

## **The High Cost of Conflict**

- In the United States the civil litigation bill averages \$250 million annually.<sup>1</sup>
- Fortune 500 senior executives spend 20% of their time in litigation activities.<sup>2</sup>
- The average cost of defending a litigated employment claim is \$130,000.<sup>3</sup>
- 42% of a manager's time is spent on reaching agreement with others when conflicts occur.<sup>4</sup>
- 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 resources<sup>5</sup>
- In fiscal year 2003 there were 81,293 charges of employment discrimination that were filed with the U.S. EEOC. Since 1999 the agency has mediated 50,00 cases and 70% were successfully resolved<sup>6</sup>
- In the 21<sup>st</sup> century commercial disputes will be seen as business matters rather than the province of attorneys.<sup>7</sup>
- Workplace disruptions due to conflict cost an employer 10% of the salary of the employees involved.<sup>8</sup>
- Constellation Energy Group and Baltimore Gas & Electric saved approximately \$400,000 in the first year of their mediation program and preserved valuable working relationships.

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<sup>1</sup> American Arbitration Association Dispute-Wise Management: Improving Economic and Non-economic Outcomes in Managing Business Conflicts

<sup>2</sup> The Use of Alternative Dispute Resolution in Maryland Business (2004)

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> Ibid

<sup>6</sup> U.S. EEOC

<sup>7</sup> ADR in the 21<sup>st</sup> Century: A Forecast of Delivery Changes; vol. 17, p. 65 (CPR Institute for Dispute Resolution, 1999).

<sup>8</sup> Dana Mediation Institute, Financial Cost of Conflict, [www.nationalmediation.com](http://www.nationalmediation.com)