

Financial Agility: The Four Crucial Conversations for Uncertain Times

METHODOLOGY:

The survey was conducted via online poll from in October 2008 by the authors of the bestseller, *Crucial Conversations*.

Survey respondents: 2090

Margin of error is approximately 3%

Source: *VitalSmarts* online poll

SURVEY:

- 1) Please indicate your level in the organization.

Answer	Count	Percent
1) Hourly employee	69	2.49%
2) Salaried employee	376	13.54%
3) First level manager	625	22.51%
4) Mid-level manager	1048	37.75%
5) Executive	658	23.70%
Total	2776	100%

- 2) Your boss has to respond to some immediate budget constraints. Which of the following best describes how s/he approaches it.

Answer	Count	Percent
6) Imposes specific budget reduction demands on team members in order to bypass the politicking and foot dragging that usually accompany this kind of exercise.	439	20.67%
7) May offer potential solutions but genuinely challenges the team to candidly discuss other possible options.	1283	60.40%
8) Attempts to gain involvement but intends to implement his or her own answer anyway.	402	18.93%
Total	2124	100%

- 3) What is the typical outcome in your organization when leaders are required to respond to significant changes in financial outlooks:

Answer	Count	Percent
1) We tend to make appropriate and intelligent adjustments in a very short period of time.	1110	52.41%
2) We tend to make the easy decisions but avoid asking really tough questions.	544	25.68%
3) We tend to drag our feet on making adjustments so leaders are forced to eventually impose potentially unwise cuts across-the-board.	171	8.07%

4) Leaders don't trust us to make the right decisions in a timely manner and tend to impose cuts at the outset.	293	13.83%
Total	2118	100%

- 4) A) How often has your team been in this kind of situation—where there are disagreements among some team members and your boss about how severe or urgent a financial issue is?

Answer	Count	Percent
1) Never	219	10.56%
2) Rarely	824	39.75%
3) Occasionally	706	34.06%
4) Often	191	9.21%
5) All the time	39	1.88%
6) Only recently (within the last year)	94	4.53%
Total	2073	100%

- 4) B) Think of a time when your team was in this situation. How did the people who disagreed with the boss handle their disagreement? (Select the answer that best describes people's typical actions.)

Answer	Count	Percent
7) They didn't speak up during the meeting, but later they let you and others know they disagreed.	458	25.82%
8) They tried to speak up during the meeting, but backed down without sharing the full extent of their disagreement.	265	14.94%
9) They spoke up in a way that caused the leader to become defensive and stop listening before hearing the full extent of their disagreement.	149	8.40%
10) They spoke up in a professional way and shared the full extent of their disagreement. However, no one supported them, so the issue was not fully discussed by the team.	290	16.35%
11) They spoke up in a professional way and shared the full extent of their disagreement. Others added their perspectives, and the issue was fully discussed by the team.	612	34.50%
Total	1774	100%

- 4) C) How long did it take for the entire team (including the boss) to come to a common understanding of the financial situation?

Answer	Count	Percent
1) Not long at all—a few days	776	43.99%
2) Somewhat longer than ideal—a few weeks.	592	33.56%

3) Much longer than ideal—a few months.	182	10.32%
4) Many on the team continued to debate the issue, and never came to a common understanding of the financial situation.	214	12.13%
Total	1764	100%

- 4) D) How long did it take before the entire team responded in an effective way to these financial concerns?

Answer	Count	Percent
1) Not long at all—a few days	625	36.15%
2) Somewhat longer than ideal—a few weeks.	654	37.83%
3) Much longer than ideal—a few months.	228	13.19%
4) Many on the team continued with “business as usual” and never made any meaningful changes.	222	12.84%
Total	1729	100%

- 4) E) In the end, how involved was the whole team in the budget adjustments?

Answer	Count	Percent
1) The boss kept the team actively involved, but little progress occurred.	180	10.48%
2) The boss kept the team actively involved, and they made progress together.	979	56.98%
3) The boss dictated a solution—like across-the-board budget cuts— rather than involve the team further.	559	32.54%
Total	1718	100%

- 5) A) How often has your team been in this kind of situation—where team members have agreed to make painful cuts in their areas?

Answer	Count	Percent
1) Never	272	14.53%
2) Rarely	650	34.28%
3) Occasionally	609	32.12%
4) Often	160	8.44%
5) All the time	29	1.53%
6) Only recently (within the last year)	176	9.28%
Total	1896	100%

- 5) B) Think of a time when your team was in this situation. How well did your peers act on their agreement to find and implement cost savings in their areas? (Select the answer that best describes people’s typical actions.)

Answer	Count	Percent
1) None of them took the kind of decisive actions needed in their areas.	34	2.23%
2) 10% took the kind of rapid and decisive actions needed in their areas.	149	9.77%
3) 11% to 25% took the kind of rapid and decisive actions needed in their areas.	206	13.51%
4) 26% to 50% took the kind of rapid and decisive actions needed in their areas.	310	20.33%
5) 51% to 75% took the kind of rapid and decisive actions needed in their areas.	281	18.43%
6) 76% to 90% took the kind of rapid and decisive actions needed in their areas.	231	15.15%
7) All or nearly all of them took the kind of rapid and decisive actions needed in their areas.	314	20.59%
Total	1525	100%

- 5) C) Think of the people who failed to take the kind of rapid and decisive actions needed—they either did less than they agreed to or drug their feet in implementing the changes. How did their peers react to their lack of action? (Select the answer that best describes their actions.)

Answer	Count	Percent
1) Their peers didn't discuss it.	157	10.44%
2) Their peers talked with each other, but not with the person who was failing to act.	595	39.56%
3) Their peers talked with the boss.	292	19.14%
4) Their peers talked with the person who was failing to act, but didn't try to hold them accountable for going back on their word.	151	10.04%
5) Their peers talked with the person who was failing to act, tried to hold them accountable for going back on their word, but were unsuccessful in getting them to change.	135	8.98%
6) Their peers talked with the person who was failing to act, held them accountable for going back on their word, and got them to change.	174	11.57%
Total	1504	100%

- 5) D) Again, think of the people who failed to take the kind of rapid and decisive actions needed. How did their boss react to their lack of action? (Select the answer that best describes their actions.)

Answer	Count	Percent
8) The boss spoke to them immediately, held them accountable in a professional way, and got them to change	383	27.05%

9) The boss let it go for longer than he/she should have, but then spoke to them, held them accountable in a professional way, and got them to change.	452	31.92%
10) The boss let it go for longer than he/she should have, then resorted to a required response like across-the-board budget cuts rather than involve the team further.	294	20.76%
11) The boss let it go for longer than he/she should have and never really held them accountable.	287	20.27%
Total	1416	100%

5) E) How long did it take before the entire team responded in an effective way to the financial concerns it was facing?

Answer	Count	Percent
1) Not long at all—a few days	415	28.82%
2) Somewhat longer than ideal—a few weeks.	605	42.01%
3) Much longer than ideal—a few months.	250	17.36%
4) Many on the team continued with “business as usual” and never made any meaningful changes.	170	11.81%
Total	1440	100%

5) F) In the end, how involved was the whole team in budget adjustments?

Answer	Count	Percent
1) The boss kept the team actively involved, but little progress occurred.	142	9.92%
2) The boss kept the team actively involved, and they made progress together.	833	58.17%
3) The boss dictated a solution—like across-the-board budget cuts—rather than involve the team further.	357	31.91%
Total	1423	100%

6) A) How often has your team been in this kind of situation—where some of the greatest cost savings would require cuts in areas that are dear to the big boss?

Answer	Count	Percent
1) Never	369	21.65%
2) Rarely	527	30.93%
3) Occasionally	532	31.22%
4) Often	131	7.69%
5) All the time	24	1.41%
6) Only recently (within the last year)	121	7.10%
Total	1704	100%

- 6) B) Think of a time when your team was in this situation. How did team members handle this situation with the boss? (Select the answer that best describes people's typical actions.)

Answer	Count	Percent
1) They didn't speak up to the boss, but they let you and others know what they thought.	291	22.52%
2) They tried to speak up to the boss, but backed down before sharing all of their criticisms of the boss's project.	258	19.97%
3) They spoke up in a way that caused the boss to become defensive and stop listening before hearing the full extent of their disagreement.	108	8.36%
4) They spoke up to the boss in a professional way and shared all of their criticisms of the boss's project. However, no one supported them, so the issue was not fully discussed by the team.	210	16.25%
5) They spoke up to the boss in a professional way and shared all of their criticisms of the boss's project. Others added their perspectives, and the issue was fully discussed by the team.	425	32.89%
Total	1292	100%

- 6) C) How long did it take for the entire team (including the boss) to come to an agreement about the boss's project?

Answer	Count	Percent
1) Not long at all—a few days.	408	31.87%
2) Somewhat longer than ideal—a few weeks.	466	36.41%
3) Much longer than ideal—a few months.	188	14.69%
4) Team members (or the boss) continued debate the issues and never came to an agreement about the boss's project.	218	17.03%
Total	1280	100%

- 6) D) How long did it take before the entire team responded in an effective way to the financial challenge?

Answer	Count	Percent
1) Not long at all—a few days.	357	27.93%
2) Somewhat longer than ideal—a few weeks.	507	39.67%
3) Much longer than ideal—a few months.	219	17.14%
4) Many on the team continued with "business as usual" and never made any meaningful changes.	195	15.26%
Total	1278	100%

6) E) In the end, how involved was the whole team in budget adjustments?

Answer	Count	Percent
1) The boss kept the team actively involved, but little progress occurred.	140	10.95%
2) The boss kept the team actively involved, and they made progress together.	661	51.72%
3) The boss dictated a solution—like across-the-board budget cuts—rather than involve the team further.	477	37.93%
Total	1278	100%

7) A) How often has your team been in this kind of situation—where the biggest savings would require taking on an entrenched cultural norm or practice?

Answer	Count	Percent
1) Never	375	22.78%
2) Rarely	398	24.18%
3) Occasionally	429	26.06%
4) Often	265	16.10%
5) All the time	117	7.11%
6) Only recently (within the last year)	62	3.77%
Total	1646	100%

7) B) Think of a time when your team was in this situation. How did team members handle this situation? (Select the answer that best describes people's typical actions.)

Answer	Count	Percent
1) They didn't discuss it during the meeting, but later they let you and others know what they thought.	234	18.66%
2) They tried to speak up during the meeting, but backed down before sharing all of their criticisms of the organization's norms or practices.	224	17.86%
3) They spoke up in a way that caused people to become defensive and stop listening before hearing the full extent of their disagreement.	216	17.22%
4) They spoke up in a professional way and shared all of their criticisms of the organization's norms or practices. However, no one supported them, so the issue was not fully discussed by the team.	245	19.54%
5) They spoke up in a professional way and shared all of their criticisms of the organization's norms or practices. Others added their perspectives, and the issue was fully discussed by the team.	335	26.71%
Total	1254	100%

- 7) D) How long did it take before the entire team (including the boss) to come to a common understanding about the entrenched norms or practices?

Answer	Count	Percent
1) Not long at all—a few days.	247	19.84%
2) Somewhat longer than ideal—a few weeks.	376	30.20%
3) Much longer than ideal—a few months.	290	23.29%
4) Many on the team continued to debate the issue and never came to an agreement.	332	26.67%
Total	1245	100%

- 7) D) How long did it take before the entire team responded in an effective way to the financial challenge?

Answer	Count	Percent
1) Not long at all—a few days.	216	17.32%
2) Somewhat longer than ideal—a few weeks.	401	32.16%
3) Much longer than ideal—a few months.	294	23.58%
4) Many on the team continued with “business as usual” and never made any meaningful changes.	336	26.94%
Total	1247	100%

- 7) E) In the end, how involved was the whole team in budget adjustments?

Answer	Count	Percent
1) The boss kept the team actively involved, but little progress occurred.	219	17.62%
2) The boss kept the team actively involved, and they made progress together.	536	43.21%
3) The boss dictated a solution—like across-the-board budget cuts—rather than involve the team further.	488	39.26%
Total	1243	100%

- 8) You’re in a team meeting discussing options for dealing with economic

Answer	Count	Percent
1) We miss a few opportunities, but generally do okay.	758	46.99%
2) We miss thousands of dollars of opportunities.	423	26.22%
3) We miss hundreds of thousands of dollars of opportunities.	308	19.09%
4) We miss millions of dollars of opportunities.	95	5.89%
5) We miss tens of millions of dollars of opportunities.	29	1.80%
Total	1613	100%

- 9) Some teams fall into the following pattern when facing financial challenges: a. Team members deny, dither, and delay dealing with the challenge until b. the leader of the team gets frustrated and either dictates an answer or takes control. Does your team ever fall into this pattern?

Answer	Count	Percent
1) Never	174	10.77%
2) Rarely	527	32.61%
3) Occasionally	591	36.57%
4) Often	231	14.29%
5) All the time	70	4.33%
6) Only recently (within the last year)	23	1.42%
Total	1616	100%

- 10) When this pattern happens, often the leader's unilateral action is either an overreaction or has negative side effects. What is your experience? (Check all that apply)

Answer	Count	Percent
1) The leader overreacts in a way that undermines our long-term capability or mission.	247	14.70%
2) The leader applies a uniform cut when a more tailored approach to cost cutting would have been more effective.	555	33.04%
3) The leader makes an ill-advised cut that doesn't accomplish his/her long-term goals.	287	17.08%
1) The leader makes a wise decision that furthers the short-term and long-term goals of the organization.	591	35.18%
Total	1680	100%