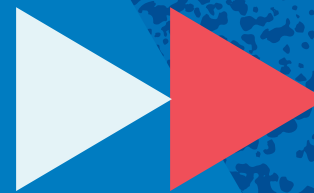




# The Sources and Costs of Workplace Conflict

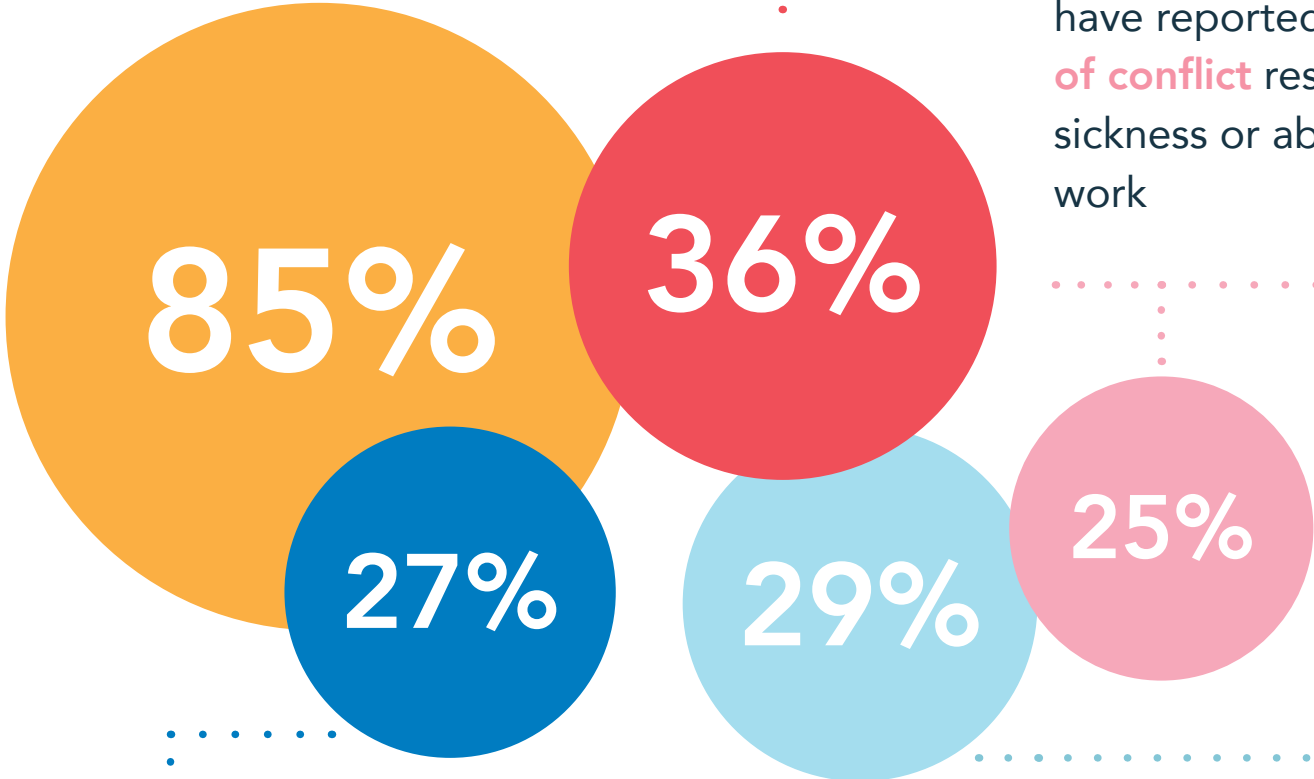


**Workplace conflict** is a pervasive issue that can significantly impact an organization's productivity, employee morale, and ultimately, its bottom line. Consider the following statistics that were collected from a key survey on workplace conflict by the CPP Global Human Capital Report:<sup>1</sup>

85% of employees at all levels **experience** some degree of **conflict**

36% of employees spend a significant amount of time **managing disputes**

25% the employees have reported **avoidance of conflict** resulted in sickness or absence from work



27% of employees have witnessed conflict morph into a **personal attack**

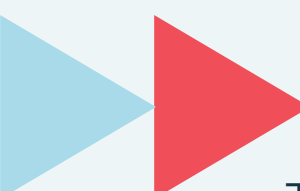

29% the employees **deal with conflict** frequently



Source: CPP Global Human Capital Report<sup>1</sup>

What are the most common **sources of conflict** in the workplace, and what **costs** does it have **to an organization**?

# Sources of Workplace Conflict



The sources of workplace conflict can be broadly categorized into **2** types: **relational** and **organizational**.<sup>2</sup>


**1. Relational sources** include personality clashes, competition for resources, and conflicting values. Personality clashes occur when individuals with different personalities, communication styles, or values work together—these differences can lead to misunderstandings, miscommunications, and conflict.



Some researchers have found that up to 56% of surveyed employees say personality clashes with co-workers is a problem they deal with. A well-known example from 2018 was when co-worker clashes led to Tesla ultimately required to pay a former employee \$137M due to the hostile work environment.<sup>4</sup>

Competition for resources can occur when employees compete for limited resources such as promotions, bonuses, or office space.

This can lead to resentment and conflict between employees. In 2018, when Amazon announced that they were raising the minimum wage to \$15 an hour, this was met with criticism by some employees as the company had to cut bonuses and stock options. This perception of injustice by some workers, taking away something that was theirs to give to others, erodes employee trust in the organization.<sup>1</sup>



**2. Organizational sources** include unclear roles and responsibilities, lack of communication, and inadequate resources. Unclear roles and responsibilities can lead to confusion and conflict in the workplace. Employees may not know what is expected of them, or they may feel that they are being asked to do tasks that are outside of their job description.





**Lack of communication may be at the root of most conflicts**

In 2020, during the COVID-19 pandemic, many healthcare workers reported feeling overwhelmed and uncertain about how to provide care to patients in the midst of rapidly changing guidelines and protocols.<sup>6</sup> Additionally, the stress on healthcare workers was compounded with conflict that arose from inadequate resources (e.g., lack of pandemic preparedness and insufficient equipment and information provided).

Arguably, lack of [appropriate and/or timely] communication may be at the root of most conflicts.<sup>1</sup> Within an organization, there are multiple routes that communication can take (e.g., top-down from executives to line workers, vs. bottom-up), and each has the potential to arouse conflict.

A common communication failure that may happen between supervisor and worker is “micro-managing” (a downward communication, as the supervisor, constantly tells what the employee should do, and often fosters feelings of distrust in the employee).

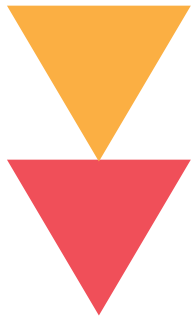
A failure on the part of the organization to effectively communicate to its employees, which resulted in major backlash, was shown in 2021 when co-founders of the software company Basecamp announced a number of controversial changes to company policy. The announcement was met with significant backlash from employees who felt that they had not been consulted or informed of the changes in advance. Several employees resigned in protest, and many more publicly criticized the company on social media.<sup>7</sup>

# Costs of Workplace Conflict

Workplace conflict can have a significant impact on an organization's bottom line. Workplace conflict has been estimated to waste approximately **3 hours per week per employee**, estimated to be a total of **385 million work hours wasted every year**, which equates to nearly **\$359 billion** in **paid hours**.<sup>1,8</sup>



**\$389**  
**BILLION**  
**IN PAID**<sup>1,6</sup>  
**HOURS**



The costs of workplace conflict can be direct or indirect. **Direct costs** include legal fees, increased absenteeism, loss of productivity, and employee turnover. **Indirect costs** include low morale and decreased job satisfaction.

**Legal fees** can be a significant cost associated with workplace conflict. If an employee files a complaint or a lawsuit, the organization may have to pay legal fees to defend itself. It has been estimated that litigation for workplace conflict can average \$160,000 per claim, with 76% of cases resulting in no payment from insurance, placing the burden directly on the organization.<sup>9</sup>

**Increased absenteeism** can also be a direct cost of workplace conflict. When employees are unhappy or stressed due to conflict, they may take more time off from work, leading to decreased productivity. Studies have shown that there is a high correlation between absenteeism and needing a break from fighting with co-workers, and healthcare spending may be 50% more for these employees. Further, unresolved conflicts can also result in “presenteeism”, showing up to work while ill or otherwise unfit for work, resulting in productivity declines.<sup>10</sup>

TOTALING  
**385**  
MILLION  
HRS/YEAR



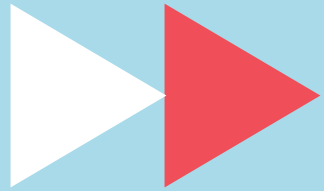
APPROXIMATELY

**3** HRS PER WEEK  
/EMPLOYEE  
**WASTED**

**Loss of productivity** is another significant cost to the organization if conflict is mismanaged. Studies have shown the proportion of time wasted in managing conflicts in the workplace vary between 20% to 42%, and work time devoted to dealing with poorly managed conflicts range from approximately 1-3 hours per week.

**Employee turnover** can also be a significant cost associated with workplace conflict. When employees are unhappy or feel unsupported, they may leave the organization. This can lead to decreased productivity and increased costs associated with recruiting and training new employees. Unresolved conflict may be the decisive factor in 50% of voluntary departures from an organization, and up to 90% of involuntary departures excluding staff reductions due to downsizing or restructuring.<sup>10</sup> Additionally, it has been estimated that it costs 150% of one trained employee's salary to replace that same employee.

**Low morale, and decreased job satisfaction** are other negative consequences of poorly managed conflict at work. Low employee morale has been estimated by the Gallup Organization to cost the American economy as much as \$350 million per year in lost productivity and has been estimated to cost organizations \$3,400 for every \$10,000 in salary per disengaged employee.



# The Root Cause of Workplace Conflict:

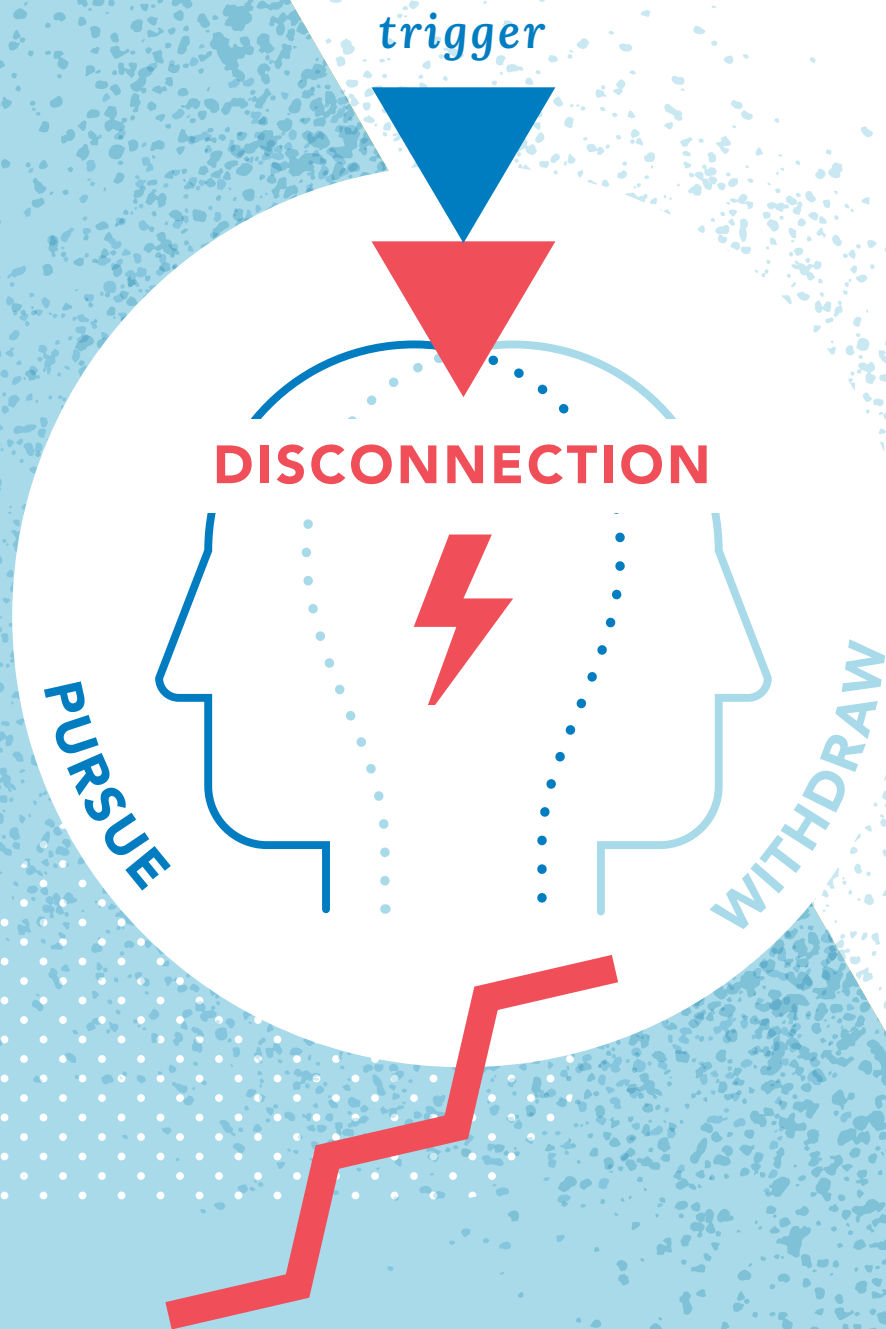
The Erosion  
of **Connection**



**Humans are social creatures** and require connection to survive and thrive. Some research has shown that there has been an increase in isolation and **loss of connections** to one another **in recent decades**. When human connection begins to erode, attunement and prompt responsiveness decline, **employees become more vulnerable**, and their need for connection becomes more urgent.

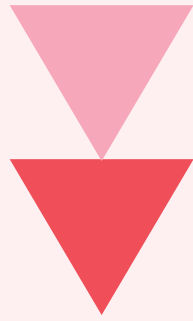
During these **moments of disconnection**, the emotional side of the brain hijacks the prefrontal cortex, and its cognitive functioning and social interactions slow down. The brain goes into the tunnel vision of survival. Its priority shifts from thinking about what's best for the team and the company to what's best for me. In those moments, it's difficult for people to be supportive, empathic, collaborative, and even engaged.





Neuroscience is highlighting the fact that when **the brain goes into this panic** of separation distress, people start to either pursue the connection or preserve the connection which creates more distance and distress.<sup>19</sup> Those that pursue, they often complain, blame, demand, criticize, and judge; creating an unsafe environment for others around them. Those that preserve the connection, they often disengage, distance, stonewall, avoid, and get busy, which shuts people out and increases anxiety for others around them.

As these behaviors continue to persist and the distance continues to widen, the intensity to pursue or preserve the connection increases as well. The behaviors become more aggressive, demanding, and threatening. The **perpetual loop of disconnection** eventually escalates into a full-blown conflict or a hidden conflict that festers and grows, **creating a toxic culture** that no one knows how to address.



# The Science Behind Workplace Conflict: Attachment and Reconnection

Work relationships are attachment bonds. Attachment is a psychological concept originating from John Bowlby's research, and within the context of the workplace refers to the kind of emotional bonds co-workers develop with one another because of their dependency on each other.

Securely attached employees are comfortable with, and good at, forming strong bonds—they are also generally perceived by others in the organization as valuable group members. Employees that have insecure attachment relationships experience a lot more anxiety and fear. They become easily triggered in moments of disconnection and lose their emotional balance and focus, elevating their stress and pressure.

What matters is, when tiny moments of disconnection are repaired, the relationship regains its bond and comes back into harmony, creating security and stability. Together, they bounce back from separation distress into helping each other regain their emotional balance, being supportive, attuned, and emotionally responsive.

Managers and employees can **learn the process of reconnection** which is essentially a two-step process. First, they help each other **slow down** and **recognize the negative cycles** that occur in their interaction. The second step is they **learn how to reach for each other and engage** on a human level. Although this step requires facilitation and practice, the relationship becomes flooded with **positive emotions** and ascends to a whole new level.



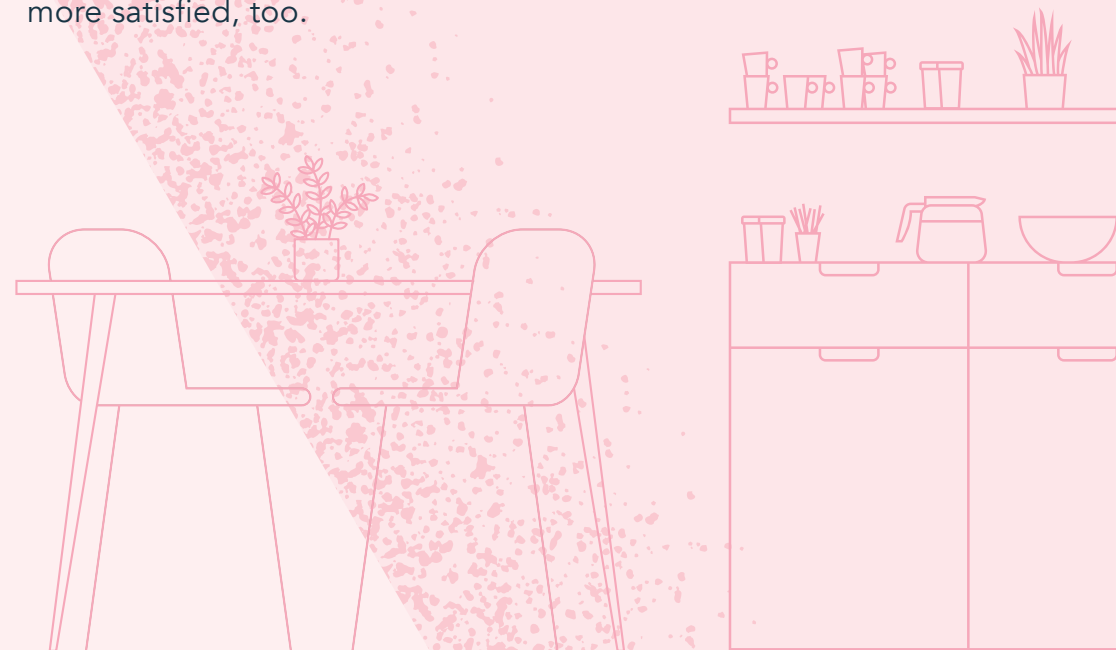
This process is not only a corrective move that kick-starts trust but also, for many, creates a stronger bond and a transforming and liberating experience.

Research shows secure relationships are a key ingredient in creating a safe and connected environment, which helps employees to be resilient, advance in personal growth, and improve physical health. Relationships also sculpt the way employees engage and interact with others. Secure connection with their co-workers and managers helps employees to be open, responsive, and flexible and that, in turn, makes the work environment supportive, inclusive, and safer.

Psychologist Michael Kraus at the University of California, Berkeley, found that the best predictor of which National Basketball Association team was going to win the final playoffs in the 2008–9 season was not early-season performance but the number of times team members reached for each other, enhancing their sense that they can rely on each other, increases cooperation, and frees players to focus completely on the game.

Numerous studies have shown that those with high levels of emotional intelligence, and co-workers with secure attachment, tend to manage conflict in the workplace better, and it leads to higher team performance and work engagement. , , Further, strategies and training that improve emotional awareness and attachment in the workplace can lead to more effective mitigation, management, and resolution of conflict.

When companies focus on creating stronger and more secure relationships, their employees become more engaged and creative and stay with their companies longer. And their clients become more satisfied, too.



Considering the significant impact workplace conflict can have on productivity, employee morale, and ultimately, its bottom line, it is vital that HR professionals and executives first recognize where conflicts arise within their organization. There are common sources of conflict which, if not addressed, have massive, costly implications to any organization. Each time there are dysfunctional conflicts in the workplace, it is a potential fire waiting to erupt further, which can cripple a business or organization's operations and growth. The time for managers, executives, human resources personnel, and teams to become aware is when it is a spark, not a raging inferno.

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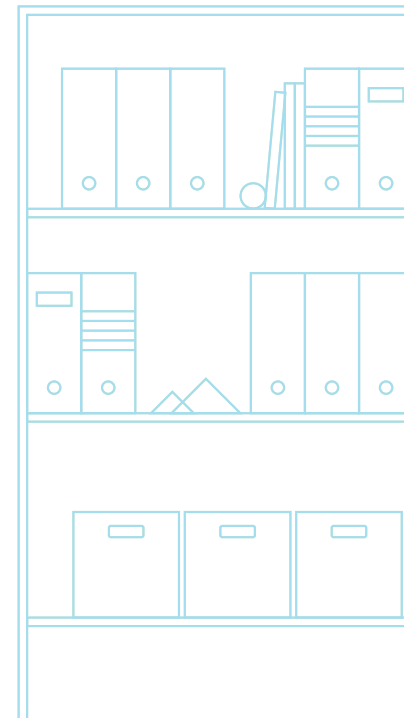
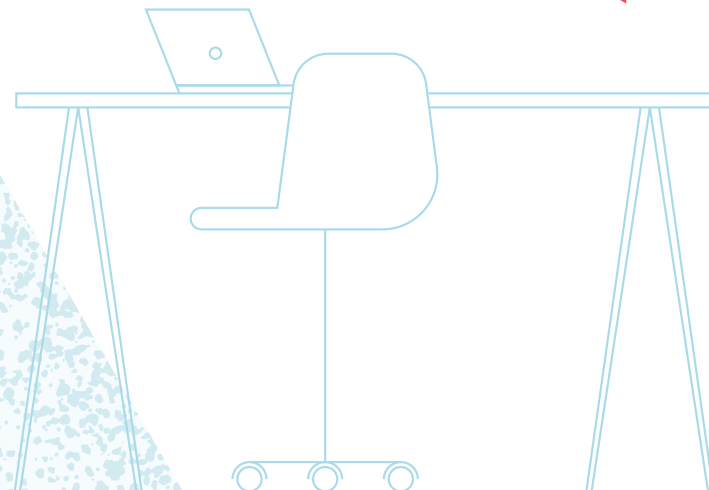
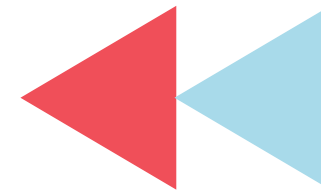
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# About the Author

Dr. Lola Gershfeld, CEO of [EmC Leaders](#) and Organizational Psychologist, specializing in Workplace Conflict. Author of two books, [Emotional Connection](#) and [The Connected Culture](#), she helps companies to master the art of relationships so that they can spend less time on “people problems” and more time accomplishing their most important work.



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