

The Cost of Conflict in the Workplace

"There is a point in the life cycle of every conflict when it is large enough to be recognized, but small enough to be resolved." R. Hansen

The costs of poorly managed conflict are many. While it's known that unresolved or poorly handled conflict can disrupt families, friendships, and neighborhoods, less well-known are the bottom line costs to businesses and employees. Dr. Daniel Dana outlined eight negative effects of workplace conflict:

- 1) Time wasted. Conflict wastes time as employees become distracted and managers take time to deal with the conflict.
- 2) Poor decision-making, power struggles. People in conflict make poor(er) decisions and may distort or withhold information. Power struggles can affect the quality of team decisions.
- 3) Loss of skilled employees. Skilled employees quit because of unresolved conflicts, and replacing them costs employers in many ways—work left undone, advertising, interviewing, training, etc.
- 4) Less efficient workload. Restructuring workflow to accommodate employees in conflict with one another is usually less efficient.
- 5) Theft, damage, sabotage. Employees who are angry because of conflict may steal property or damage equipment.
- 6) Lowered job motivation. The stress of dealing with a difficult co-worker can decrease an employee's productivity.
- 7) Absenteeism. To avoid conflicts at work, employees often call in sick.
- 8) Health costs. Stressed employees use more health care, and employers may have increased premiums as a result.

How are workplace conflicts affecting your bottom line? Studies show that businesses that invest in conflict management training have a return estimated to be ten times the cost of the training.

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