

The Costs of Conflict

- Studies show that, despite recent efforts to streamline the litigation process and controlling its costs, businesses still spend upwards of \$300 billion annually litigating disputes, and that the amount is escalating.¹
- 85 % of employees have experienced conflict in their working lives.²
- 89% of employees have experienced a workplace conflict that has escalated.³
- 49% of workplace conflict is caused by personality clashes and warring egos.⁴
- Stress and workload are the next most common causes of conflict.⁵
- Fortune 500 senior executives spend 20% of their time in litigation activities.⁶
- Average US employee spends 2.8 hours per week dealing with conflict. This translates to 385 million working days annually.⁷
- 25% of employees report that conflict results in sickness or absenteeism.⁸
- The price tag for defending a litigated employment claim is \$140,000.⁹
- 42% of a manager's time is spent on reaching agreement with others when conflicts occur.¹⁰
- Even when an employer prevails in court he/she has usually spent \$50,000 or more in attorney's fees, in addition to the organization's time and resources¹¹
- In the 21st century commercial disputes will be seen as business matters rather than the province of attorneys.¹²

¹ E.g., *Dispute-Wise* SM Business Management: Improving Economic And Non-Economic Outcomes In Managing Business Conflicts, American Arbitration Association (2006).

² *Workplace Conflict and How Businesses Can Harness It to Thrive*. Consulting Psychologists Press, n.d. Web. 8 Oct. 2012. Hereinafter referred to as CPP Study.
<https://www.cpp.com/pdfs/ CPP_Global_Human_Capital_Report_Workplace_Conflict.pdf>.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ *The Use of Alternative Dispute Resolution in Maryland Business* (2004). Hereinafter referred to as Maryland Business Study.

⁷ CPP Study

⁸ Ibid.

⁹ http://www.shrm.org/LegalIssues/StateandLocalResources/Pages/CMS_016778.aspx

¹⁰ Maryland Business Study

¹¹ Ibid.

¹² *ADR in the 21st Century: A Forecast of Delivery Changes*, Vol. 17, p. 65 CPR Institute for Dispute Resolution, 1999).