

Calculating the Costs of One Conflict in Your Organization

The following worksheet will help you calculate the cost of conflict in your workplace. Use it to get an idea of how costly one conflict can be. Complete as much of this form as possible; you may not know all the answers, so feel free to make estimates.

Describe a recent or ongoing conflict in your workplace (you do not need to be directly involved):

If this conflict has (or could) lead to turnover, multiply the annual compensation of each person who has left (or who may leave) the organization by 150%:

| | | |
|--|---|-------------|
| Number of employees who could leave | | _____ |
| Estimated average salary | x | _____ |
| Subtotal | = | _____ |
| Cost of turnover (150%) | | x1.5 |
| Subtotal: Cost of Turnover | = | _____ |

Estimate the combined number of hours people spend on the conflict on a weekly basis (include the time spent complaining and gossiping about the people involved in the conflict):

Estimate the actual and potential costs of reduced decision quality, disengagement, sabotage, and increased health care needs related to this conflict:

| | | |
|--|---|-------|
| Number of people involved | | _____ |
| Number of hours in one week | x | _____ |
| Weekly hours of lost productivity due to conflict | = | _____ |
| Average hourly wage of people involved | x | _____ |
| Weekly compensation | = | _____ |
| Estimated number of weeks | x | _____ |
| Subtotal: Cost of Time | = | _____ |

| | | |
|---|---|-------|
| Potential Legal and HR costs | | _____ |
| Lost business, missed opportunities, sabotage, absenteeism, etc. | + | _____ |
| Subtotal: Other Costs | = | _____ |

Use the subtotals to calculate the TOTAL cost:

| | | |
|-----------------------------------|---|-------|
| Cost of Time | | _____ |
| Cost of Turnover | + | _____ |
| Other Costs | + | _____ |
| Total Cost of One Conflict | = | _____ |

Can your organization afford the cost of conflict?