT TO YOUR TEAM	TOTAL