



PERMANENT
EQUITY

A Tactical Guide to Tough Conversations

You're walking into a room to have a tough conversation you don't want to have...

"You're fired."

"We're under new ownership."

"So, there's a pandemic."

Having the tough conversation is, well, tough. Difficult conversations, workplace conflict, bad news, and big change announcements can be defining moments for company culture, business health, and relationships, both professional and personal. And the reality is that when the stakes are highest, we're predisposed to be at our worst.

Enter this tactical guide: Five strategies for preparing for and navigating hard talks with your team members.

1. Ask yourself why you're having the conversation.

- Should you be having the conversation (with the people you intend to)?
- Are you there to discover, discuss, or resolve the issue at hand?
- What's the goal? For you? For the other person? For the relationship? For the business? For other stakeholders?

If you can't answer these questions and nail down the real outcomes you're looking for, reconsider having the conversation in the first place. Or reconsider the type of conversation you think you're about to have. Or reconsider who needs to be involved.

2. It's one conversation. Keep your expectations grounded.

One conversation may not fix it, whatever "it" is. Actually, resolution in one conversation is highly unlikely.

Instead, consider it an opportunity to build a productive relationship and solidify your team

moving forward.

You don't have to have the solution teed up – have options for paths forward, but be flexible and listen. (There are tough conversations where you might just need to have the outcome ready. If you're firing someone, that's the outcome.)

3. Prep for the conversation, have it early, and encourage more.

The longer you wait, the longer the issue at hand has to fester – as does distrust (of your feedback, of their situation, and of the safety and openness of your relationship).

Figure out your talking points and your strategy for responding to pushback and questions. Then practice it. Out loud.

Take stock of how frequently the people around you are initiating tough conversations with you. Use it as a litmus test – if people aren't starting difficult, important conversations with you very often, you've probably got some introspective work to do.

4. Don't hint – be specific and direct.

You don't have to be nice, but you should be considerate and compassionate. Try these tactics:

- Let the other person know that the conversation doesn't change their status with you or the company: "I really like working with you and want you to be here a long time – for that reason, I need to give you some feedback."
- Use yourself as an example, if possible: "When I've struggled with this..." or "A manager I respect once gave me the feedback that..."
- If you don't have an example from your personal experience, share one from the background of an admired leader either inside or outside of the company.
- Establish a shared understanding of the influence of perception: "Can we agree that people's perceptions are their realities? I understand that you may not agree with this feedback, but this is what I'm seeing and experiencing." (Then the way forward is changing the perspective, rather than defaulting to "You're wrong.")

Be honest, don't hint, don't lie, and don't beat around the bush. But do consider what the appropriate level of information is for who you're talking to and how it will serve them and the broader organization when they leave the room.

Set the tone for a conversation by modeling how you want the interaction to go and taking responsibility for your own emotions and responses. You can set the table right, but the rest is always also subject to the other parties.



5. Be mindful of the impact of emotions and relationships.

If things get emotional or go sideways, return to your intention for the conversation. This lets you defuse situations where emotions are running hot without stripping away or denying legitimate feelings or reactions.

And also recognize that people don't get unstuck until they feel understood. If the person you're talking to is frustrated or upset, ask them to help you understand them and the situation. Then shut up and listen. Repeat back what you heard to make sure you actually heard them – and that they feel heard. Then ask if they'd be open to your perspective. The point of all conflict is to end it by encouraging the other person; it seems counterintuitive, but ultimately makes it almost impossible to be ego-filled on either side.

Remember that power dynamics still exist. What if you have to start a hard conversation if you're not in the position of power or raise an issue over something that technically isn't in your area? Realign collective postures towards a shared goal by remaining clear on what's at stake.

Recap, reconfirm, and then record commitments and action items on paper. Then agree on what's on the paper.

If there's one thing to remember when having tough conversations, it's that, except in very rare cases, they're not us vs. them. More likely than not, you're having tough conversations internally, among people who are on the same side. Businesses are ongoing conversations; for everyone to win, the dialogue must continue, and tough conversations serve as opportunities for continuing, building, and evolving relationships and team and company dynamics.

In Action

Tough conversations come in all shapes, sizes, flavors, and degrees. Click below for quick advice about approaching these types of conversations.

- **“You're not doing great, yet.”**
 - Couch it in the desire to have a long-term prosperous relationship: “I'm having this conversation because I want to work with you for a long time.”
- **Career trajectories**
 - Start with shared goals: “We both agree your career will have an upward curve, but we don't agree on where you are on the curve right now.”



- **Compensation mismatch**
 - Frame the conversation around what role they think they have, which is usually more senior than what they're actually doing. "I want to pay you competitively. Bring me data."
- **"We f-ed up."**
 - Proactive: Create a culture where bad news travels just as fast as good news. Make sure people feel safe having those conversations.
 - Reactive: "I need your help figuring out what we will do differently next time."
- **"Our business is in trouble."**
 - Openness and honesty are two different things. Openness is negotiable. Honesty is not.
- **The macroeconomic environment has changed**
 - Lead with empathy. The exact conversation you have depends on how it impacts individual positions and the company. Downturns can be galvanizing for a business, so it's worth viewing it as an opportunity, individually and for the company. Short-term sacrifices can pay off.
 - Example: "We have to forgo matching 401k for a period, but when we're back to X profitability, we'll make it up."
- **There's been a change in ownership**
 - As with macroeconomic changes, prioritize empathy. The reality is that the person you're talking to has no individual control.
- **"You're being kind of an a-hole."**
 - If you can honestly say you want them on the team long term, give them that direct feedback: "I want you on the team, which is why I'm having this conversation with you."

