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From Leading Unstoppable Teams! The Best of “Two Minute Training”

Conflict Resolution Training Is Worth the Money

Often in difficult economic times, training is the first thing organizations cut, especially training in communications skills. After all, we communicate all day long, so we must know how to do it, right? Wrong, of course.

The loss of training programs, especially in communications, skills, can carry severe costs in dollars, lost time and production, and relationships. Conflict escalates when pressure escalates, and the environment is increasing workplace pressure on everyone. Consulting Psychologist Press distributed the results of an international study on workplace conflict called *Workplace Conflict and How Businesses Can Harness It to Thrive* documenting the following costs:

In the United States, where only 57% of employees receive conflict resolution training, employees spend 2.8 hours per week dealing with conflict equating to approximately \$359 billion in paid hours in 2008.

That's a staggering cost for organizations to absorb. Surely the costs for all the conflict resolution and management communications training in the country wouldn't equal that loss.

By the way, that percentage of people being trained may seem low, especially if you believe as I do that everyone should receive training, but only Brazil trains more people in conflict resolution than the United States.

The study also showed that training has the greatest effect of producing high-quality outcomes

from conflict::

- Over 95% of people receiving formal conflict resolution training say it helped them.
- 27% report that they were more comfortable and confident in managing conflict.
- 58% say they now look for win-win solutions to conflict.
- 85% of employees say they have changed their approaches to conflict, taking conflict less personally and becoming more proactive in wanting to resolve it.

The benefits of appropriately managed conflict are also apparent. Seventy-six percent of employees say they have seen good outcomes from conflict, such as an increased understanding of others or better solutions to workplace problems.

Conflict may be a given in the workplace, but one's inability to manage it shouldn't be. Whether you offer training to employees as part of your training program or have them find it on their own, the return on investment will be high in both productivity and improved relationships.

Note: Here are some additional results of the international study done by CPP:

The study defines a conflict as “any workplace disagreement that disrupts the flow of work.” The study was conducted in nine countries “to examine how different cultures view conflict; the ways they react to it, its short- and long-term impact on

individual and company performance; and what (if any) correlations can be drawn between reactions and results both positive and negative.” The cross-cultural information is interesting and relevant.

Some other important numbers you may want to know:

- 85% of employees at all levels experience conflict to some degree, and 29% do so always or frequently.
- 27% of employees had witnessed conflict morph into a personal attack.
- 25% of employees say that avoidance of conflict resulted in sickness or absence from work.
- 9% of employees saw conflict result in project failure.

- 70% of employees see managing conflict as a “very” or “critically” important leadership skill.
- 54% of employees think managers could deal with conflict more effectively if they addressed it more quickly.
- *In the U.S. 57% of employees have never received conflict management training although 95% of people who received such training said it had helped them.*

“Training is the biggest driver for high-quality outcomes from conflict.”

For the complete report go to www.cpp.com.

Determining a Return on Your Training Investment

The qualitative argument for continuing management communications and conflict resolution training is easy. Better and more trusting relationships result in clearer communications, better teamwork, more creative ideas, and greater efficiency.

The quantitative argument may be easier to make with more recent information. I’ve written before about the results of a 2008 study from Consulting Psychologist Press that demonstrated that American companies lose \$358 Billion a year to time lost as a result of conflict, almost three hours per week per employee. That’s a number no organization wants to set as a goal.

So, to make your quantitative argument, do the math. How many hours of your work week are needed to address conflict? Multiply that number by your hourly rate and get your weekly cost. Then consider how many hours each week each staff member must be using to address conflict or even escalate it. And don’t forget to include meeting hours that have been lost because the team wasn’t working as effectively as it should.

Calculate those hours, multiply by the number of staff members involved, then multiply by their hourly rates, and I’m sure the loss will be far greater than any training or consulting program might have cost.

In addition, you might also consider how much productivity or efficiency is lost to correcting work or sending forms back and forth, or how much is lost to missed deadlines or customer frustration. See if you have records on lost accounts or penalty costs and add them to the mix. If most everything seems to be redone because of mistakes or miscommunications, then productivity is down by half, or at least by a third. What is that costing you?

Last, go back to your personnel records and identify which departments have the most turnover or sick leave, or the most frequent complaints about managers. Often these statistics are an indication of stress and conflict in a department. These results are another indication of hidden costs and should also be added to your total.

It is not easy to calculate the cost of conflict, but the estimate is high enough so that it is worth the effort if you want to demonstrate the need for training. If you can also make the qualitative argument, then your case will be even stronger. It’s important that you do everything possible to provide training on what is so important to the organization – being able to settle differences so work and productivity are not interrupted, and benefiting from the creativity inherent in conflict.