



Crucial Conversations 4

Building On a Decade of Results

When we began our work three decades ago, we weren't interested in communication per se. A group of senior executives asked us to discover what separated top-performing leaders from the rest of the pack. To begin our study, we turned our attention to what we call crucial moments and vital behaviors. We wondered if there were moments in a manager's typical day that matter more than others. Are there circumstances where the way a manager behaves has a profound and disproportionate effect on the bottom line? And secondly, if such crucial moments do exist, what unique responses or vital behaviors yield the best results?

To answer these two questions we conducted a blind study of “good” and “great” managers. We asked leaders to provide a list of fifty managers composed of twenty-five stellar managers and twenty-five “good but not great” ones. Our job was to follow those fifty managers and identify the stellar twenty-five. If we could identify the top performers simply by observing how they acted, then we’d know which crucial moments and vital behaviors made the difference. We’d also know exactly what to teach others if they wanted to be elite performers.

The crucial moments and vital behaviors became obvious just hours into our observations. For instance, we noticed very little difference in how people treated their inbox or email. In fact, daily routines hardly differed between the fifty subjects and had little effect on key outcomes. However, the difference between top performers and everyone else was startlingly apparent when people faced high-stake conversations where opinions varied and emotions ran strong.

In these crucial moments, the “good” managers tended to procrastinate, side step, or sugarcoat the real issues. When things got really tense, they occasionally spoke up—but often did so in a way that damaged relationships. The “great” ones however, had entirely different tendencies. They spoke up more quickly and were far more direct—but they did so in a way that was remarkably unifying, calming, and respectful.

While these differences manifested themselves quickly, we spent a few more weeks confirming our hypothesis. Repeated observations strengthened our conviction that moments where stakes were high, opinions differed, and emotions ran strong—and the actions that followed—played a significant role in a manager’s ultimate results.

Convinced we found the moments and behaviors that separated the best from the rest, we placed the names of the fifty leaders into two piles. First, those who stepped up to high-stakes conversations and handled them well. Second, those who were less skilled and either became upset or silent.

Our prediction was that those who acted professionally, honestly, and calmly during high-stakes conversations were leaders identified by senior executives as top performers. We also predicted those who didn’t fair well during emotional discussions were judged by their bosses as adequate managers, but not at the top of their game.

This prediction, of course, was without precedent. For years, scholars debated whether something as fuzzy as “communication skills” actually mattered. While we weren’t suggesting that the generic ability to express one’s mind were the only skills that mattered, we were suggesting the gifted few could handle crucial moments without clamping up or blowing up.

After making our prediction, we submitted our list to the senior executives. We would have been happy to correctly identify thirty of the fifty managers. So imagine our surprise when we learned we had tagged all fifty correctly. We had cracked the code. By identifying the crucial moments (circumstances to watch out for) and the vital behaviors (what to do) that led to success, we found the Rosetta Stone of leadership.

The implications of this discovery are important to everyone who wants to excel as a leader, work well with teams, maintain satisfying relationships, or work through challenging professional and personal interactions. By discovering the skills, we could tell top performers just what they were doing that made them so influential and we could help everyone else develop the skill set of a top performer.

That discovery of crucial moments and vital behaviors began our voyage into a study of crucial conversations that has resulted in our award-winning training course and bestselling book. After years of further exploration, we now know a great deal about the ins and outs of high-stakes, emotional encounters including the skills required to overcome them as well as the best methods for instructing them.

Here’s a sampling of what we have uncovered.

The Cost of Silence

Let's start by examining the role crucial conversations could and should play in an organization—especially in the last five years. As you might imagine, the recession has left an ugly mark on employee morale and corporate culture. Employees are burned out and overworked as a result of being asked to do more with less. Leaders are routinely caught in heated debates as to how to respond to the blows to their bottom line. Such debates are the perfect storm for high stakes, strong emotions, and varied opinions. If individuals can't speak their mind now—and do so in a way that leads to solid, informed, decision-making, followed by committed action—their futures are doomed.

But as our research has routinely revealed, the vast majority of people aren't skilled at handling crucial conversations. Remember, only the top performers could deal fairly and honestly with high stakes issues. And, a downturn in the economy isn't going to turn this skill deficit around.

In fact, our research shows 95 percent of employees struggle to speak up to their colleagues and managers about their concerns and frustrations with the depressed economic climate. As a result, they engage in resource-sapping avoidance tactics including ruminating, complaining, getting angry, and doing extra or unnecessary work. These avoidance tactics aren't just a nuisance—they're also extremely costly. Employees waste an average of \$1,500 and an 8-hour workday for every conflict they avoid. In extreme cases, a shocking 8 percent of employees estimate their inability to deal with conflict costs their organization more than \$10,000.

Once again, this study confirms that the ability to speak one's mind has a huge impact on both individual and corporate performance—affecting everything from morale to the bottom line.

But this is only one of dozens of studies we've carried out in the past decade that identify a multitude of deleterious effects when individuals are incapable of stepping up to crucial conversations. Others include:

Fiscal Agility. We dove deeper into how companies respond to financial stress by examining more than 400 companies and 2000 managers as they struggled to restructure. We discovered that how quickly and effectively an organization makes financial adjustments essential to survival depends on how well leaders hold four crucial conversations. For example, when managers could not speak up about financial “sacred cows,” the pace of response was five times slower and the quality of the response (as measured by company profitability) was ten times worse. What differentiated companies that responded wisely and quickly was not the size of their financial gap, it was how skillfully and consistently people navigated through four very crucial conversations that were inevitably required.

Silence Fails. Executives' and managers' most common complaint is that their people work in silos. Close to 80 percent of efforts that require cross-functional cooperation cost far more than expected, produce less than hoped for, and run significantly over budget. We wondered why.

We studied more than 2200 projects and programs attempted at hundreds of organizations worldwide. What we found is that you can predict months or years in advance, and with close to 90 percent accuracy, which projects will fail. Wouldn't that be nice to know before you go through the anguish of a poor execution followed by a heart-wrenching failure?

Once again, we found that the predictor of success or failure was whether people could skillfully master five crucial conversations that inevitably arise during the life of an initiative. For example, could people speak up if they thought the scope and schedule were unrealistic? Did they become silent when a team member sloughed off? Or, how did they behave when an executive failed to provide leadership for the effort? In most organizations, employees fell silent when these crucial moments hit.

But, as we've seen repeatedly over the past thirty years, the real problem was not poor planning or execution but a lack of crucial conversations skills. Ultimate project failure was primarily a byproduct of silence. People believe they can't disagree or raise concerns without coming across as disloyal or a naysayer. They fear that standing up to authority will harm their career and as a result, they become silent. They put up with insane deadlines. They don't hold low-performers accountable. They don't call for leaders to provide sponsorship. And their silence costs their company dearly.

But what if people did know what to say and how to say it? What if they shared the same skills demonstrated by the twenty-five high performing leaders we examined? What if they shared their concerns openly and honestly about a plan they felt was unrealistic? As you might suspect, in those organizations where people candidly and effectively spoke up, the projects were less than half as likely to fail.

What Happens When You Train Crucial Conversations Skills?

As this research and other work with Fortune 500 organizations reveals, the capacity to master crucial conversations does more than predict which leaders will be judged by their bosses as the most effective managers. It also impacts corporate results. Teach people the skills demonstrated by those who master crucial conversations and you can improve a whole variety of key performance indicators.

That's why, in 2003, we distilled the crucial behaviors of speaking up in high stakes, emotional, or politically risky situations into a two-day

training course that teaches the skills we observed from the most effective and influential leaders. The impact of the training course has been phenomenal. In the decade since its release, Crucial Conversations Training® has not only won a variety of training awards but has routinely demonstrated that if the skills are learned and embraced, leaders can move the needle on the targeted results they value.

After training more than one million people around the world, we've documented improvements in corporate culture, workplace safety, employee morale, customer satisfaction, and many other bottom-line metrics. Results include:

Productivity & Quality: Sprint Nextel traced its abysmal results, delivery delays, and runaway costs to employees' tendency to avoid conflict and evade accountability. After training the IT workforce in Crucial Conversations, the division saw a 93 percent improvement in productivity and a 10 to 15 percent improvement in quality, time, and cost metrics.

Employee Satisfaction: Management asked AT&T's business billing division to drastically improve billing programs and maintain product quality—all while reducing a third of its staff. The division turned to Crucial Conversations Training and met all of its goals while improving employee satisfaction by 20 percent.

Efficiency: Ultimately, AT&T reduced billing costs by 30 percent and Sprint Nextel reduced customer care expenses by \$20 million annually.

Teamwork: Employees at MaineGeneral Health worked in an environment that prevented them from addressing conflict or expressing opinions. After receiving Crucial Conversations Training, employees were 167 percent more likely to speak up and resolve problems with colleagues.

Relationships: Franklin Pierce College wanted to reverse a downward spiral of strained relationships between union employees and administration. After Crucial Conversations Training, the college reduced passive-aggressive behavior by 14 percent and increased trust levels by 15 percent.

Safety: Employees at Johnsonville Sausage struggled to hold their colleagues accountable to safety policies, speak up when they observed violations, and tended to avoid conflict altogether. After Crucial Conversations Training, the company saw a 25 percent improvement in employees' willingness to speak up and correct unsafe work practices.

Performance: When South Texas Project nuclear power plant had to shut down its nuclear reactors, relationships frayed and leaders began pointing fingers. After Crucial Conversations Training, leaders

and employees rebuilt their corporate culture and went from total shutdown to generating the most electricity in the nation among two-unit plants.

Customer Satisfaction: San Antonio Independent School District dealt with frequent conflict between principals and teachers and a history of poor teacher performance. After bringing in Crucial Conversations Training, the district saw a 50 percent drop in grievances.

Why Do these Skills Have Such a Wide-Ranging Impact?

Like so many scholars before us, we were surprised to learn that the ability to master crucial conversations set apart top leaders from the rest. However, when you dive deeper the logic becomes clearer. Those who master high-stakes conversations are valued because they routinely improve corporate results when, well, the stakes are high. When it matters the most, they positively affect everything from safety to quality to morale to productivity. Individuals who make improvements in these key performance indicators will always be valued. That's easy to understand.

But why does it take a certain set of skills to talk about high-stakes problems? Actually it doesn't. People often solve problems rapidly and directly without unique skills. But what if opinions also vary or the ideas are quite controversial? What if there's a profound power difference in the room or people become emotional and move to silence and violence to get what they want? When these common factors arise, people do need a discreet, learnable set of dialogue skills.

How about the times when you need to gather input from a diverse group of stakeholders to surface the best information and make the most lucid, complete, and rational decision? In these moments, people need skills to create synergy and dialogue among people of varying specialties, backgrounds, and interests. And it's the ability to speak honestly and freely that fuels synergy.

After surfacing the best ideas and decisions, how do you get people to act on them with unity and conviction? Once again, crucial conversations skills are required. When everyone has the opportunity to speak, disagree, and share their best ideas no matter how controversial, then the entire group—not just a select few—comes to the same conclusions and can act in unity. And since all have been involved in making the final decision, everyone acts on the decision with conviction.

Crucial conversations skills are the tools for achieving productive dialogue in even the most harried and complicated situations. More importantly, they lead teams to make the best decisions and execute on those decisions to drive results.

What's Next for Crucial Conversation Training?

Although the last decade of Crucial Conversations Training has yielded impressive results, we're always looking ahead. We've listened to our community of 7,400 certified trainers and learned from the hundreds of thousands of people who have graduated from the course and used their ideas to make the training even more relevant, powerful, and timely. We've coupled this client feedback with the latest innovations in training technology and our unique brand of training methodology and skill transference to create the next generation of training: Crucial Conversations 4.

Crucial Conversations 4 teaches the same award-winning skills and principles taught in previous versions (the underlying concepts haven't changed) but does so with brand new features that improve the teaching experience for trainers and the learning transfer for participants. At its core, Crucial Conversations 4 is still a video-based, trainer-led, highly interactive, two-day course; but now, it includes exciting new features and impressive updates:

Video refresh—Crucial Conversations 4 includes more than 63 original videos that model both good and bad examples of the skills. The classic video scenarios from previous revisions have been updated to a higher resolution format and more current look.

Brand new videos—We've added new videos that reflect the challenges of today's workplace, plus included additional teaching videos from our bestselling authors.

Improved video experience—Trainers can select their preferred track, eliminating cumbersome video branching for a seamless training experience.

Updated Crucial Conversations model—We've reformatted the Crucial Conversations model into a linear step-by-step process to illustrate exactly which skills to use before, during, and after a crucial conversation.

Powerful skill rehearsals—We've created even more robust and frequent skill rehearsals throughout the training. Participants practice specific skills in the context of real-life crucial conversations, getting feedback from a coach as they do.

Streamlined course—We've streamlined the entire program by reducing redundancies and focusing on key exercises to better accommodate the two-day schedule.

C-P-R is back—We've added the CPR (Content-Pattern-Relationship) skill back into Lesson 1 giving participants a powerful way to unbundle their problems and get to the root cause of their concerns.

Easy delivery—As a result of this streamlining and modernizing, our certified trainers confirm that the course is now more intuitive, straight-forward, and easier to deliver. If you like our original material and delivery methods, you'll love our latest version.

Participant Materials: A We've updated our participant material suite to be more conducive to learning and applying the skills to real-life conversations. Each participant receives:

Crucial Conversations Participant Toolkit—This resource guides participants through the training course and serves as a take-home summary of what they've learned. In addition to a brand new look and fun design, the toolkit pages are 20 percent larger and offer more space for notes.

Crucial Conversations Cue and Model Cards—Participants receive cue cards and a visual map of the crucial conversations skills.

Crucial Conversations: Tools for Talking When Stakes are High, Second Edition—Participants receive the second edition of the *New York Times* bestselling book behind the training. The new edition includes research, case studies, and author insights from the past decade.

Crucial Conversations Audio Companion—Participants receive a six-CD audio recording featuring each of the authors discussing, applying, and expanding on the concepts taught in the training—updated to match the second edition of the book.

Trainer Suite and Platform: The VitalSmarts training materials and exclusive training platform are designed to ensure the course is easy-to-train no matter the trainer's experience level and that participants receive a consistently high-quality learning experience.

Trainer Guide—This comprehensive, step-by-step guide through the training provides a content overview and helpful cues to keep the training on track. The Guide comes in the popular 8.5 x 11 format, complete with images of every slide, trainer tips and hints, plenty of space for notes, and images of the Participant Toolkit where referenced. New features in the fourth edition include:

Built-in timing guide—We've included a timing guide on every page so trainers know exactly how to pace the training for optimal results

Overview pages—These helpful pages give trainers the high-level objective of each section.

Downloadable model poster—The Crucial Conversations model is now available for electronic download. Trainers can print as many copies as they need in whatever size they prefer.

VitalSmarts trainer bag—The Trainer Suite comes in the easy-to-carry VitalSmarts canvas satchel.

VitalSmarts Instructional Platform (VIP) 2.1: This exclusive platform allows trainers to train all four VitalSmarts courses from one platform.

Other features include:

Prep Mode—As trainers prepare for an upcoming course in the brand new Prep Mode they can suppress slides so they won't be visible during training. They can then name and save custom tracks for future courses.

Optimized video—Trainers can now play videos in full screen for larger classrooms as well as control the volume of a video while that video is playing.

Trainer support—A new video tutorial demonstrates all the VIP features, including how to suppress a slide. New Help files also provide answers to trainer's technical questions.

Conclusion

The last thirty years of research has taught us that crucial conversations skills are the vital behaviors demonstrated by top performers, leaders, and influencers. The last decade of training has proven these same skills lead to unprecedented results in thousands of diverse organizations. And we're confident that with Crucial Conversations 4, the future will yield further proof that the healthiest and most profitable organizations in the world foster a culture where people can hold crucial conversations—conversations that occur when the stakes are high, emotions run strong, and opinions differ.

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About VitalSmarts. An innovator in corporate training and leadership development, VitalSmarts combines three decades of original research with 50 years of the best social science to help leaders and organizations change human behavior and achieve new levels of performance. We've identified four high-leverage skill sets that, when used in combination, create healthy corporate cultures. These skills are taught in our award-winning training programs and *New York Times* bestselling books of the same titles: *Crucial Conversations*, *Crucial Accountability*, *Influencer*, and *Change Anything*. VitalSmarts has worked with 300 of the Fortune 500 and trained more than one million people worldwide. www.vitalsmarts.com