

So things aren't so great with your GM?

I currently have three clients who face challenges with their General Manager. Maybe it's something in the water?

In all cases there is misalignment between the GM's ability and the owner's expectation. This, combined with soft leadership, has led to a gradual breakdown in communication and respect between the parties.

Let me outline some of the advice I have shared with my clients over recent weeks. However, it's worth remembering that for every challenge an owner is having with their GM I can guarantee there is a GM having challenges with their owner!

Expectations

Are you expecting your employee to act like an operations manager, a general manager or a CEO? In return does the person have an internal focus (attune to an operations manager), a broader capability (akin to a GM) or a deep and visionary skill set (needed by a CEO)?

There has to be alignment. Issues arise when owners want the output and accountability of an X yet employ the ability and experience of a Y.

Interpretation of senior roles and responsibilities based purely on titles is dangerous given the wide variance from business to business. However for the NZ SME environment I personally see a GM as a strong people manager, capable of supporting the business internally and externally and reporting to the Board; a CEO needs greater credibility, strong sales, deep industry experience, a strategic focus and would typically be a member of the Board.

Document Delegated Authorities

It's important for each party to understand who can commit the company and when. Failure to document this may lead to the GM assuming more authority than you are comfortable with, leading to an 'incident'. Equally frustrating is when a GM feels obliged to run all the bigger decisions past the owner for fear of over stepping their mark. Structured correctly, delegated authorities are a very effective mechanism.

Agree clear reporting

Formalise the reporting you, as owner, receive. Is it daily, weekly or monthly? Sales, financial or HR based? This clarity will go a long way to ensuring you have the confidence to step back, lessening instances of micro managing (or perceived micro managing).

GM Development

In general people are not born leaders. It's a skill that develops through experience and osmosis. Where is your GM getting their leadership stimulus from? Are you providing it to them? If not then consider engaging a coach or encourage the GM to actively develop themselves in this area with groups like Leadership NZ or SpringBoard NZ.



Simon Telfer
Stimulus Consulting Ltd

+64 21 321 901

simon@stimulusnz.com
www.stimulusnz.com

Maintain influence

The position between a rock and a hard place is never comfortable: your relationship with the GM is unhealthy and expectations aren't being met but they hold major client relationships, key staff loyalty and undocumented intellectual property.

Always be aware of the balance between empowerment and autonomy and the possibility of having to one day re-engage more actively in the business. Delegation of management responsibilities to the GM does not absolve you of the need to maintain some degree of staff and key client familiarity and communication.

Address issues early

As an owner, you have a responsibility to provide clear and timely feedback when you experience behaviours that do not meet your expectations. Address these early, however difficult this may be at the time, and do not let an incident become a habit.

Values

Ensure the person you engage as GM has very similar personal values. This tends to happen naturally but take the precaution of being proactive in this area of your interview questioning. Matching of values will go a long way to ensuring a successful and healthy relationship.

Owner Leadership

If you are smart you will have hired a person better than you and one that will, through their desire to grow the business, challenge you. That doesn't however mean that you need to acquiesce with every idea and request. Leadership, on your part, involves saying "no" as well as saying "yes".

Leadership also involves communicating a clear direction and vision to the senior management team. While the GM will plan the route and move the troops it is you who will have selected the destination.

