Business Costs



Now that you have a better understanding of what a conflict of interest is, let's talk about what it costs. You may not think that the cost is excessive, but when you look at the big picture over time, you might find that it is a little pricier than you thought.

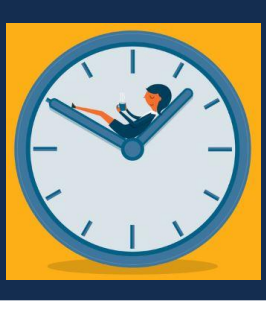
Lost management time and productivity

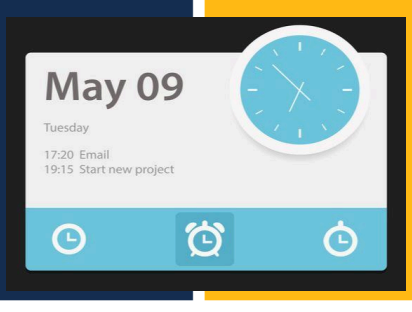
Managers spend an estimated time of 25% to 40% resolving workplace conflicts. This is a big percentage, especially when you think about what other tasks managers have to complete. If you were to break down the hours managers take to resolve workplace conflicts, you would be looking at approximately 2-3 working days a week spent just for conflict management activities.

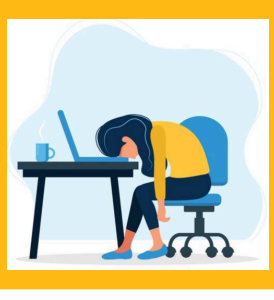


Lost employee time and productivity

Managers are not the only ones losing time and productivity managing conflict. Before conflict comes to management, it starts with employees. This lost time prevents productivity. If a team is not strong and working well together, tasks are not completed, errors may be made, and some employees may even stop showing up to work on time. This is a loss that companies cannot afford.



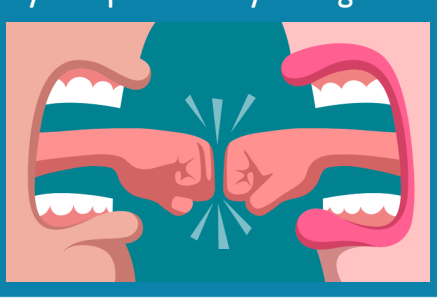




Damaged relationships and decreased trust

If you do not have relationships and trust, you do not have a team. If you do not have a team, you do not have productivity. In the end, what you have is a mess that is not only costing your company time but draining it of money and potentially losing customers because of it.

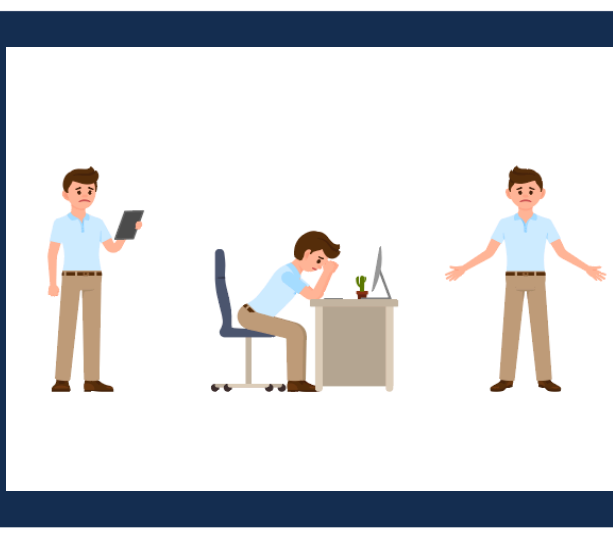






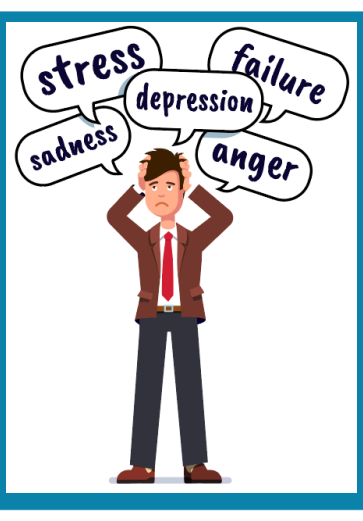
Decreased employee satisfaction

If there are people who are not getting along on the team, employee satisfaction will be lacking. Relationships begin to fall apart, and more unethical behavior can happen. It is important that your employees are satisfied, or you risk losing quality people.



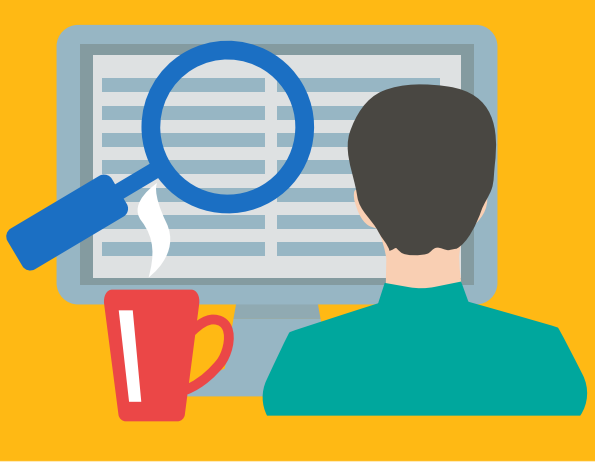
Increased health costs and absenteeism

Stress is a leading cause of health issues. When one is faced with conflict, they are often faced with stress. This stress can lead to employees failing to attend work. This might also lead them to more serious illnesses that land them in the hospital. When your team fails to show up for work, again, you lose money.



Turnover

When enough is enough, you might find that your employees start searching for work elsewhere. High turnover rates can be harmful to the organizational wallet. When a seasoned employee leaves, new employees must be brought in as replacements. There are costs associated with both time and money because it is then necessary to create a new team. This will often require training, which costs time and money.



Violence

Sadly, this has been a cost that has been harmful for some companies when organizations find that the conflict has taken a dark turn toward self-harm and the harm of others. All too commonly, we have seen workplace violence occur in the media, with shootings carried out by unhappy workers. Any time that you have any sort of conflict, you risk dangerous behavior.







