



## **The Invoice of Malaise: The Hidden Cost In-house Counsel Can No Longer Ignore**

**Employment and Labor**

**Law Department Management**



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Every organization has a balance sheet. But not every organization is ready to face a growing, invisible liability: the cumulative cost of their workers' distress. I call it *The Invoice of Malaise* — and it's already affecting your business, whether it's being measured or not.

As in-house counsel, you are not only responsible for compliance and legal oversight, but as a team leader you are also a strategic gatekeeper of risk — including suffering at work. In this article, I aim to unpack the hidden costs of this “invoice” and offer recommendations to “pay less” while gaining in other areas.

## What is the bill of distress?

The Invoice of Malaise refers to the combined psychological, physical, and organizational consequences of ignored or poorly managed workplace suffering. It's not just a metaphor — it reflects real costs. Some of these are economically quantifiable; others are harder to measure directly but have clear indirect impacts. Some are visible, while others go unnoticed until they become intolerable.

Here are the five main types of costs:

- the cost in performance,
- the cost in sick leave and absenteeism,
- the cost in unwanted turnover,
- the cost in reputation and employer branding, and
- the cost in organizational climate and trust.

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Let's briefly examine each of them.

## 1. Cost in performance

This is the most well-known effect of a poorly managed workplace — where leaders forget that their main assets are human beings, who perform better when they feel better and have the tools to deal with stressors.

Research [has extensively shown](#) that professionals operating outside their optimal activation or tolerance window experience decreased cognitive clarity, creativity, and productivity. Studies [show they exhibit](#) higher error rates, passive attitudes, poor communication, procrastination, disconnection, and lack of initiative.

Special attention must be paid to professionals showing hyper-availability and presenteeism, as these often reduce long-term effectiveness and take a toll on health due to exhaustion.

Legal professionals rely heavily on their ability to access cognitive resources with ease and depth, and high-quality legal work is defined by precision, attention to detail, logical consistency and the creative integration of complex ideas. It demands concentration, clarity under pressure, nuanced judgment, and the capacity to hold multiple perspectives at once.

These capabilities are deeply influenced by the individual's emotional and physical well-being. When distress narrows the cognitive bandwidth, even the most brilliant legal minds can struggle to perform at their best.

[ACC Members: Download the new and improved Well-being Toolkit for In-house Lawyers, Second Edition](#)

## 2. Cost in sick leave and absenteeism

The economic cost of sick leave and absenteeism is easier to quantify. Since 2020, there has been [a sharp rise](#) in stress-related health issues. Do not forget that chronic stress has [a direct impact](#) on autoimmune diseases.

Additional emotional — and eventually financial — costs include:

- Overburdened colleagues and team fatigue due to recurring absences.
- Negative impact on client satisfaction caused by service gaps and inefficiencies directly linked to those absences.

Distress shows up in the form of medical leave, fatigue, and chronic disconnection — long before it shows up in resignation letters.

## 3. Cost in unwanted turnover

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Many employees don't leave for better salaries; they leave to escape toxic environments and the toll they take on their lives. That's a message legal departments, in particular, cannot afford to ignore.

When turnover rates are higher than expected or desired, the cost is both direct and indirect, including:

- Loss of talent and organizational know-how,
- High costs in recruitment, onboarding, and training,
- Legal liabilities due to mishandled exits or breaches in occupational health obligations,
- Increased litigation related to psychosocial risks, and
- Damage to team stability.

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#### **4. Cost in reputation and employer branding**

When a legal environment fails to care for its people or neglects the balance between health and performance, the message spreads, creating measurable consequences such as difficulty attracting top talent, internal gossip and negative public reviews, and loss of client trust due to a visibly poor internal climate.

Suffering doesn't stay inside the walls. It may leak into your department brand, your client experience, and your company's ESG performance.

#### **5. Cost in organizational climate and trust**

Before distress leaks outside the department, it deteriorates the internal climate, potentially triggering:

- Increased interpersonal conflict and mediation costs,
- A breakdown in collaboration, innovation, and team effectiveness,
- Passive-aggressive communication with detrimental effects on productivity, and
- An overall lack of psychological safety across the company.

### **The root issue: Organizational indifference**

The true catalyst behind this bill is not stress itself — it's organizational indifference and lack of response.

When suffering is ignored, tolerated as "part of the job," or directly inflicted through poor leadership, toxic habits, or unrealistic expectations, the organization becomes a liability to itself.

A disengaged legal team. A conflict that escalates to litigation. A junior associate leaving after six months. These are not isolated events; they are symptoms of accumulated distress that was never addressed.

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## What can legal leaders do?

As in-house counsels, you are in a privileged position to advocate not only for legal compliance, but for emotional sustainability as a pillar of business resilience.

At the very least, legal leaders can:

- Recognize burnout, toxic culture, and emotional exhaustion as strategic risks — on par with regulatory gaps or data breaches.
- Advocate for clear roles, protected recovery spaces, a sustainable workload, and respectful communication.

ACC members can also download the [Well-being Toolkit for In-house Lawyers, Second Edition](#), for practical tips and step-by-step checklists for promoting well-being among the legal department and beyond.

Teaming up with experts in health and productivity is an especially wise investment. Science provides us with extensive information and keys to perform with health.

The Invoice of Malaise is not a future threat. It's already being paid — with productivity, talent, reputation, and legal exposure. And perhaps most alarmingly: with humanity.

The real question is whether your organization will continue to treat distress as invisible — or whether it will integrate well-being into its core business strategy.

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