

Webinar handout for:

How to Mediate Employee Conflict Using Managerial Mediation

A Core Competency for Prevention and Early Resolution of Workplace Conflict

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Necessary Knowledge
The nature of conflict


Effects of Workplace Conflict

Why does it matter to the organization?

Costs
Pure waste, no value added

Risks
Torpedo submarines in our midst

Impact on decision quality
The hidden cancer in organizational success





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Necessary Knowledge
The nature of conflict


Calculating the Cost of Conflict

Cost factors:

- #1: Wasted time
- #2: Opportunity cost of wasted time
- #3: Lowered job motivation and productivity
- #4: Lost performance due to conflict-related absenteeism
- #5: Loss of investment in skilled employees
- #6: Conflict-incited theft, sabotage, vandalism, and damage
- #7: Restructuring around the problem
- #8: Health costs
- #9: Degraded decision quality

Estimate the cost of conflict in your organization with the *Dana Measure of Financial Cost of Organizational Conflict*. Use our on-line cost calculator at www.mediationworks.com



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Necessary Knowledge
The nature of conflict

Calculating the Cost of Conflict

Estimating the cost of losing one good employee . . .

You !

Your annual salary: \$ _____

Multiply times 1.4 (140%)* = \$ _____
Investment in you by your employer


Multiply times 1.5 (150%) = \$ _____
Cost of replacing you

Multiply times .6 (60%) = \$ _____
Average role of conflict in voluntary terminations

Multiply times number of voluntary terminations in your organization annually = \$ _____

Annual cost of conflict to your organization for *only* Factor #5.

* Source: HR Magazine, February 2003



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