The Real Costs of Workplace Conflict

A 2026 Report on the State of Workplace Conflict and Associated Costs as a Replacement for the 2008 Estimate

by Pollack Peacebuilding Systems

For nearly two decades, the figure most often cited for the cost of workplace conflict has been **$359 billion**, drawn from a 2008 study commissioned by CPP, Inc. That number is now almost twenty years old, built on 2008 wages and a workforce that no longer exists. This document presents a current, defensible replacement, grounded in original 2026 survey data and anchored to published federal wage and employment statistics.

Every figure here is reproducible. We use the same simple, transparent logic as the original 2008 study: ***hours lost*** × ***52 weeks*** × ***hourly wage*** × ***number of workers*** — but rebuild every input from current sources. Where an assumption is required, we state it plainly and show what changes if you move it.

The Headline Figures

We present the cost as a three-tier range rather than a single number. A range is harder to dismiss than a point estimate, and it lets the reader see exactly how the cost grows as the scope of measurement widens, from managers alone to the full workforce.

Tier	Estimate	What it measures
Tier 1 — Conservative floor	**$99B**	Manager time only, using the lowest hours in each survey band. The defensible minimum.
Tier 2 — Manager-time central	**$157B**	Manager time only, using survey-band midpoints. The recommended headline figure.
Tier 3 — Full-economy estimate	**$414B+**	Adds a conservative estimate of non-manager time. A conservative extension of the 2008 CPP approach.

Our recommended public figure is **$157 billion per year in lost manager time alone**, calculated on a conservative median-wage basis, with the explicit note that this counts only managers, making the true cost to the U.S. economy substantially higher. Using the BLS *mean* management wage instead, the same model produces roughly **$180 billion**. The $414B+ full-economy tier extends the estimate across the whole workforce for those who want a successor to the 2008 number.

The Core Finding

Managers in U.S. organizations spend an average of **4.44 hours every week** addressing escalated conflicts and difficult interactions. Over a year, that is **231 hours per manager — roughly 29 full working days**, or about $14,000 in salaried time per manager, consumed by conflict that pulls them away from leading their teams.

This is not a fringe problem affecting a few troubled workplaces. In our sample of 1,105 full-time U.S. employees, **48% reported that conflict occurs weekly or more often**, and **48% said conflict has become more common over the past two years**, against just 14% who said it had declined. The cost below is the price of that escalation, measured in the one currency every organization understands.

Methodology

The 2008 model, rebuilt

The original CPP study multiplied average conflict hours per employee (2.8 per week) by the average 2008 wage ($17.95) across the U.S. workforce. We preserve that structure exactly. The only thing we change is the data feeding it: every input is refreshed to 2025–2026 federal figures, and our hours come from a current, large-sample survey rather than a single extrapolated per-person estimate.

Inputs and sources

Input	Value	Source
Manager hours/week on conflict (midpoint)	4.44 hrs	This study, Q7 (n=1,105)
Manager hours/week (conservative)	2.81 hrs	This study, Q7, lower bounds
U.S. management-occupation employment	11,132,700	BLS OEWS, May 2025
Median hourly wage, management occupations	$60.83	BLS OEWS, May 2025
Mean hourly wage, management occupations	$69.84	BLS OEWS, May 2025
U.S. total employment (all occupations)	155,495,730	BLS OEWS, May 2025
Median hourly wage, all occupations	$24.51	BLS OEWS, May 2025

Our survey asked respondents to estimate *manager* time on conflict (Question 7), which is why the manager-time tiers rest on this survey plus published wage tables, with no further assumptions. The full-economy tier requires one additional assumption, described below. We present figures on a median-wage basis as the conservative default, and note the mean-wage alternative alongside.

How each tier is calculated

Tier 1 — Conservative floor ($99B).

- 2.81 hrs/week × 52 × $60.83 (median wage) × 11,132,700 managers. *Hours use the lowest value in each survey band (e.g. "1–5 hours" counted as 1), producing a deliberate underestimate. Notably, this 2.81-hour figure nearly reproduces the 2008 study's 2.8-hour per-person finding — independent corroboration of the original estimate.*

Tier 2 — Manager-time central ($157B median / $180B mean).

- 4.44 hrs/week × 52 × $60.83 (median wage) × 11,132,700 managers = $156B. *Hours use the midpoint of each survey band, the standard convention for banded survey data. Substituting the BLS mean management wage of $69.84 raises this to about $180B; we lead with the lower median figure to stay conservative.*

Tier 3 — Full-economy estimate ($414B+).

- Tier 2 manager cost, plus non-manager time: 1.4 hrs/week × 52 × $24.51 (median wage) × 144.4M non-managers. *Non-manager hours are set at half the 2008 per-person figure (1.4 of 2.8 hours) — a conscious conservatism, since our data shows conflict has risen, not fallen, since 2008. All wages here are medians, applied consistently with the tiers above. On a mean-wage basis the figure exceeds $530B. This is a conservative extension of the CPP approach, not a pure replication of it.*

Why This Number Holds Up

- **Current survey, not a stretched estimate.** The hours come from 1,105 employees reporting on their own organizations in 2026, not from a single per-person figure extrapolated across the economy from 2008.
- **Federal anchors.** Wages and headcounts come straight from the Bureau of Labor Statistics' May 2025 Occupational Employment and Wage Statistics, the same authority economists and journalists already trust.
- **Built-in conservatism.** The headline counts only managers, uses the lower median wage, and the floor uses the lowest possible hours. Every modeling choice was made to underclaim rather than overclaim.
- **Independent corroboration.** Our conservative manager-hours figure (2.81 hrs/week) closely matches the 2008 study's per-person finding of 2.8 hours, two separate methods landing on nearly the same number.

Honest Limitations

Credibility depends on naming the soft spots before a critic does:

— **Estimated, not time-tracked.** Q7 captures respondents' estimates of how much time managers spend on conflict, not observed time-tracking. It is a reasonable basis for a national estimate, but it is a perception, and we report it as such. The 2008 study carried the same limitation.

— **Non-manager hours are estimated.** Tier 3 depends on an assumption our survey did not measure directly. We hold it deliberately low and label it clearly; the manager-time tiers do not rely on it at all.

— **Paid wage time, not fully loaded cost.** BLS wage figures are straight-time gross wages. They exclude employer benefit costs, overtime premiums, bonuses, and shift differentials, so these numbers are best described as paid wage time, meaning the true employer cost is higher than stated.

— **Time cost only.** Like the 2008 figure, these numbers count paid hours consumed by conflict. They exclude turnover, lost productivity, absenteeism, and legal exposure, again pushing the real economic toll higher.

— **Sample.** 1,105 U.S. full-time employees across nine industries. Robust for national estimates; smaller industry and regional cuts should be treated as directional.

Bottom line: Workplace conflict costs U.S. organizations at least $157 billion a year in manager time alone — roughly $180 billion using mean wages — and on a conservative full-workforce model, more than $400 billion annually. The 2008 number wasn't wrong for its time. It's simply out of date, and the problem it described has grown.

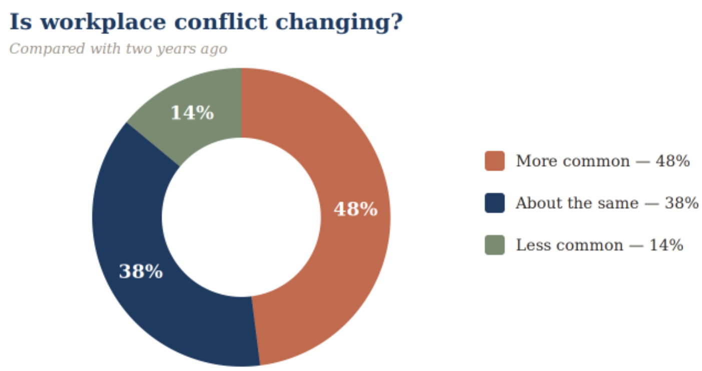
Additional Findings on The State of Workplace Conflict

The lost wages price tag, however staggering, is only the surface of the story. A number like $157 billion tells you that conflict is expensive; it doesn't tell you where it concentrates, who absorbs it, or what actually makes it better. For that, we have to move from the economy as a whole down to the texture of individual workplaces. Conflict, it turns out, is not spread evenly. It clusters in particular industries, swells at a particular company size, and bears down hardest on a particular group of people. Most importantly, the data points to something hopeful: a clear, repeatable difference between the organizations that struggle with conflict and the ones that have learned to move through it well. The rest of this report is about those patterns and what they mean for you.

Here is the finding that stopped us. The average manager in America spends **about four and a half hours every week** dealing with conflict: refereeing disputes, smoothing over tensions, handling the fallout from interactions that boiled over. That may not sound like much in any given week. But stretched across a year, it adds up to **231 hours. Twenty-nine full working days.**

Picture that. Roughly one month out of every manager's year, gone. Not to strategy, not to coaching their people, not to the actual work of leading, but to putting out interpersonal fires. At a typical manager's salary, that's about **$14,000 per manager, every year**. Multiply it across the nearly 11 million managers in the United States, and you arrive at that $157 billion figure — and remember, that's before you count the time lost by everyone who isn't a manager.

And this isn't a problem confined to a few dysfunctional offices. Nearly half the people we surveyed — **48%** — said conflict breaks out in their workplace weekly or more often. The same share said it has gotten *worse* over the past two years. Only about one in seven said it had improved. Whatever is driving tension at work, it is trending in the wrong direction.



Nearly half say conflict is rising; only one in seven say it is easing. Source: PPS 2026 survey.

Where Conflict Hits Hardest

One of the most useful things our data revealed is that workplace conflict is not spread evenly. It clusters in certain industries, in companies of a certain size, and even in certain regions of the country. Knowing where it concentrates is the first step toward doing something about it.

Some industries are simply harder

If you work in **financial services or healthcare**, none of this will surprise you. These two fields topped our list for conflict by a wide margin. Managers in both spend close to six hours a week on it, and well over 60% of employees in these industries report conflict flaring up weekly or more. Financial services also had the highest rate of conflict actually driving people to quit.

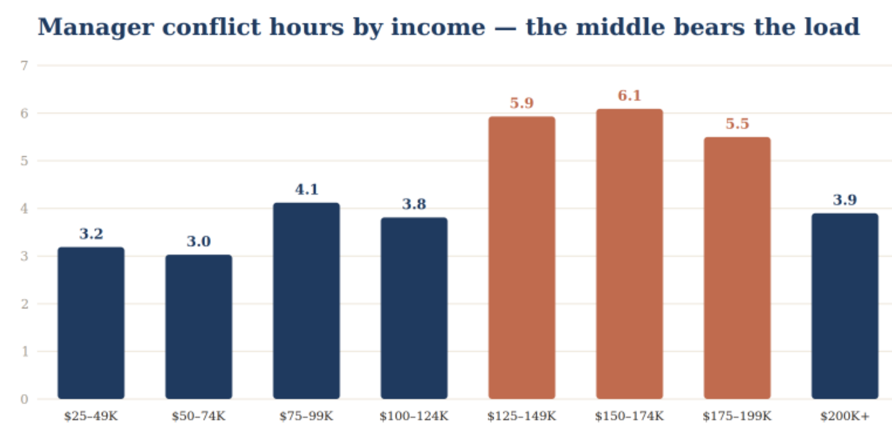
It makes intuitive sense. These are high-stakes, high-pressure environments — a hospital floor, a trading desk — where decisions carry real weight, emotions run hot, and people are often exhausted. At the other end, retail, government, and manufacturing reported notably calmer waters.

Industry	Manager hours / week	See conflict weekly+
Financial Services	**~6 hours**	64%
Healthcare	**~5.5 hours**	63%
Education	~4.7 hours	49%
Manufacturing	~3.5 hours	43%
Retail	~3 hours	25%

Figures are rounded averages from our 2026 survey of 1,105 U.S. employees.

Who actually absorbs the conflict

There's another pattern worth understanding, and it has less to do with industry than with where someone sits in an organization. When we sorted our results by income — a rough proxy for seniority — a clear shape emerged. It isn't the lowest earners or the highest earners who carry the heaviest conflict load. It's the people in the **middle and upper-middle**.



The $125K–199K band carries the most conflict; both junior staff and top earners report far less. Source: PPS 2026 survey.

Those earning between roughly $125,000 and $200,000 — the band where most middle and senior managers fall — reported by far the most conflict, with around two-thirds seeing it weekly. Below that range, and at the very top above $200,000, the numbers fall away. The likely story: junior staff aren't yet responsible for managing other people's disputes, and top executives have learned (or are able) to delegate them. The people in between absorb it all.

Household Income	Manager hrs / week	See conflict weekly+
$25K–49K	3.2 hrs	32%
$50K–74K	3.0 hrs	26%
$75K–99K	4.1 hrs	46%
$100K–124K	3.8 hrs	34%

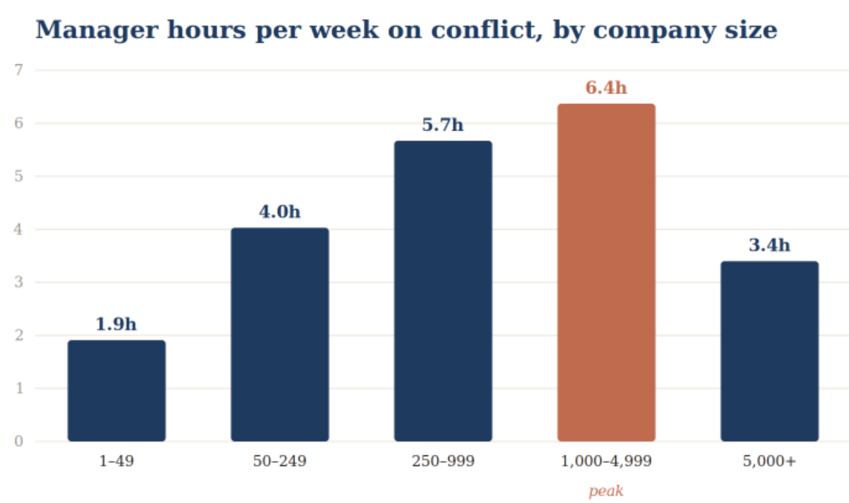
Household Income	Manager hrs / week	See conflict weekly+
$125K–149K	**5.9 hrs**	**72%**
$150K–174K	**6.1 hrs**	**67%**
$175K–199K	**5.5 hrs**	**68%**
$200K+	3.9 hrs	29%

Manager hours and weekly-conflict rates by household income. Source: PPS 2026 survey.

The surprising truth about company size

You might assume conflict simply rises with headcount: more people, more friction. The reality is more interesting. Conflict-related workload climbs steadily as a company grows, but only up to a point. It **peaks in mid-to-large companies**, particularly those with roughly 1,000 to 5,000 employees, where managers reported the heaviest conflict load of anyone in the study.

Then, in the largest organizations — 5,000 employees and up — it drops sharply. Why? The likely answer is infrastructure. The biggest companies have dedicated HR teams, formal complaint channels, and trained people whose job is to handle exactly this. Mid-sized companies are caught in a painful middle: big enough that conflicts multiply, but not yet big enough to have built the systems that contain them. If you run a growing company in that range, you are, statistically, in the danger zone.



Conflict load rises with size, then drops at the largest firms. Source: PPS 2026 survey (n=1,105).

It even shows up on the map

Geography matters too, though more modestly. Employees on the **Pacific coast** reported the most conflict of any region — roughly two-thirds see it weekly — with the mid-Atlantic and South Atlantic close behind. The country's interior and mountain regions reported the least. We can’t say for certain why, and we’d caution against reading too much into regional lines. But the pattern was consistent enough to be worth noting.

U.S. Region	Manager hrs / week	See conflict weekly+
Pacific	**5.6 hrs**	**65%**
Mid-Atlantic	5.1 hrs	53%
South Atlantic	4.6 hrs	50%
West South Central	3.4 hrs	31%
East North Central	3.3 hrs	32%
Mountain	2.7 hrs	28%
West North Central	2.2 hrs	28%

Manager hours and weekly-conflict rates by U.S. census region. Source: PPS 2026 survey.

And one place it doesn’t show up

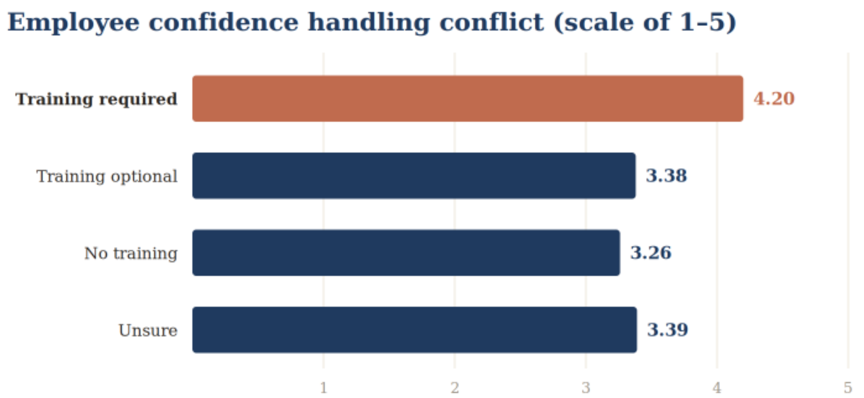
Worth saying plainly: we found **no meaningful difference between men and women** in how much conflict they experience or how confident they feel handling it. Whatever drives workplace conflict, it isn’t falling along gender lines. Conflict is, in that sense, an equal-opportunity problem.

The Thing That Actually Helps

It would be easy to read all this as bad news and stop there. But the most important finding in our study is a hopeful one, and it points to a clear solution.

We asked whether organizations offered formal training in handling conflict and difficult conversations, and we measured how confident employees felt. The pattern was striking. People at companies where such training is **required** felt dramatically more confident handling charged situations than those with no training at all. That part you might expect.

Here’s the part you might not. Where training was merely *optional*, confidence was barely better than having no training whatsoever. In other words, it isn’t the existence of a training program that makes the difference. It’s the organization’s commitment to it, the decision to treat conflict skills as something everyone learns, not a resource a few motivated people stumble onto.



Optional training barely beats none. Only a required commitment moves confidence. Source: PPS 2026 survey.

> *It isn't whether training exists. It's whether the organization truly commits to it.*

This reframes the whole problem. Conflict at work isn't a sign that you've hired the wrong people or built a broken culture. Conflict is normal, inevitable, even, wherever people care about their work and don't always agree. The question is never whether conflict will happen. It's whether your people have the skills to move through it well, and whether your organization has decided to give them those skills.

What This Means for You

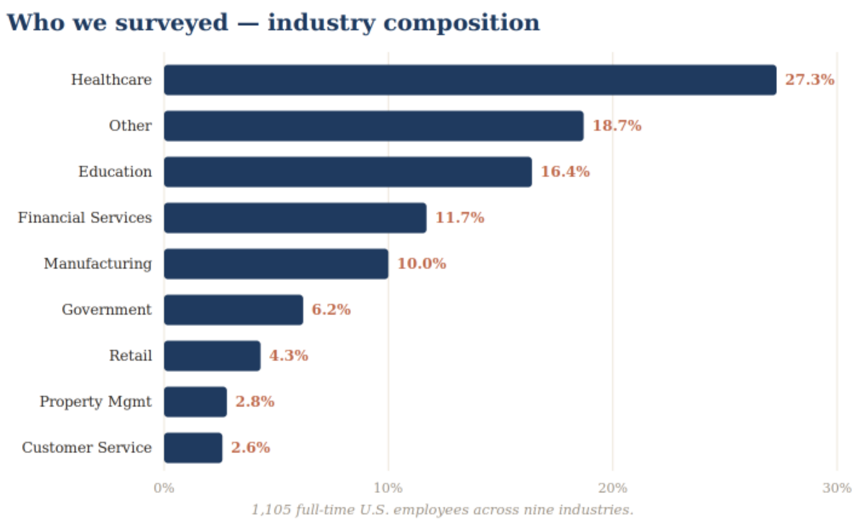
If you lead a team or an organization, the takeaway is practical. Start by being honest about where you sit. If you're in healthcare or financial services, or you're a company in that 1,000-to-5,000 range, the data says conflict is likely costing you more than you realize; and the manager hours quietly disappearing into it are hours your best people aren't spending on the work that matters. Look at how conflict currently gets handled in your organization, and ask whether "optional" is really good enough. The evidence suggests it isn't. Building conflict skills into how your whole team operates — not as a one-time workshop but as a genuine, sustained commitment — is what actually moves the needle.

The old $359 billion figure wasn't wrong for its time. It's simply out of date, and the problem it described hasn't faded; on the contrary, it has grown. The good news is that of all the costs a business faces, this is among the most addressable. Conflict, handled well, doesn't just stop draining time and money. It can become a source of trust, better decisions, and stronger relationships. That transformation is possible. It just has to be chosen.

The Numbers Behind the Story

For readers who want to look under the hood, here is the full picture of who we surveyed and how they responded. The study drew on **1,105 full-time employed U.S. adults**, surveyed in June 2026 across nine industries, every major region, and a wide range of company sizes and income levels. The sample skews toward the industries where conflict is most consequential — healthcare most of all —while still covering the broader economy.

Who we surveyed



The sample was almost evenly split by gender (51% female, 49% male) and concentrated in the core working years, with eight in ten respondents between 30 and 60 years old. Geographically, the Pacific and Atlantic coasts were best represented, mirroring where the U.S. working population is densest.

Age	n	%
18–29	79	**7.1%**
30–44	410	**37.1%**
45–60	475	**43.0%**
Over 60	141	**12.8%**

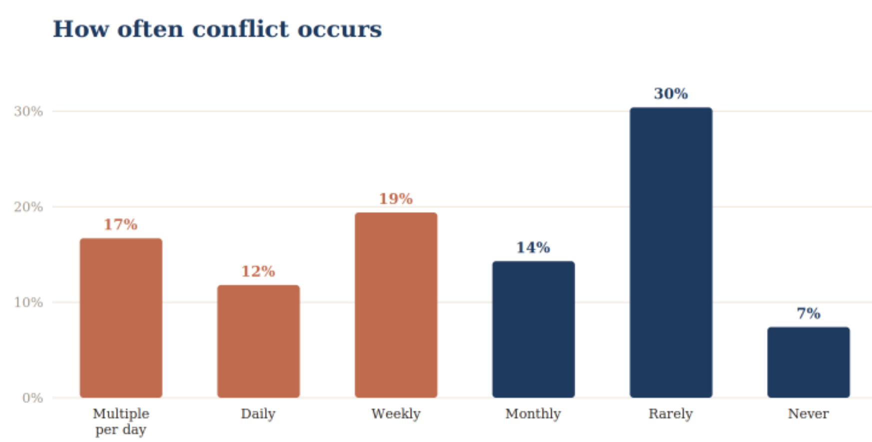
Company size (number of employees)	n	%
1–49	178	**16.1%**
50–249	289	**26.2%**
250–999	308	**27.9%**

Company size (number of employees)	n	%
1,000–4,999	182	**16.5%**
5,000 or more	148	**13.4%**

Household income	n	%
$25,000–49,999	96	**8.7%**
$50,000–74,999	132	**11.9%**
$75,000–99,999	173	**15.7%**
$100,000–124,999	110	**10.0%**
$125,000–149,999	148	**13.4%**
$150,000–174,999	171	**15.5%**
$175,000–199,999	116	**10.5%**
$200,000 or more	77	**7.0%**

How they responded

The questions that drove our cost estimate and key findings produced the distributions below. Together they paint a consistent picture: conflict is frequent for nearly half of workplaces, managers spend real time on it, and it is widely seen to be driving people out the door.



Terracotta = weekly or more often (47.9% of all respondents).

How often does workplace conflict occur?	n	%
Multiple times per day	185	**16.7%**
Daily	130	**11.8%**
Weekly	214	**19.4%**

How often does workplace conflict occur?	n	%
Monthly	158	**14.3%**
Rarely	336	**30.4%**
Never	82	**7.4%**

How many hours per week do managers spend on conflict?	n	%
Less than 1 hour	392	**35.5%**
1–5 hours	359	**32.5%**
6–10 hours	276	**25.0%**
11–20 hours	52	**4.7%**
More than 20 hours	26	**2.4%**

Weighted average: 4.44 hours per week (median 3.0).

Compared with two years ago, conflict is...	n	%
Much more common	338	**30.6%**
Somewhat more common	194	**17.6%**
About the same	417	**37.7%**
Somewhat less common	101	**9.1%**
Much less common	55	**5.0%**

Has conflict contributed to turnover in the past year?	n	%
Frequently	292	**26.4%**
Occasionally	369	**33.4%**
Rarely	293	**26.5%**
Never	151	**13.7%**

Does your organization provide conflict-resolution training?	n	%
Yes, required for employees	499	**45.2%**
Yes, optional	221	**20.0%**
No	257	**23.3%**
Unsure	128	**11.6%**

A note on method. Cost figures combine respondents' estimates of manager time from this survey with May 2025 employment and median-wage data from the U.S. Bureau of Labor Statistics; those wages are gross pay and exclude benefits, so the true employer cost is higher. A mean-wage basis raises the manager-time figure to roughly $180 billion. Percentages may not sum to exactly 100% due to rounding, and smaller industry and regional groups should be read as directional. Full methodology is available on request.

Pollack Peacebuilding Systems is an international workplace conflict resolution firm helping organizations transform conflict into trust, understanding, and lasting peace.

Learn more at **pollackpeacebuilding.com**