

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):

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* = _____

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

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?