

Fact Sheet

Threading the Needle – Having Difficult Conversations to Protect Your Business

For the webinar associated with this fact sheet, visit

<https://www.youtube.com/watch?v=a3poqCXpT6I>

Dealing with difficult situations is something that most business owners and managers hate and avoid like the plague, all the while unknowingly risking the reputation and potential viability of their business. It is essential to address these situations as they arise to protect your business.

Set the Expectations

The best way to avoid having to have difficult conversations is to set clear expectations for your staff. Having these expectations also establishes a clear framework and process for solving problems if they arise. We suggest that you:

- Have really well written and appropriate position descriptions for each position in your business – this makes it very clear what the role and responsibilities are, and what your expectations are;
- Have good and robust policies and procedures to make it very clear for your staff (as well as customers and clients) exactly what your expectations are and the procedures for managing any issues that arise; and
- Provide good, regular feedback and guidance to your staff and having conversations on a regular basis – the unspoken expectations and goals cannot be realistically met! Regular conversations also make it easier to have the difficult conversations when they are required.



What sort of issues lead to difficult conversations that should not be avoided?

There are many aspects of employee conduct and performance that it is essential as an owner or manager to stay aware and on top of, in order to protect your business and its reputation. The types of issues that may arise include:

Employee Conduct:

- Breaches of company policy
- Dishonesty
- Criminal activity
- Other breaches of law

Employee Performance:

- Regular performance appraisal
- Promotion

This information and advice is general in nature, based on our interpretation of current legislation and policy, and does not take into account your specific circumstances. You should consider whether the information is appropriate to your needs and seek professional advice if required.

- Demotion
- Dealing with employee personal grievances

The aims of any of these conversations should be to correct and/or improve the standard of conduct, provide an opportunity to correct unacceptable conduct and/or performance, and ensure all staff are treated fairly and equitably. It is essential that each case is addressed on an individual basis and relative to the circumstances.

What are the roadblocks to starting a difficult conversation?

Humans generally don't enjoy conflict; what are the reasons for this?

- Fear! Having confronting conversations, particularly with people you know well or are closely connected to your community, can be a really scary proposition. It is essential to work through this fear (and don't mistake fear for other emotions which it often hides behind).
- We don't know how to start the conversation or what to say.
- We think it will make things worse rather than better.
- We think that the other person might not like us anymore.

What are the consequences when we avoid the difficult conversation?

- Poor behaviour or performance is deemed acceptable in the workplace – the standard you walk past is the standard you accept.
- Poor behaviour or performance impacts on your other staff, your capacity to service your clients well, and overall your business reputation.
- There's a high risk of litigation if you end up terminating or taking corrective action without managing (and documenting) the situation along the way.

How to have the difficult conversation

- **Prepare** well for the conversation – have all of your documentation and facts at your fingertips.
- Be **present** for the conversation – make sure to pick a time and place where you can be focused and uninterrupted.
- **Listen** to what is being said to you – don't make assumptions or brush off responses or explanations.
- **Make a plan** for action for the future – ensure there is a clear expectation of what will happen after the difficult conversation.
- **Follow up** afterwards, and make sure that the conversation and action plan are documented, communicated and progress reviewed in a timely way.

What are the practical aspects of difficult conversations?

- Keep written records of every meeting and conversation about poor conduct and/or performance; confirm verbal instructions/outcomes in writing.
- Follow any policies and procedures in place that deal with this situation. Make sure you follow the procedure transparently. In the absence of policy, the principles of natural justice and due process will apply. The way you handle a performance issue is just as important as the issue/s you're handling.
- Don't make any assumptions but come to conversations with the information and documentation immediately to hand, and be willing to listen with an open mind.
- Be consistent and fair across your staff.

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- Give notice of meetings in writing and provide support, set expectations and measure outcomes.
- Maintain STRICT CONFIDENTIALITY – any of these difficult conversations cannot become the subject of staff gossip, particularly if you are the source of the gossip.

What should I do right now?

- Deal with performance or conduct issues now and do so lawfully, in accordance with due process, to minimise your risk. Ensure everything is in writing.
- Recruit carefully in the first place and manage new staff closely during the probation period. Probationary periods are your opportunity to “try out” an employee, and for them to “try out” your business to see whether it is a good fit and there is no shame or failure in utilising this opportunity. Diarise the end of a probation period so you don't miss it!
- Establish your expectations.
- Have an effective performance management system to manage underperformance and reward high achievers.
- If you're not sure about where to start or what to do, get sound advice from an expert.

Need help? Contact Pinnacle People Solutions for tailored advice and support for your business by email to admin@pinnaclepeoplesolutions.com.au or call 1300 856 231

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