

The Costs of Conflict

- The price tag for defending a litigated employment claim through trial is up to \$250,000.¹
- 69% of US companies had annual litigation budgets of \$1 million or more, up from 52% in 2012. The percentage of companies with litigation budgets of \$10 million or more rose to 25% in 2014 from 17 percent in 2012.²
- 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.³
- 85% of employees have experienced conflict in their working lives.⁴
- 89% of employees have experienced a workplace conflict that has escalated.⁵
- 49% of workplace conflict is caused by personality clashes and warring egos.⁶
- Stress and workload are the next most common causes of conflict.⁷
- Fortune 500 senior executives spend 20% of their time in litigation activities.⁸
- The average US employee spends 2.8 hours per week engaged in workplace conflict, which translates to \$359 billion in paid hours annually.⁹
- 25% of employees report that conflict results in sickness or absenteeism.¹⁰
- 42% of a manager's time is spent on reaching agreement with others when conflicts occur.¹¹
- 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.¹²

¹ <http://www.workforce.com/2013/05/14/how-much-does-it-cost-to-defend-an-employment-lawsuit/>

² Norton Rose, *2015 Litigation Trends Annual Survey*, <https://bol.bna.com/report-corporate-counsel-spending-more-on-litigation/>

³ E.g., *Dispute-WiseSM Business Management: Improving Economic And Non-Economic Outcomes In Managing Business Conflicts*, American Arbitration Association (2006).

⁴ *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.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ *The Use of Alternative Dispute Resolution in Maryland Business* (2004). Hereinafter referred to as Maryland Business Study.

⁹ CPP Study, <https://www.entrepreneur.com/article/207196>

¹⁰ Ibid.

¹¹ Maryland Business Study

¹² Ibid.