

Effects of Unmanaged Conflict in the Workplace

The cost of conflict may sometimes be hidden and difficult to put a dollar amount on, nonetheless it is serious and far-reaching.

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| Increases risk of expensive and destructive litigation | Even winning a lawsuit can mean losing more than you gain |
| Interferes with teamwork | It's been estimated that over 60% of performance deficiencies result from employee relationship problems |
| Ruins relationships | Mediation is an ideal process for restoring damaged relationships, which is vital for employees whose job functions are interdependent |
| Lowers productivity, job satisfaction, and job commitment | Conflict often entails perceptions of unfair treatment. Research has shown that employee's fairness perceptions are related to these factors |
| Increases costly turnover | Continual unresolved conflict is a decisive factor in at least 50% of all voluntary terminations; and accounts for up to 90% of the cause of involuntary terminations. |
| Interferes with attracting high-quality employees | Employees are interested in more than salary; they want positive work environments |
| Contributes to poor decision-making | Disputants may withhold important information from one another, making informed decisions impossible |
| Excessive imposition on management's time | Studies show that a significant amount of a manager's time is spent handling conflict related issues |
| Affects people's health - increasing absenteeism and health care costs | People's immune systems are weakened with prolonged exposure to stress, making them more susceptible to illness |
| Unnecessary restructuring of jobs | It is expensive and inconvenient to structure jobs around employees while trying to prevent them from interacting |
| Contributes to violence in the workplace | Chronic interpersonal conflict and the absence of a conflict resolution system are contributing factors to workplace violence |
| Contributes to employee retaliatory behavior (e.g., vandalism, theft, sabotage) | Psychology research has shown that people are more likely to react negatively when they perceive that they have been treated unfairly in the workplace (conflict often involves fairness perceptions) |