

Consultation, time and difficult conversations

A reality of business management and leadership is the need to make the hard decisions. Whether it's a Fonterra addressing capital structures, families grappling with succession planning or owners weighing up staffing options - there will always be issues with potential adverse impact on those we are close to.

Getting the decision right is a challenge in itself. Keeping relationships intact while managing change can be even more daunting!

The pressures can result in temptation to delay action in the hope that the issue will resolve itself. Experience has taught me that abdicating management responsibilities always costs – in cash, asset values, working relationships and productivity.

Self belief, integrity and courage to go into areas others may wish to avoid are key components of leadership for effective change management. This dedication to proactive problem solving can be made so much more effective through vision and communication that ensures time is an ally not an enemy. In fact it is lack of time to react that leads to much of the negative fall out from poorly managed change.

With time on your side, decisions are more relaxed and effective. This is a fundamental difference between “win/win” and crisis management because those affected can come to terms with change. There will greater scope for creativity and flexibility to find inventive and innovative ways to go forward. Avoiding difficult conversations and the need to make challenging decisions reduces options, closes doors and increases the surprise factor.

Bringing people with you by managing through open consultation means those who will be affected by your decisions benefit from transparency and experience genuine commitment to consultation. Their response is likely to be much more constructive -- even if the strategy has significant adverse affects.

This approach has long been recognised as best practice for people management. When dealing with staff changes such as redundancy or restructure, employers have a requirement to act in good faith, demonstrate procedural fairness and make genuine attempts to consult with and listen to affected parties. This invariably leads to better decision-making and identification of options.

Succession planning has similar dimensions. Planning the handover to the next generation can raise real personal, career and wealth creation challenges especially between siblings or parents and children. The combination of family dynamics, unrealistic expectations, broken promises and the need to understand commercial realities has the potential to create misunderstandings and alienation. Open discussion (often best with an independent party involved) can be a significant contributor to progress .

In both situations, early action that allows time to achieve uncluttered communication and develop a plan will be a real advantage. Strategies can range from simply signalling that a matter is under consideration through to full contact to explain the options and changes that may occur. Getting feed back in this considered and constructive environment allows better options to be identified.

Given the undeniable change that lies ahead for management structures, ownership and business growth, change management is going to be a big part of the success of most operations. The process can be kept positive by having the foresight and energy to be proactive not reactive. Relationships can grow and the negatives

turned to positive if those at the top respond to the challenge through consultation, creativity and having time on their side to profit through difficult conversations.

Kerry Ryan is an Agribusiness Consultant and Author of "Getting the Right People Doing the Right Things ". You can contact him at www.kerryryan.co.nz