

THE STATE OF

Workplace Injustice

Over the past thirty years, the American workplace has changed drastically.

Yet, the leadership and management practices in the American workplace have changed very little—leaders and managers in US Employers have continued to create work environments that rob employees of dignity, respect, and equity when it comes to promotions, pay raises, and other opportunities based on job performance in the workplace.

This report illustrates the pervasiveness and impact of injustice on our workforce.

2024

Table of Contents

3

Background

4

How We Did It

6

Who's Behind
This Study?

8

Sample
Demographics

9

Prevalence
and Harm of
Injustice in the
US Workplace

11

Subgroup
Differences

14

Workplace
Outcomes
Impacted by
Injustice

16

Qualitative
Analysis

17

Injustice
Themes in the
Workplace

19

Organizational
Awareness of
Injustice

22

Economic Impact
of Injustice on
Organizations and
The US Economy

26

Reference
Section

INTRODUCTION

Background

Over the past thirty years, the American workplace has changed drastically. Yet, the leadership and management practices in the American workplace have changed very little—leaders and managers in US Employers have continued to create work environments that rob employees of dignity, respect, and equality when it comes to promotions, pay raises, and other opportunities based on job performance in the workplace. Findings across the country indicate the pervasiveness and impact injustice is having on our workforce.

In 2018, the Society of Human Resource Management released a study indicating that American employers lost \$223 billion in turnover costs over five years due to toxic workplace culture. Fifty-eight percent of employees who quit a job due to workplace culture say their managers are the main reason they ultimately left (SHRM, 2020).

Further, within specific industries, we find impactful negative trends in the workforce. For example, One in five doctors say they plan to leave the profession in two years. Additionally, the suicide rate among physicians is double that of the general population. After the pandemic, healthcare personnel turnover rates are three times as high. As an industry, healthcare has lost 20 to 30% of the workforce from 2020 to 2021.

Additionally, 1/3 of healthcare workers are considering leaving the force right now. 60% of all healthcare workers are rethinking their career choice and are looking to leave the profession. It is estimated that some 800,000 nurses plan to leave the profession by 2027. The cost of this turnover is not only astronomical in dollars but in the vulnerability of patients and families who will seek healthcare services.

While multiple factors contribute to the intentions and reasons for individuals leaving a job or profession, mistreatment in the workplace is one factor that we need to study, understand, and put resources towards eliminating. In an effort to support providing organizations with the evidence necessary to allocate these needed resources, we developed a scientific study to investigate three primary things 1) the prevalence of various forms of workplace mistreatment and bystander behavior in the workplace over the past year, 2) examine the impact mistreatment has on employees and associated costs to organizations, and 3) understand the prevalence of reporting workplace mistreatment and associated responses from organizations.

How We Did It

We collected responses from 686 working adults within the United States. They had to be currently employed, at least part-time or had been employed within the last 6 months and have full working proficiency in English.

QUANTITATIVE MEASUREMENT OF INJUSTICE IN THE WORKPLACE

Scholars and researchers focusing on understanding mistreatment in the workplace are split between feeling that too many forms of mistreatment are overlapping and ultimately the same phenomenon (Bowling & Beehr, 2006; Herschovis, 2011), whereas others maintain that the many forms of mistreatment discussed in the literature are unique and differentiable (Yao et al., 2022). However, to date, there has not been a comprehensive examination of whether the various forms of mistreatment that are measured in existing literature should be combined or kept separate.

INCIVILITY

Direct or indirect deviant behavior that violates social norms and is disruptive and harmful to targeted employees

FAILED ALLYSHIP

An individual's perception of others standing up for and supporting them or failing to support them when facing situations of mistreatment.

BULLYING

Harsh or aggressive behavior that is intended to harm, intimidate, or demean the targeted individual

INJUSTICE / HARRASSMENT

Unwelcome verbal and/or physical conduct and inappropriate behavior, such as racist remarks, crossing personal boundaries, insults, unwelcome sexual advances, and suggestive comments

OSTRACISM

An individual's feelings of being excluded, ignored, or isolated from work functions (lunches, meetings, emails, projects, etc.) by others within the workplace

BYSTANDER BEHAVIOR

Failure to take action during an event or incident, either out of fear or for personal gain, that is likely to cause harm to others in the workplace

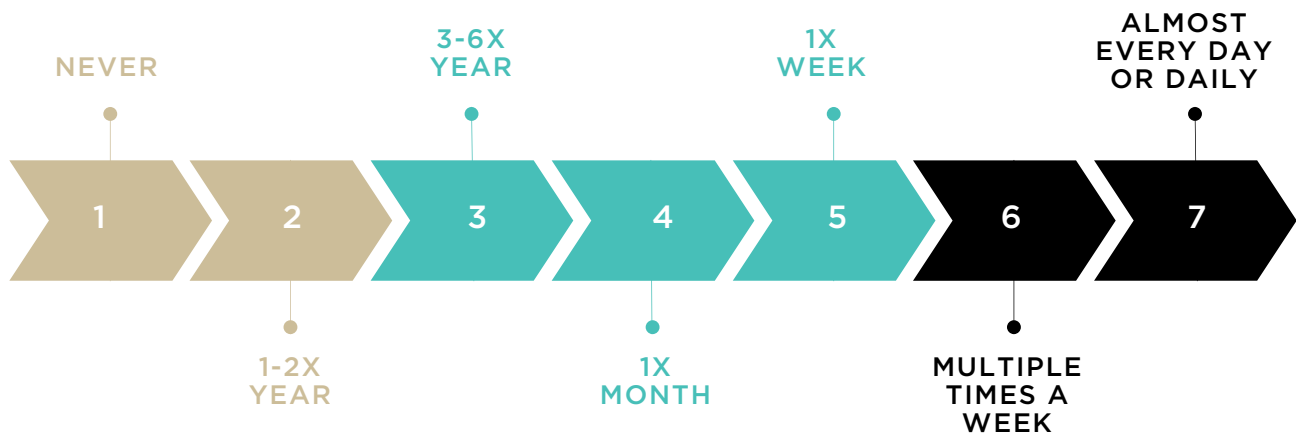
ABUSE / AGGRESSION

Verbal or physical behavior that is intended to intimidate, harm, or cause distress to the targeted individual

UNDERMINING

Behavior either direct or indirect that can compromise, diminish, or sabotage an individual's competence, work performance, or confidence

As such, we conducted a literature review and identified six common categories of mistreatment that were measured: incivility, bullying, abuse, harassment, undermining, and ostracism. We identified a gap in this review. Specifically, bystander behavior or failed allyship, which is experiencing others standing by while you are mistreated. We then developed items for these categories. We gathered reports of the frequency with which employees experienced each type of mistreatment over the past year using a rating scale of (1) Never (2) Once or Twice (3) Three to six times this past year (4) About once a month (~12 times) (5) About once a week (6) Multiple times a week (7) Almost every day or everyday.



QUALITATIVE MEASUREMENT OF EXPERIENCES OF INJUSTICE IN THE WORKPLACE

We also gathered qualitative responses of the most impactful experiences of mistreatment employees had over the last year. In line with our overarching goals for the study, this form of measurement targets understanding the prevalence of reporting workplace mistreatment and how organizations are responding to mistreatment in the workplace. As such, we developed 9 questions to gather employees' experiences with injustice, reporting, and organizational responses.



Who's Behind This Study?

Anton Gunn, Chief Executive Officer of 937 Strategy, commissioned this scientific study. Anton began his career in community organizing to improve the outcomes and experiences that low-income people had when they were consumers of financial, government, educational, and healthcare services. His goal and mission were to identify problems, work for solutions and ultimately improve the experience for the everyday consumer. Then Anton shifted to supporting state government agencies and personnel while earning a master's degree in social work.

In 2011, during the presidency of Barack Obama, Anton became a Presidential Appointee at the US Department of Health and Human Services. Through that position, he became familiar with the pervasiveness of mistreatment and disrespect through all levels of government. During his time as a federal official, he worked very hard to improve the experience of the federal employees under his leadership. He did everything from leadership development sessions, mentoring, staff events and outings, providing professional development resources, giving people the dignity and respect, they deserve, and honoring them for the public and civil service to the United States of America.

Even after his time as a presidential appointee, Anton continued to mentor and support his previous colleagues and employees as they shared experiences of mistreatment under a new administration.

The toxic culture in civil service workplaces is not an isolated phenomenon. Anton quickly learned that in 2015 when he became a C-Suite executive and the first-ever chief diversity officer at an organization with 8000 employees in the hospital and healthcare industry. He was hired to improve racial, ethnic, and gender diversity in the workforce and create an inclusive culture for employees, suppliers, patients, and consumers who sought services at the organization. While there he saw that non-diverse groups were also subject to extreme mistreatment due to bad management practices, mistreatment, poor professional development, financial mismanagement, no strategic leadership development, and a lack of alignment of organizational values and mission. These factors were only exacerbated by identifying with any dimension of diversity.



"In 1997, while leading a protest outside a local hospital about the unfair experiences that low-income people had when they sought services from a local hospital, I learned a startling discovery. During a shift change, an African American nurse headed into work at the hospital and said, "If you think they treat the people bad here, you should see how they treat us." She was referring to the treatment of nursing staff or healthcare employees by the management and administration of the organization. That was the first time I was aware that employees experience injustices at work the same way consumers experience injustice in business and society."

These career experiences have ultimately led Anton to where he is today. As a Leadership and Workplace Culture Expert, his motivation is to help leaders build diverse, high-performing teams in a world-class workplace where no one wants to quit, and everyone thrives because the organization's leaders are someone everyone will admire. "I believe that we all should live in a place and work in a place where we feel valued, respected, included, and visible, but most notably, in a culture that is full of justice, fairness, equity, and improvement". In pursuit of this passion, Anton has commissioned and supported this comprehensive study. Below is a short note from Anton on his hopes for this project:

"We believe that workplace injustice is preventable. At a minimum, you can reduce workplace injustice to a negligible rate. At a maximum, you can develop systems, processes, people, and culture to ensure that everyone in the organization feels valued, respected, visible, included, and appreciated. This requires employers to address the injustices immediately and have a practical framework to prevent them from repeating.

We aim to use this research to improve the American workplace for employees, employers, and consumers. For example, suppose we understand the causes of injustice, how often employees experience it, what employees expect employers to do about it, and give those employers best practices to address it. In that case, we will build a world-class workplace for all employees and help employers be more productive and successful, thus driving greater value for consumers and shareholders and building a stronger America."

Sample Demographics

Data were collected from online participants that were living in the United States, had a native English language proficiency, and were working full time.

The average participant age was 37.07 years old. 440 (65%) were younger than 40, while 238 (35%) were 40 or older.

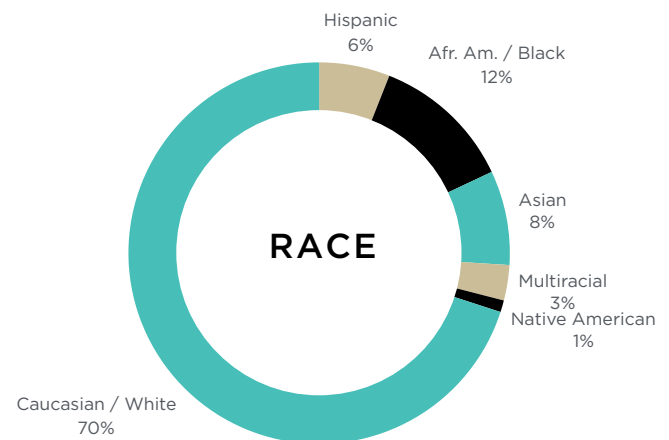
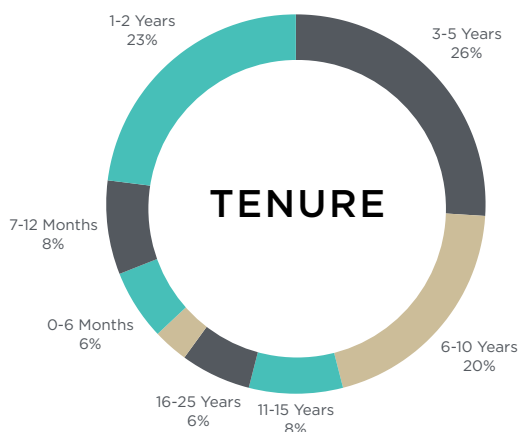
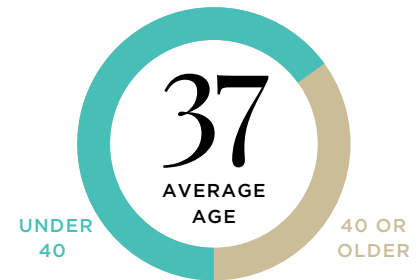
Regarding the gender breakdown of participants, 332 (49%) were male, 338 (50%) were female, seven (1%) were non-binary, one (0%) was genderqueer.

For LGBTQ+ community affiliation, 127 (19%) participants identified as being a part of the LGBTQ+ community, while 555 (81%) did not. Four participants did not provide their LGBTQ+ community affiliation status. Our sample slightly trends higher for being a member of the LGBTQ+ community compared to US overall estimates.

The ethnic/racial breakdown of participants was as follows: 471 (70%) were Caucasian or White, 81 (12%) were African American or Black, 50 (7%) were Asian, 39 (6%) were Hispanic or Latino, 23 (3%) were multiracial, and eight (1%) were Native American or Alaskan Native. 14 participants did not respond. In general, our sample approximates the overall US population.

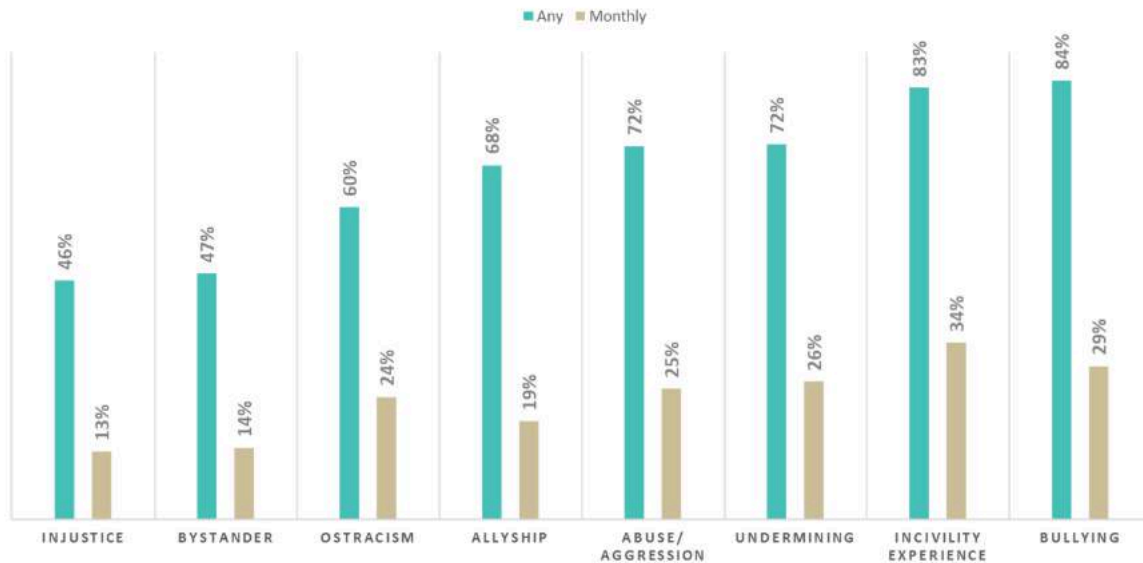
Regarding the disability status of participants, 101 (15%) identified as having a disability, while 578 (85%) reported not having a disability.

The average participant annual salary was \$55,793.01.



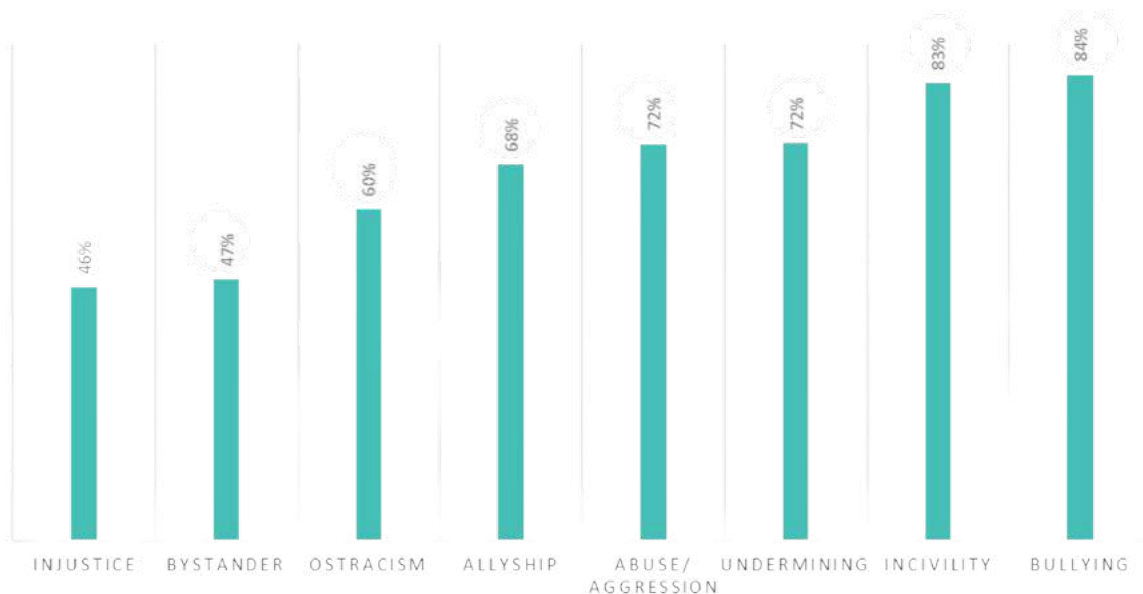
Prevalence and Harm of Injustice in the US Workplace

ONCE A YEAR VS MONTHLY



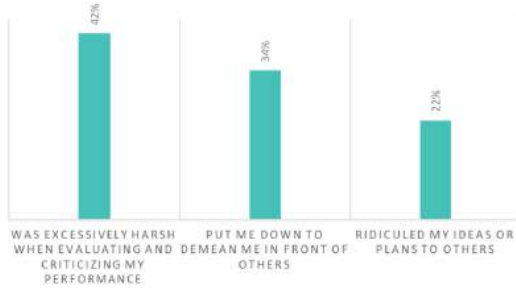
23% of those surveyed experience injustice every month

EXPERIENCED INJUSTICE IN THE LAST YEAR

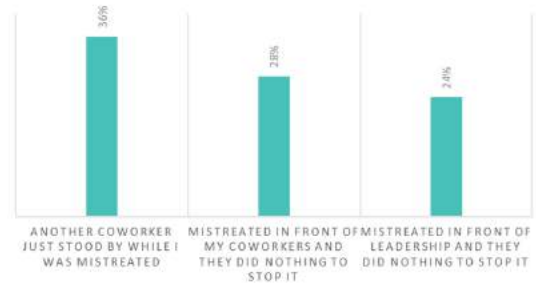


Targeted Injustice

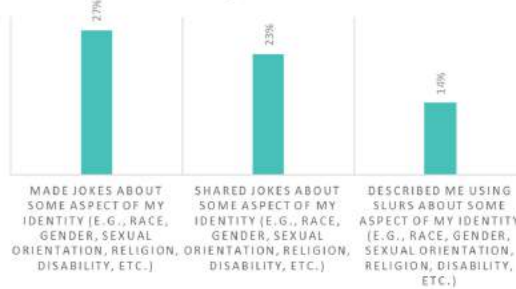
BULLYING



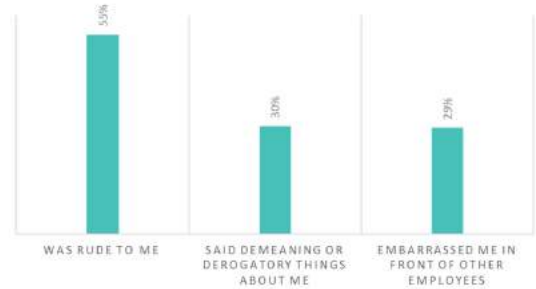
FAILED ALLYSHIP



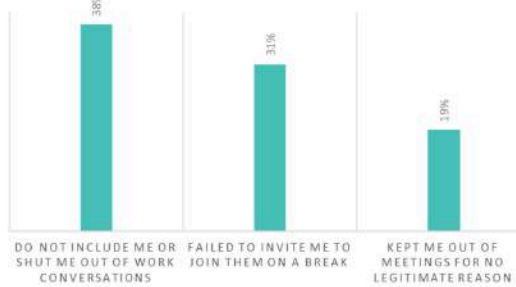
INJUSTICE / HARRASSMENT



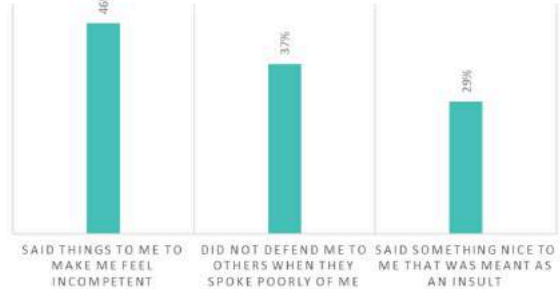
INCIVILITY



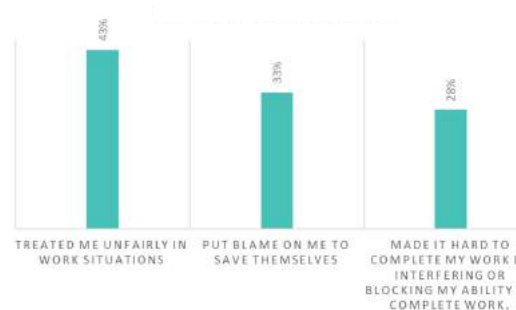
OSTRACISM



UNDERMINING



ABUSE / AGGRESSION

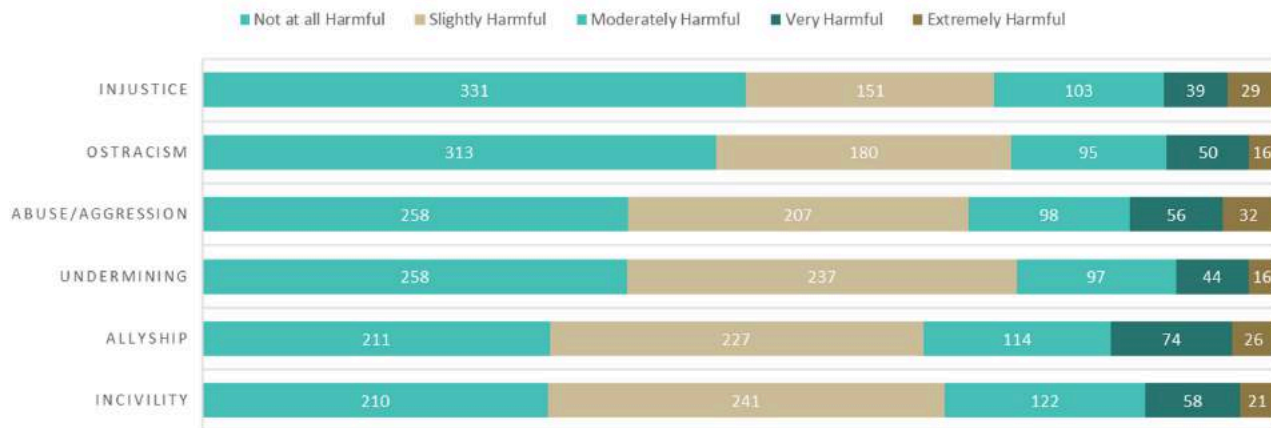


BYSTANDER BEHAVIOR



Subgroup Differences

INJUSTICE HARM



When investigating the levels in experienced injustice we found that people in the LGBT+ community and people with reported disabilities tended to have a higher frequency of experienced injustice compared to those not in the LGBT+ community and those without disabilities.

Across the board, people with disabilities and those in the LGBT+ community experienced all types of injustice more frequently, reported higher levels of negative workplace outcomes, and lower levels of positive workplace outcomes.

ANNUAL EXPERIENCED INJUSTICE BY DISABILITY



ANNUAL EXPERIENCED INJUSTICE BY LGBTQ+



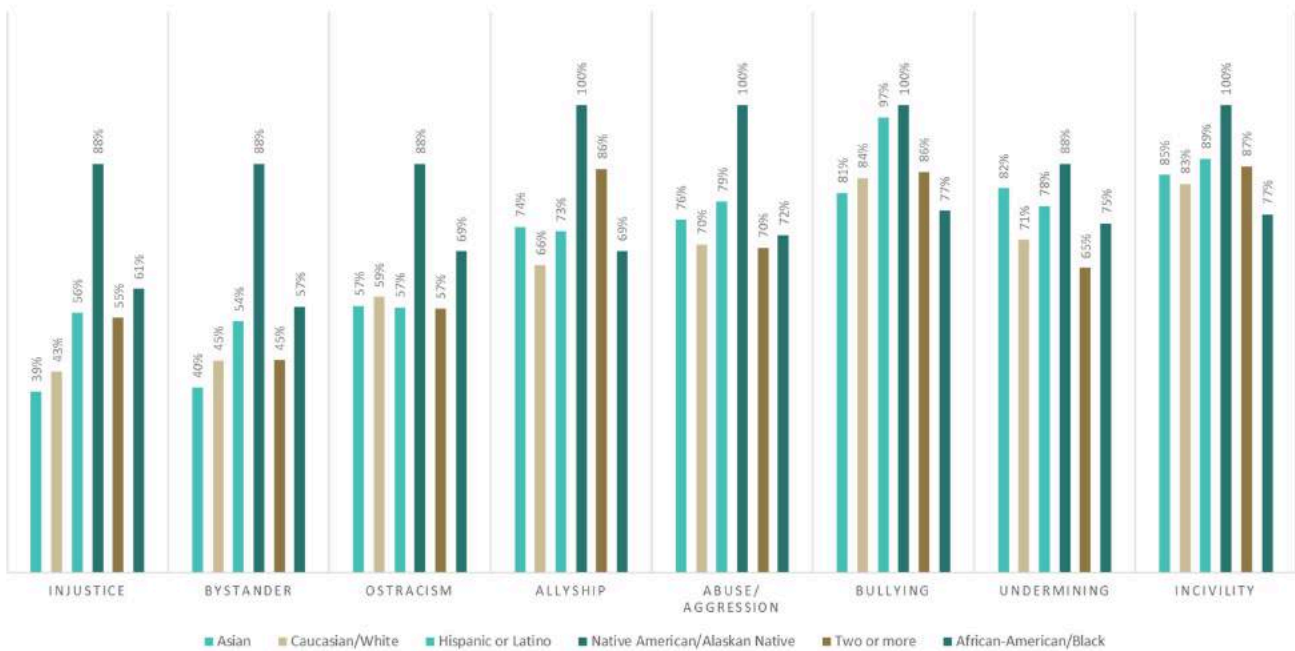
While there were differences across the board for those groups, when we took a closer look, we found that there were some statistically significant differences for these groups on intentions of quitting and experienced fairness regarding promotional opportunities.

When looking at male vs. female differences in how frequently they each reported various experiences of injustice, a couple of examples, in particular, stand out. Men reported being yelled at considerably more frequently than women in the last year (36% vs 23% annually: 13% vs 6% monthly).

These statistics suggest that people may feel less inclined to yell at women than at men in the workplace. Workplace cultures that allow yelling, regardless of an organization's demographic makeup, can be problematic because people tend to find processing information to be more difficult if they are in an upset mood. In essence, yelling at anyone in the workplace should be discouraged and more civil workplace communication should be fostered.

Another large male-female difference in experienced mistreatment was that women felt shut out of work conversations more often than men. Women reported they were shut out of work conversation 43% of the time compared to men, 33% of the time. This statistic draws attention to the problem of people, particularly women, being excluded from workplace conversations. A culture of inclusion is important for organizations. Organizations need to facilitate this because employees will not only feel a greater sense of belonging if they are included in more workplace conversations but will also feel more engaged at work.

ANNUAL INJUSTICE EXPERIENCE BY RACE



- Whites less afraid to intervene compared to Blacks/African Americans and Latinos for fear of losing their job.
- 37% of Black/African American and 39% of Hispanic/Latino respondents reported being afraid to intervene in a situation where mistreatment was apparent for fear of losing their job at least once or twice during the past year, while only 27% of White respondents reported this.
- This could resemble someone being afraid to stop a workplace bully because they believe they could lose their job if they did so.
- Regarding a similar example of injustice, at least once over the past month, 37% of Black/African American and 13% of Hispanic/Latino respondents reported that they did not speak up when their work performance was being undermined, while only 6% of White respondents reported this.

These statistics show that American racial minorities tend to be more afraid than Whites to speak up for both themselves and for others when they encounter workplace injustice. A practical implication to gather from this is that implementing workplace initiatives that empower minority groups to report experiences of injustice is needed to help mitigate these issues.



Workplace Outcomes Impacted by Injustice

Identifying what forms of workplace mistreatment, or injustice, are most common is a crucial precursor to taking the first few steps in attempting to mitigate it. On a related note, it is possibly even more important to identify the impact that workplace injustice has on an organization, or even the economy more broadly. Workplace injustice, like bullying, for example, can have a profound impact on the mental health of workplace victims and lead to other issues like a drop off in employee job performance, a damaged company reputation, and increased counterproductive behaviors like quiet quitting, self-isolation, and increased use of sick days.

A major goal of this research was to provide insight into how various forms of mistreatment impact different workplace outcomes. Using predictive statistical modeling techniques, we investigated the relationships between all forms of injustice (the independent variables) and each outcome variable (the dependent variables). Among the eleven outcomes we measured, seven can be labeled as having been substantially impacted by at least some forms of mistreatment.

COUNTERPRODUCTIVE WORKPLACE BEHAVIOR



Deviant employee behavior that sabotages company goals. Examples include pretending to be busy at work and talking negatively about the company name.

DISENGAGEMENT



Feeling disconnected from and demotivated by work. Disengaged employees display a lack of energy and effort.

TURNOVER INTENTIONS



An employee's expressed desire to quit their current job. Employees who intend to quit are likely actively searching for new positions in the job market.



Negative emotions experienced by employees that are triggered by thoughts of their work or workplace. They can lead to emotional and even physical distress.



Employees feel that they receive appropriate praise from their company for their accomplishments and that leadership recognizes their efforts.



Employees believe that they have a fair chance of getting promoted and that their company gives promotions to those who deserve them.

NEGATIVE WORK-INDUCED EMOTIONS:

RECOGNITION

PROMOTIONAL POTENTIAL

The six outcomes that were greatly impacted by injustice behaviors were: disengagement, turnover intention, recognition, promotion potential, counterproductive workplace behavior, and negative work-induced emotions (e.g., distress). We investigated how much of an impact each of the injustice experiences (in terms of frequency) had on these outcomes.

THE IMPACT OF INJUSTICE ON DISENGAGEMENT

Something unique to this study is the measurement of disengagement. Most organizations (e.g., Gallup) rationalize that the absence of positive workplace engagement is an indication of disengagement. While the absence of engagement very well might indicate disengagement, we measured disengagement directly with items like “I struggle to see the value of the work I do” and “Found yourself emotionally quitting (i.e., not caring anymore)”.

We found that the injustice experiences of workplace abuse and undermining account for a total of 26% of workplace disengagement. When organizations fail to provide help and support and protect employees from subversive treatment and active abuse, they are more likely to mentally, emotionally, and behaviorally quit their job.

THE IMPACT OF INJUSTICE ON TURNOVER INTENTION

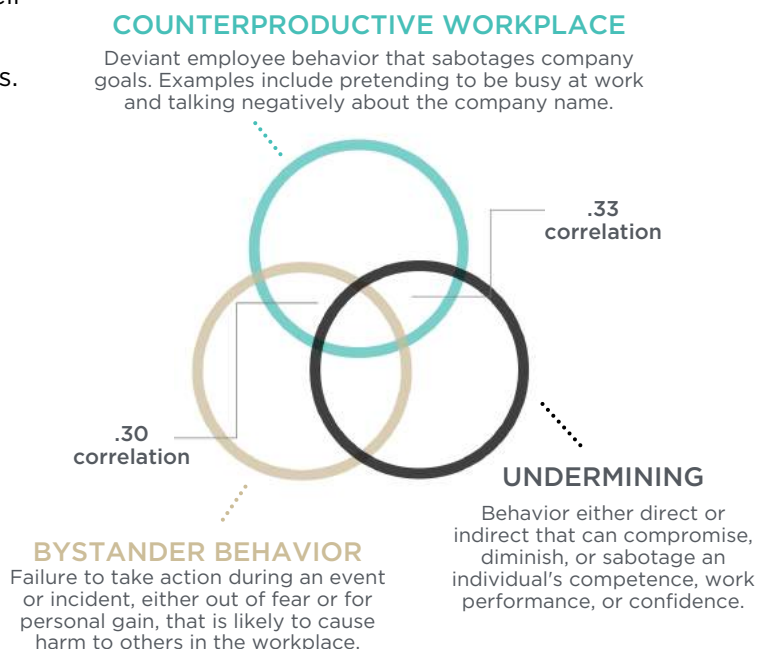
Undermining behavior initiated by coworkers was found to have strong impact on someone’s intentions of quitting. It is easy to understand why employees are more likely to want to leave an organization if they have a supervisor or employees that give backhanded compliments or purposefully impede performance. Undermining was found to account for 12% of turnover intention. High turnover rates can increase recruitment and productivity costs and make it more difficult for organizations to achieve company goals, so any sort of conduct that pushes employees to quit should be mitigated.

THE IMPACT OF INJUSTICE ON COUNTERPRODUCTIVE WORKPLACE BEHAVIOR

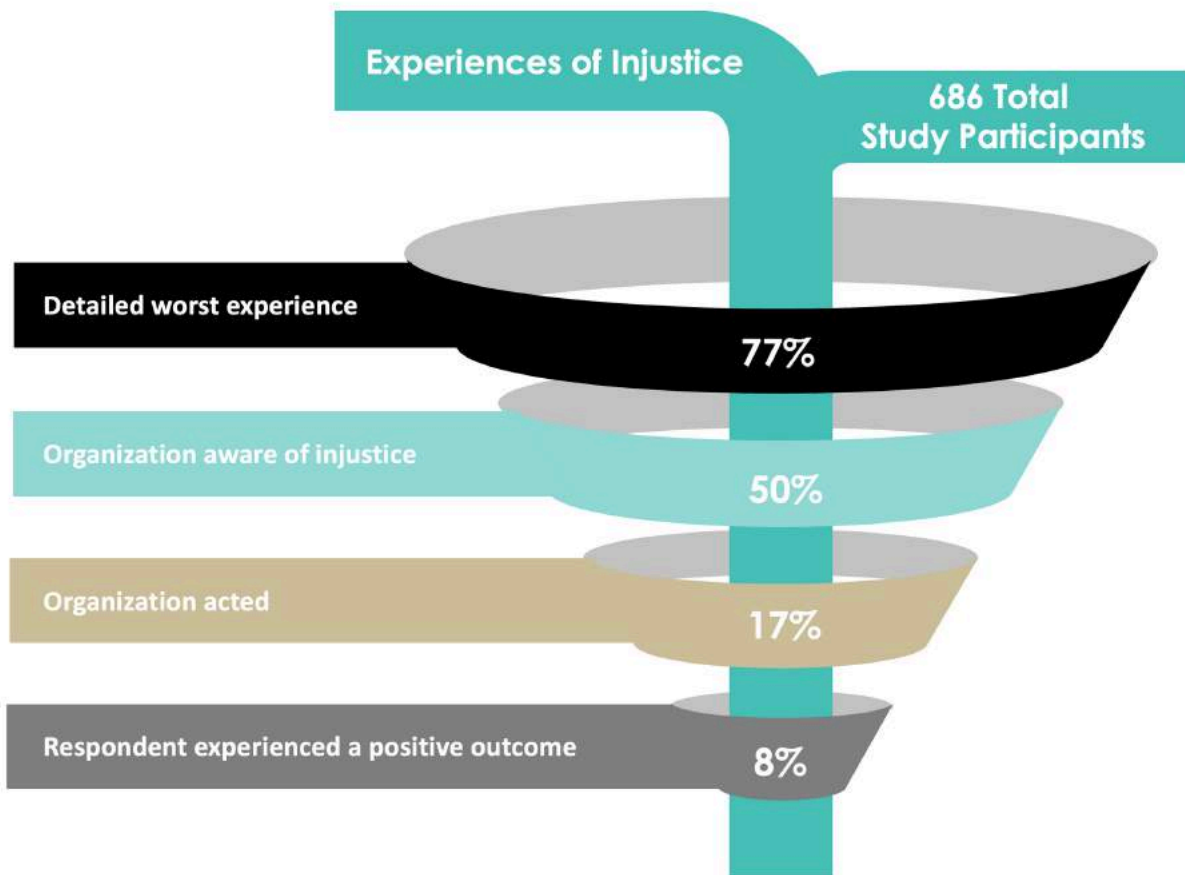
Counterproductive workplace behaviors are characterized by things like intentionally delaying work, using sick days when they are not sick, and intentionally breaking rules.

Perceptions of facing negative consequences for intervening in a situation involving mistreatment (fear of also being reprimanded, fear of losing their job, etc.) in the workplace contributes to increased counterproductive workplace behaviors.

Perhaps even contributes to an overall culture of apathy and injustice. For example, there was a very strong predictive relationship between someone being afraid to intervene in a situation where mistreatment/injustice was apparent for fear of losing their job and that employee telling others that their organization is a bad place to work. Bystander behavior and undermining account for 42% of counterproductive workplace behavior.



Qualitative Analysis



We wanted to hear the specifics about how employees experience workplace injustice. We asked respondents to recall the worst experience they had over the last year and share the details of that experience with us. From the group of 686 participants, 77% described in detail the most harmful experience they had in the last year. Analysis of the feedback revealed numerous themes of how workplace injustice manifests. We identified 4 dominant themes in our analysis...

Injustice Themes in the Workplace

THEME 1: DISRESPECT

Disrespect in the workplace has a profound impact on employees. When an individual is treated with contempt, lack of courtesy, or rude behavior it can be harmful for their wellbeing and performance. Employees may suffer from lack of confidence, emotional well-being, disengagement from work, and in extreme cases, employees may wish to leave the company.

What disrespect looks like in the workplace:

- Demeaning coworkers, colleagues, subordinates etc.
- Insults or insensitive jokes
- Interrupting others when speaking
- Acting in a rude manner
- Lacking consideration for others

“Supervisor was very very rude. Thought she was better than everyone and any time anyone would question her, or point out where she was wrong, she would freak out and talk down to us. To the point of being straight disrespectful...didn't matter if you were staff or manager.”

THEME 2: SUPERVISOR MISTREATMENT

Employees who experience mistreatment from their supervisor may feel as if their supervisor is harsh, overly critical or aggressive in some cases. Employees may also feel that their supervisor lacks consideration and is not supportive of them. This can lead to employees losing trust in their supervisor, feeling as if they are unsafe at work, or seeking employment opportunities elsewhere.

“I once witnessed a coworker being mistreated by a supervisor. The coworker made a mistake, but the supervisor went overboard and was screaming. Everyone just stood there and watched in awe. No one spoke up instead people pretended as if nothing happened.”

What supervisor mistreatment looks like in the workplace:

- Condescension to subordinates
- Lack of consideration for subordinates
- Harsh or unfair management
- Lashing out in front of or to subordinates
- Unethical behavior

PREVALENT OUTCOMES OF INJUSTICE



THEME 3: OSTRACISM

Ostracism involves the exclusion of individuals in the workplace from group projects, discussions, or other social activities. Ostracism can have damaging effects on employee well-being. It can leave employees feeling unwanted, isolated, and unimportant. These feelings can carry into the employees' personal lives causing adverse health outcomes.

"Wow, I would have to say that being isolated at work has the most negative effect on my life. It can be very lonely and sad to be mostly by yourself at work. This sadness carries into my personal life. I dread going to work most days because of this."

What ostracism looks like in the workplace:

- Ignoring certain individuals
- Creating "cliques"
- Exclusion from social activities
- Being left out of important work discussions

THEME 4: DISCRIMINATION

Employees from underrepresented groups (race, color, age, ethnicity, sexual orientation, disability status, etc.) may experience different treatment from that of their coworkers, they may have to endure the unnecessary burden of listening to slurs, stereotypes, and other offensive behavior. This may lead employees to experience lower levels of well-being, negative attitudes towards their coworkers, supervisors, and the organization as a whole, and they may be likely to seek employment elsewhere if the opportunity becomes available.

What discrimination looks like in the workplace:

- Applying different standards of treatment to minority group members
- Using offensive jokes or stereotypes
- Exclusion of minority group members
- Rude or hostile behavior directed at minority group members

"Extreme homophobic bigotry makes it really difficult to do my job and impossible to get ahead. The constant utterings, slurs, exclusion and insults make doing my job quite tough. I would leave if I had another option."

Beyond wanting to know exactly how people were experiencing injustice in the workplace we sought to understand 1) How often the organization was aware of the mistreatment, 2) if the organization took action, 3) if the actions were restorative (focused on promoting healing for the victim after the experience) or retributive (punishing the perpetrator), 4) the specific actions taken, and lastly 5) if the actions taken were helpful.

Organizational Awareness of Injustice

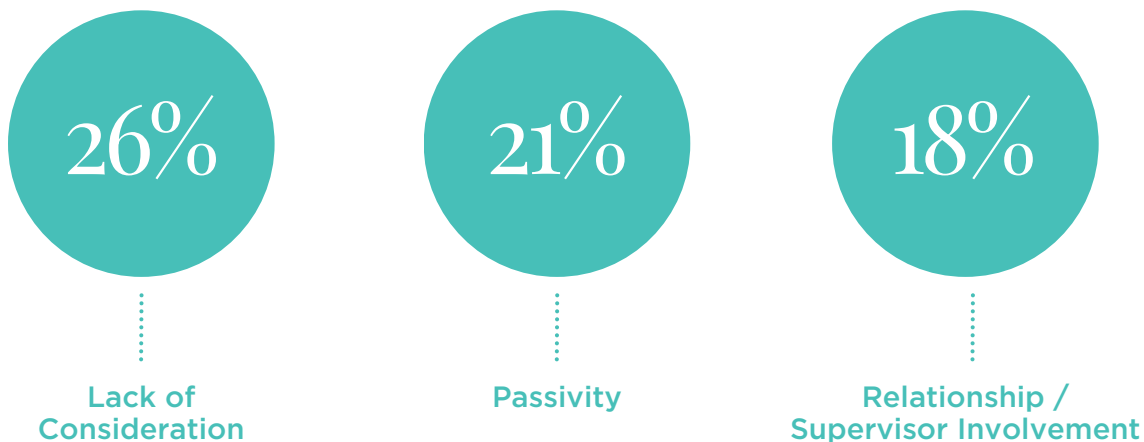
From our research, we found that half of the participants that experienced injustice did not report it, or the organization was simply not aware. It is unclear exactly why employees are not reporting their experiences. This information highlights an important first step for organizations and that is to increase the ease and/or comfortability with reporting experiences of injustice.

ACTION TAKEN

Of the participants who reported their experience, only 17% reported that their organization took action. 83% of employers took no action when employees experience injustice. Many of the participants who reported that their organization did not take action gave some indication of their understanding of the reason for the inaction. Unfortunately, in many cases, the participants reported that they felt as if their organization did not care enough to take action. From the participant's responses, we found three reoccurring themes that account for over half of the reasons for inaction, lack of consideration, passivity, and relationship/supervisor involvement.

The comments that were categorized as lack of consideration generally alluded to the organization not caring for the employee and their experience of injustice. Similarly, others described their organizations as passive. In this case, the participants discussed that either the situation was not important to the organization, or that taking action would be difficult, so it was ignored. The last theme was relationships/supervisor involvement, this theme captures instances where the preparators of the injustice had close relationships with the supervisor or the preparator was the supervisor, so action was not taken.

REASONS FOR INACTION



TYPES OF ACTION (BEST PRACTICES)

Of the participants that reported an injustice, 92% reported that they did not experience a positive outcome. Among the action type (restorative, retributive, or both) most had similar outcomes. The main point to make here is that whatever type of action was taken, more often than not it led to a positive outcome. This highlights the importance of being proactive and doing something when injustices are reported. Of the actions that were reported to not be helpful, most reported that a verbal reprimanding was the only consequence received as a result. This suggests that it is important to take a more proactive approach to situations of injustice. Simply discussing the situation with the involved parties may not be enough to mend the damage that was caused.

Of the respondents that indicated a positive outcome, some restorative actions taken by the organization were relocation (e.g., moved employee to new department or remote setting), providing the employee with necessary resources, communicating with the person who was targeted regarding the injustice, and recognizing their experience. For retributive actions, some respondents indicated that requiring training for the involved parties, relocation or demotion of the preparator, or in severe cases, termination of the preparator were the most beneficial actions.



RECOMMENDATIONS TO ORGANIZATIONS TO PREVENT AND ACT UPON INJUSTICE IN THE WORKPLACE

The first thing to mention is that reporting is absolutely necessary to take action against injustice. Organizations should seek to maximize the reporting behaviors of their employees. Some employees may not have reported out of fear, others may not have known who to report to. We recommend that organizations make it clear to their employees that workplace injustice should always be reported and provide employees with potential contacts to report injustices, especially in the event that the preparator is a supervisor. It may be useful to have contacts who are not supervisors or are housed in different departments so employees always have someone they can report to.

MAXIMIZE REPORTING

Out of 687 Participants, 527 reported they experienced an injustice, but only half of them reported it.

Encourage employees to report injustice so you know what happened and so you can address it.

INCREASE ACTION

The employees that reported an injustice that was not followed by action often reported that they felt as if their organization did not care about them.

If injustice happen is reported, take action.

TYPE OF ACTION

Whether the action taken was restorative, retributive, or both, did not have a significant impact on the outcome.

The important thing is that when action was taken, most experienced a positive outcome.

Second, the type of action taken (restorative, retributive, or both) did not make much of a difference on the outcome. Thus, the main take away from this is simply to act. Whatever your organization can do in response to injustice is better than doing nothing at all. Many employees that reported no response from the organization expressed that they felt their organization lacked consideration for them, they were passive, or they simply did not care enough. In our participant pool, organizational inaction was sending a very clear message to their employees.

It may also be worthwhile for organizations to consider proactive steps they can take in order to mitigate injustice and work through it when it does happen. Some participants reported that when action was taken, it was helpful for some period of time, but sometimes the injustices reoccurred. Coming up with a proactive plan can help ensure that injustices do not get repeated.

WHAT NOW?

1

Encourage Reporting



2

Develop a Process for Reporting



3

Indicate Trusted Contacts to Report to



4

Have a Game Plan



5

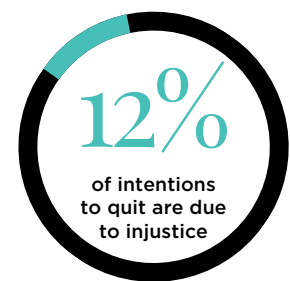
Be Proactive

Economic Impact of Injustice on Organizations and The US Economy

The impact injustice has on employee wellbeing, levels of engagement (or lack thereof), and intentions to quit, among other things are certainly evident in our analysis. For our last research questions, we wanted to investigate the impact injustice makes financially for organizations and more broadly, economically for the United States. So, we looked at how the cost of turnover and (dis)engagement impacts the workplace and specifically, how injustice impacts that cost.

COST OF TURNOVER

In our analysis, we found that Undermining (Behavior either direct or indirect that can compromise, diminish, or sabotage an individual's competence, work performance, or confidence) had the largest impact on the likelihood of employees quitting. Specifically, the injustice experience accounts for 12% of turnover intentions in our sample of participants.



According to (<https://www.shrm.org/hr-today/news/all-things-work/pages/to-have-and-to-hold.aspx> & <https://workinstitute.com/breaking-down-the-direct-costs-of-employee-turnover/>) there are soft and hard costs associated with turnover that approximate the annual salary of each departing employee. The hard costs (recruiting, background checks, drug screens, etc.) and soft costs (reduced productivity, knowledge loss, etc.) account for 33% and 67% of turnover respectively.

OVERALL COST OF EMPLOYEE TURNOVER

According to the Bureau of Labor Statistics (BLS), there were nearly 165 million civilian employees in the US workforce as of January 2022 (<https://www.bls.gov/news.release/empsit.t01.htm>). Of those, roughly 51 million voluntarily left their jobs in 2022; a whopping 30.7% for the year, a dramatic rise since pre-covid levels in 2019. This means that conservatively, voluntary turnover accounts for 1 trillion dollars a year that is a direct cost to companies and another 1.9 trillion lost due to indirect costs for reduced productivity and lost organizational knowledge.

HARD AND SOFT COST PER EMPLOYEE

- Avg. Hard Cost of turnover per person = \$18,411.69
- Avg. Soft Cost of turnover per person = \$37,381.32
- Overall cost of turnover per person = \$55,793.01

OVERALL COST OF TURNOVER

TURNOVER BY SIZE	AVG. HARD COST	AVG. SOFT COST
Per Person	\$18,411.69	\$37,381.32
100 Person Org	\$1,841,169.33	\$3,738,131.67
500 Person Org	\$9,205,846.65	\$18,690,658.35
5000 Person Org	\$92,058,466.50	\$186,906,583.50
Overall US Workforce	\$931,558,034,206.80	\$1,891,345,099,753.20

\$4.29 Million Overall cost of turnover for a 5000-person organization

COST OF EMPLOYEE TURNOVER DUE TO WORKPLACE INJUSTICE

Using our study as a guide to investigate the impact turnover, due to injustice, has on the US economy, 12% of turnover is due to our top Injustice/Harassment and Undermining Categories. This means that injustice costs organizations 339 billion dollars each year in employee turnover (112 billion in direct costs, and 227 billion in indirect costs).

TURNOVER BY SIZE	AVG. HARD COST	AVG. SOFT COST
Per Person	\$2,577.64	\$5,233.38
100 Person Org	\$257,763.71	\$523,338.43
500 Person Org	\$1,288,818.53	\$2,616,692.17
5000 Person Org	\$12,888,185.31	\$26,166,921.69
Overall US Workforce	\$111,786,964,105	\$226,961,411,970

In terms of an individual organization, the costs can still be quite high, especially in industries that have higher levels of turnover (i.e., Food services, Retail, & Healthcare).

\$777.9 Billion Overall cost of disengagement for US employers

COST OF DISENGAGEMENT

Another often-cited organizational cost is employee disengagement. We define employee or workplace disengagement as feeling disconnected from and demotivated by work, and it can manifest in employees quickly running out of energy while working and struggling to see the value of the work that they do.



Gallup's idea of what employee disengagement resembles aligns with ours, as they characterize an actively disengaged employee as someone who is dissatisfied and disloyal because most of their workplace needs are not being met. However, our method of measuring disengagement differs from most studies done on disengagement. Specifically, most identify actively disengaged employees by looking at indicators of low levels of engagement, for example, a lack of clarity of expectations and limited developmental opportunities. Conversely, we specifically measured disengagement rather than low engagement or a lack of it. For instance, we asked participants how often they found themselves emotionally or mentally quitting on their job or losing focus at work. Despite our different methods of measuring disengagement, our data aligns with Gallup's 2022 findings that 18% of the U.S. workforce reported being actively disengaged from their work. Specifically, we found that 18.2% of our sample experienced workplace disengagement on a regular basis, defined as being actively disengaged at least once a week or more, on average.

COST OF EMPLOYEE DISENGAGEMENT

In our analysis, we found that workplace abuse (i.e., verbal or physical behavior that is intended to intimidate or cause distress to others) and undermining (i.e., behavior either direct or indirect that can compromise, diminish, or sabotage an individual's competence, work performance, or confidence) had the largest impact on employees feeling disengaged from their workplace. Specifically, the injustice experiences account for 26% of workplace disengagement in our sample of participants.



OVERALL COST OF DISENGAGEMENT

According to the 2017 Gallup State of the American Workplace Report, the cost of employee disengagement equates to 34% of the position's annual salary (State of the American Workplace, 2017). In other words, a disengaged employee who makes \$55,793 annually ends up costing their organization about \$18,969.62 per year. In fact, for our study, the average annual salary was \$55,793, so we determined the average cost of disengagement per person to be about \$18,969.62.

When using these numbers to estimate the annual cost of disengagement on a larger scale, we found that:

SIZE	AVG. DISENGAGEMENT COST
100 Person Org	\$1.90 Million
500 Person Org	\$9.48 Million
5000 Person Org	\$94.85 Million
Overall US Workforce	\$607.7 Billion

COST OF DISENGAGEMENT DUE TO WORKPLACE INJUSTICE

Another thing to consider is the impact that workplace injustice has on these disengagement cost estimates. Specifically, because we found that workplace abuse and undermining account for 26% of worker disengagement, 26% of disengagement costs can be attributed to these two forms of injustice. For instance, because the average cost of disengagement per employee is about \$18,969.62, \$4,932.10 (26%) of that amount can be attributed to the workplace abuse and undermining experienced by those disengaged employees. In other words, like employee disengagement, workplace injustice is very expensive.

When using these numbers to estimate how much workplace abuse and undermining impact disengagement costs on a larger scale, we found that:

SIZE	AVG. DISENGAGEMENT COST DUE TO INJUSTICE
100 Person Org	\$493,210
500 Person Org	\$2.47 Million
5000 Person Org	\$24.66 Million
Overall US Workforce	\$158 Billion

An implication of these results is that when employees mentally, emotionally, and behaviorally quit on their job (i.e., become demotivated), they end up costing their organization tremendously. Organizations need to be driven to find ways to cut down on these costs by mitigating the problem of employee disengagement. Because workplace abuse and undermining have a substantial impact on employee disengagement, one approach for organizations could be to find ways to protect their employees from subversive treatment and active abuse. In doing so, the number of actively disengaged employees will shrink. Another remedy for workplace disengagement that (Gallup) suggested is for managers to hold meaningful weekly meetings with employees. Doing so helps employees find more purpose and clarity in their work.

Reference Section

Agovino, Theresa. "To Have and to Hold." SHRM, SHRM, 6 July 2021, <https://www.shrm.org/hr-today/news/all-things-work/pages/to-have-and-to-hold.aspx>.

Bowling, N. A., & Beehr, T. A. (2006). Workplace harassment from the victim's perspective: a theoretical model and meta-analysis. *Journal of applied psychology*, 91(5), 998.

"Breaking down the Direct Costs of Employee Turnover." Workinstitute.com -, 21 Mar. 2023, <https://workinstitute.com/breaking-down-the-direct-costs-of-employee-turnover/>.

Crabtree, S. (2023, March 31). Worldwide, 13% of employees are engaged at work. Gallup.com. Retrieved April 25, 2023, from <https://news.gallup.com/poll/165269/worldwide-employees-engaged-work.aspx>

Employment Status of the Civilian Population by Sex and Age - 2023 M03 Results." U.S. Bureau of Labor Statistics, U.S. Bureau of Labor Statistics, 7 Apr. 2023, <https://www.bls.gov/news.release/empstat.t01.htm>.

Harter, J. (2023, April 21). U.S. employee engagement needs a rebound in 2023. Gallup.com. Retrieved April 25, 2023, from <https://www.gallup.com/workplace/468233/employee-engagement-needs-rebound-2023.aspx>

Herscovis, M. S. (2011). "Incivility, social undermining, bullying... oh my!": A call to reconcile constructs within workplace aggression research. *Journal of organizational behavior*, 32(3), 499-519.

Hsu, Andrea. "America, We Have a Problem. People Aren't Feeling Engaged with Their Work." NPR, NPR, 25 Jan. 2023, <https://www.npr.org/2023/01/25/1150816271/employee-engagement-gallup-survey-workers-hybrid-remote>.

Society for Human Resource Management. (2020, February 28). SHRM reports toxic workplace cultures cost billions. SHRM. Retrieved April 25, 2023, from <https://www.shrm.org/about-shrm/press-room/press-releases/pages/shrm-reports-toxic-workplace-cultures-cost-billions.aspx>

State of the American workplace - Gallup. (2017). Retrieved April 25, 2023, from https://www.gallup.com/file/services/176708/State_of_the_American_Workplace_.

Statista Research Department, & 11, A. (2023, April 11). Employed individuals seasonally adjusted U.S. March 2023. Statista. Retrieved April 25, 2023, from <https://www.statista.com/statistics/209123/seasonally-adjusted-monthly-number-of-employees-in-the-us/>

"Turnover Rates by Industry, Location & Role in 2022." Turnover Rates by Industry, Location & Role in 2022, <https://www.praisidio.com/turnover-rates>.

Yao, J., Lim, S., Guo, C. Y., Ou, A. Y., & Ng, J. W. X. (2022). Experienced incivility in the workplace: A meta-analytical review of its construct validity and nomological network. *Journal of Applied Psychology*, 107(2), 193.

© 2023 | 937 STRATEGY GROUP

To further discuss these findings and explore strategies for addressing workplace injustice in your organization, please contact **937 Strategy Group, LLC** at [**info@937strategygroup.com**](mailto:info@937strategygroup.com) or **843-732-4866**. Our team of experts is dedicated to helping organizations tackle workplace injustice head-on and create a world-class workplace for all. Together, we can foster a culture of inclusion, fairness, and respect that enhances employee experience, increases retention, financial returns and organizational success.

937STRATEGYGROUP.COM

