



How to navigate crucial conversations: **A guide for managers**

Empowering Australian managers to confidently spark crucial conversations with employees in the modern workplace.



How Australian managers feel about conducting crucial conversations

Opening a dialogue with your team is vital to address workplace challenges.

Both employees and managers have been challenged like never before in recent years. The approach to work has been forced to shift rapidly, and employee expectations around issues such as flexible working, workplace mental health and unsustainable workloads are continuing to evolve.

Managers face significant challenges as leaders in 2022, with an increasing need to become proficient in initiating and leading crucial conversations with team members. As such, managers have an opportunity to build trust and foster a more resilient and mentally healthy workplace.

A crucial conversation is a discussion with high stakes, differing opinions and strong emotions. When handled poorly or avoided, these conversations can lead to broader mental health issues in the workplace, including strained relationships, decreased productivity, employee dissatisfaction, poor results, or even more serious psychological issues.¹

Research commissioned by Allianz has revealed that while 38% of managers have a crucial conversation with their direct reports about mental health every month, 16% say they haven't had a crucial conversation with their direct reports in the last year.²

Allianz data shows that mental health (psychological) injury claims have increased 12% since the pandemic began.³ This means that knowing how to approach a crucial conversation that encourages higher personal wellbeing is now more important than ever.

“The pandemic has presented challenges in workplaces across all industries, with the mental health of employees becoming one of the most pressing challenges at managers’ doorsteps. It is more important than ever that managers engage in crucial conversations with their teams to foster a safe and healthy working environment for the long term.”

– Julie Mitchell,
Chief General Manager Personal Injury
at Allianz Australia

A snapshot of crucial conversations in the modern workplace

The path to achieving mentally healthy workplaces looks different across industries, workplaces and individuals. Alongside regular check-ins, crucial conversations are an opportunity to build trust and address critical issues in the workplace. However, as a manager, it is important to be aware of the barriers that may be preventing effective conversations about workplace issues.



Employees and managers are disconnected

90% of managers feel satisfied with how their organisation has worked to facilitate a more mentally healthy work environment in the last 12 months. Conversely, only 1-in-5 employees state they are very satisfied with their employer's ability to create mentally healthy workplaces.²



A need to be proactive

Only 1-in-4 managers say they will proactively approach team members to check in with them and create opportunities to engage in crucial conversations. This is a vital skill as just 1-in-4 employees feel very comfortable starting a conversation with their manager about their concerns in the workplace.²



Unease about difficult discussions

From a manager's perspective, receiving a request for a pay rise is deemed as a more uncomfortable topic to discuss (22%) than discussing resigning (17%). Interestingly, employees ranked discussing a pay rise (29%), bullying and harassment (16%) and requesting a promotion (16%) as more uncomfortable topics to raise with their manager than discussing resignation (11%).²



Training needed to drive change

Overall, just 1-in-2 managers have completed training on the topic of crucial conversations, while 38% report their workplace hasn't offered training of this nature. Importantly, training on the topic of crucial conversations needs to be offered beyond just managers, with more than a quarter of employees reporting they would turn to a peer before their manager when preparing to have a conversation about an issue at work.²

5 tips on leading a crucial conversation at your workplace

As the approach to work continues to evolve, ensuring open and trusted lines of communication exist in both face-to-face and virtual settings is vital to achieving a mentally healthy workplace culture. With managers often expected to initiate crucial conversations in the workplace, it's important to understand how best to approach these discussions with team members to drive constructive progress.



Personalise your crucial conversation

Before having a crucial conversation with a member of your team, remember that every conversation can be different. Whether it's the topic, the setting or the situation, crucial conversations are all unique. Always be clear on the central issue and establish the objective or desired outcome early to help guide the conversation.

Consider the ideal setting for your discussion, making sure it's a safe environment for open dialogue. This could be outside the office, in a meeting room, a walking meeting or a video conference.



Keep it open and trusting

As a manager, it's important to approach crucial conversations with respect and care for your team member, keeping in mind the sensitivity of the discussion at hand. When people feel disrespected or uncomfortable, it's likely emotions will flare. Where appropriate, you could even offer your employee the opportunity to have a support person present for the meeting to add to a sense of comfort.

If you cannot solve the issue during the meeting, ensure your team member understands the next steps as you move toward a solution. While it's OK not to have all the answers straight away, it's important to

show that you value your team member's opinion, support their concerns and have their best interests at heart. If you become seriously concerned about the wellbeing of a team member following a crucial conversation, you must escalate to a member of HR.



Set the tone for the right kind of discussion

Always approach your discussion with compassion and empathy through your body language and tone of voice. Body language cues such as direct eye contact, unfolded arms and relaxed facial expressions are important to facilitate an open environment. A friendly tone of voice will convey a willingness to listen and create a psychologically safe environment.

Keep in mind your employee's state of mind and allow them to share all they need to on the issue at hand before jumping to conclusions. If the conversation becomes tense or adversarial, revert back to listening and questioning to allow your employee to share their point of view. During crucial conversations it can be helpful to remember the three things that an employee often wants to know:

1. Do you see me?
2. Do you hear me?
3. Is what I am saying important to you?



Drive progress following your crucial conversation

Crucial conversations are an opportunity to build trust, and must always be followed up with an employee – whether via email or face-to-face – to ensure they know progress is being made.

Providing that confidentiality is maintained, crucial conversations can also be an opportunity to inform the wider business of workplace issues that need to be addressed. Where appropriate, inform relevant stakeholders such as senior management or HR about any key learnings that can be applied to improve the workplace as a whole.



Play an active role in shaping a mentally healthy workplace culture

Playing a proactive role in creating a positive working environment is essential, especially as we look to a hybrid future. This can be done through simple measures such as scheduling regular check-ins with team members, establishing a workplace mental health taskforce, and encouraging staff to switch off after hours to boost work-life balance.

It is equally important that all staff are familiar with your organisation's mental health policy. We know that employees are often turning to peers to discuss workplace challenges², so it's vital that all employees understand common issues and how to escalate them where appropriate.

If your organisation lacks a strong mental health policy, advocate for one to be developed. When it comes to building effective mental health policies, employee contribution and participation will ensure the policy is far-reaching and addresses the real challenges facing your workplace.

Managing team members can be especially challenging in the modern workplace. While it's important that managers take a proactive approach when it comes to the mental health of their team, successful crucial conversations take work from both employees and their managers. As a manager, effectively listening and encouraging a collaborative approach to reaching solutions is important to empower both you and your employees when navigating these discussions.



“At Allianz, we’re committed to supporting the creation of mentally healthy workplaces. We believe in championing transparent and empathetic dialogue so employees are comfortable to have the crucial conversations needed to navigate Australia’s ever-changing employment landscape.”

– Julie Mitchell, Chief General Manager Personal Injury at Allianz Australia

For more information, visit our [Workplace Mental Health hub](#).

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¹ The definition of ‘crucial conversations’ is sourced from ‘Crucial Conversations: Tools for Talking When Stakes Are High’ (Patterson et al., 2012) and was further developed in conjunction with active clinical mental health professionals

² The research was commissioned by Allianz and conducted by YouGov Plc. The survey was conducted online with a nationally representative sample of 834 Australian employees (middle managers and below designations) and a nationally representative sample of 259 Australian senior managers (senior managers and above designations) and was carried out between 7 and 12 December 2021. All data was post-weighted by age, gender and region to reflect the latest population estimates

³ Allianz Workers Compensation claims data comparing primary psychological active claims to December 2021 from December 2019, from the Allianz Australia Workers’ Compensation Underwritten Portfolio