

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	=	_____