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Management Transition: Mentoring the Next Generation

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Transitioning management responsibilities from one generation to the next is difficult. Founders often have invested a lifetime into building a business, a reputation, and goodwill with other business owners.

There can be many different reasons founders are reluctant to discuss handing over “the reins” to the next generation. In some cases this may make them uncomfortable to even begin the conversation about the subject, let alone try to find the best way to make it happen.

Emotional Attachment to the Land: Most farmers are emotionally attached to the land they own and manage. In many cases, these lands have been part of the family for more than one generation. Even thinking about giving it up can make them uncomfortable.

Farming as a Lifestyle: Farming is a lifestyle and most people who have made their entire life in agriculture have a

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Tip of the Month

Tips for Choosing Workplace Equipment that Includes Universal Design (UD) Features

from Job Accommodation Network—U.S. Dept. of Labor’s Office of Disability Employment Policy

The following provides ideas for employers to consider when purchasing equipment for the workplace.

1) Consider equipment that has UD features integrated into its design. For example, many computer operating systems have display options that enable users to increase font size. Purchasing software that is compatible with these features will meet the needs of many users.

2) Assess new and emerging electronic and information systems for interoperability with Assistive Technology (AT). For example, implementing a database tracking system without considering interoperability with AT can result in compatibility problems if screen reading software is installed.

3) Evaluate whether the equipment can be maintained easily. For example, some evacuation devices are powered by batteries to assist those individuals who are evacuating people with mobility impairments. Whether the battery will be available and working during an emergency is an important consideration.

4) Evaluate whether the equipment can be upgraded easily. For example, speech recognition software is available to individuals who cannot use a keyboard to enter information. Upgrades of software typically require additional computer memory. Whether a new system has the capability to be upgraded should be evaluated.

5) Determine if the system can be used by a majority of the workforce. For example, if an employer provides cell phones to employees, determine whether the service provides alternative communication such as text messaging.

6) Include the disability program manager, as well as representatives from information technology, purchasing, management, and safety departments when considering purchases that affect many employees. For example, if a Web conferencing system is under consideration for training activities, consider options that make materials accessible to screen readers and captioning services.

> ***"THE MEDIOCRE TEACHER TELLS.***
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> ***THE GOOD TEACHER EXPLAINS.***
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> ***THE SUPERIOR TEACHER DEMONSTRATES.***
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> ***THE GREAT TEACHER INSPIRES."***
>
> \- WILLIAM ARTHUR WARD

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hard time considering any other way of living.

No Plan for Retirement: Many full-time farmers have a very difficult time "hanging up their hats" when the time comes to retire. If questioned about it, they often report that they never expected to fully retire from farming.

No Retirement Income: No source of retirement income is another big issue that often prevents managers of rural family businesses from fully retiring.

Each family and business are unique, sometimes in many different aspects. However, there are generally three primary reasons founders do not plan for succession:

Control: Founders may struggle to give up control of the business. Facing the reality that others may be able to run "their" businesses as well or better than they can, could be painful or threatening.

Fear: Concerns and worries about retirement can also be a powerful force. The thought of leaving their day-to-day involvement in the business and adapting to a whole new life style may be scary.

Choosing: Founders may be unwilling or unable to choose a successor. Choosing one family member of the next generation over another may be difficult or may cause strife within the family. It may be so uncomfortable for the current managers that they simply plan to put it off as long as possible.

As if this were not enough, often these concerns and lack of planning can compound themselves into a series of issues. These can be summarized into three general areas:

Interpersonal issues: can arise from differences in perspective of the founder and next generation managers. Those perspectives vary across family and non-family members of the business, as well as across blood relations versus those who have married into the family.

Furthermore, the success of any family business is more likely with good communication. This is especially true during times of transition. The approach used for communication can be a source of issues for management succession.

Finally, a common belief about conflict is that it is uncomfortable and should be avoided. Have you ever considered that conflicts can have some positive benefits? How individuals in the business and in the family handle conflict can make all the difference in how smoothly the transition proceeds.

Formalized Management: is not a topic considered seriously by many family businesses. Many are hesitant to formalize the management of their rural businesses, often worrying that it will be too restrictive for their free-flowing management style. However, by formalizing the management of the business, the family can more smoothly undergo a transition like ownership and management succession. Goals can be set, milestones determined, and progress evaluated more easily.

Failure to effectively communicate with other business members often is the root cause of most family business failures. How business communication is handled, who gets to know, how authority is delegated, the process for assigning business roles and responsibilities all can create issues for management succession.

Succession Management Issues: include two distinct transfers to consider. One is the ownership of the business and the other is the management of the business. In addition to the feelings and financial needs of everyone involved, founders should also consider individual interests and skills. Many founders fail to stop and consider that family members may have accepted a role in the family business only because it needed filling. They may have experience and interest in something different than what they are doing today. Following an orderly process to engage the individuals involved in both the family and the business around the various concerns can help to avoid issues in the transition of management.

Mentoring is one approach that can help transition management responsibilities to the next generation. This process can help ease the changeover both for founders and the incoming generation.

In general there are five types of mentoring approaches founders might consider for training management skills:

Traditional One-to-One Mentoring- places one adult in a relationship with one mentee. At a minimum, the mentor and mentee should meet regularly at least four hours per month for about a year. There are exceptions. Mentees need to know from the outset how long they can expect the relationship to last, so they can adjust their expectations accordingly.

Group Mentoring- involves one mentor forming a relationship with a group of up to four mentees. The mentor assumes the role of leader and makes a commitment to meet regularly with the group over a long period of time. Most interaction is guided by the session structure, which includes time for personal sharing.

Team Mentoring- involves several mentors working with small groups of mentees, with a mentor-mentee ratio no greater than one to four.

Peer Mentoring- provides an opportunity for a caring peer to develop a guiding, teaching relationship with a mentee. These peer mentors serve as positive role model. This type of mentorship usually requires ongoing support and close supervision by a third party.

E-mentoring (online mentoring, or tele-mentoring)- connects one mentor with one mentee. The pair communicate via the Internet at least once a week over a period of six months to a year. This approach may provide access to expertise outside of the rural business and may not be as difficult to arrange as it might seem.

Generally, mentoring should be a special partnership between the mentor and mentee with an ongoing commitment to the process. A set of common goals and expectations, mutual trust and respect are required to accomplish this.

A good mentoring program will include several documents mutually crafted by the mentor and mentee to reach an understanding of how the program will be structured. These documents may include some or all of the following:

Confidentiality Agreement- The parties involved pledge in writing to a common understanding of how the information shared between them as part of the mentoring program will be handled with outside parties. This agreement serves as the foundation for a trust relationship between them.

Mentoring Agreement- A document providing the details of how the relationship will be structured- length of time expected for the program, number of meetings, meeting details (when/where/how long), frequency, how to contact the parties involved, etc.

Mentoring Action Plan- A description of the mentee's goals for the program, including details on: what competency they hope to improve, learning activities they are expecting to develop those competencies, when to and who might supervise the activities, as well as how they will know they have achieved the goal. These details should be provided for each goal the mentee has in mind.

Mentoring Log- A detailed outline of each mentoring contact completed for the program, with information about the competencies discussed, action steps taken, and what was completed and when.

Mid-point Evaluation- An evaluation of the mentoring program should be completed by all parties involved at least once during the program. Responses from both parties can be helpful to ensure the program remains on track. Questions may range from their insights on how the program is going, to their thoughts on how the relationship is progressing, to whether or not competencies have been gained, and their thoughts on how well the effort has followed the Action Plan outlined at the beginning.

Final Evaluation- A final evaluation of the program can be helpful to both parties to reflect on what was gained through the program, as well as provide feedback on how the program might be improved for the future.

Mentoring may be described as a cost effective tool for developing any business' most valuable asset, their people. This is especially true for a family business. A successful mentoring process depends on the partners sharing common goals and expectations, having a commitment to the mentoring practice, and giving and receiving trust and respect.

Both the mentor and the mentee give and grow in the mentoring process. Mentees learn valuable knowledge from the mentor's expertise and past mistakes. They increase their competencies in specific areas. They also establish valuable connections with higher level employees through the process.

Mentoring, done well, results in individuals who better understand what is required for various roles within the business, as well as the responsibilities that go with those roles. It also provides the mentor and founders the chance to assess whether or not the mentee would be a good fit for those roles. In the end, this should help to both ensure the success of individuals within the business and the success of the business itself.

MENTOR:

"Someone who teaches or gives help and advice to a less experienced and often younger person."

MENTEE:

"One who is being mentored."

References:

How to Build a Mentoring Program- A Mentoring Program Toolkit. U.S. Office of Human, Resources-Enterprise Training Division. March, 2010.