

Outsiders: Troublemakers or Truth Tellers?

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The annual family meeting had just begun, and family members from all three branches were filing into their company's auditorium to listen to the CEO, a third-generation family member, deliver his annual "State of the Business" presentation. He discussed the company's profitability, the strategic plan, and the family's plans for management succession. All went well until he was ready to step down from the podium. Then several hands went up for questions. Whispering and groans could be heard from the 30-plus other family members in the auditorium. All the hands were from the same branch of the family. All the questions challenged various aspects of the CEO's presentation.

Following the meeting, in the corporate dining room for lunch, we were approached repeatedly by family members asking what we thought of the complaints and grievances that had been shared during the meeting. The CEO quietly said: "Ninety percent of the family is pleased 90% of the time with the company's performance, while 10% of the family is unhappy 100% of the time. None of them work in the business. And now we have to deal with every complaint they raised, and they still won't be happy."

This scenario—or something very similar—is not uncommon among the families with whom we work. There is often in these families one person, one nuclear family, or one branch that consistently acts as "the outsider." The persons or families in the outsider role are a small group that frequently take positions on family-wide issues that are at odds with the positions of the rest of the family.

Families who are dedicated to perpetuating their businesses and sustaining their wealth for future generations take very seriously the need to establish systems of family governance, to enhance communication, to establish fair process, and to implement effective decision making. Success in these areas ultimately requires some degree of family harmony. Outsiders can be seen as disruptive and a threat to family harmony. But are they a threat? Or are they merely representing an alternative point of view that deserves attention?

In fact, those who occupy the outsider role are often well aware that they are seen as “disruptive” by the family at large. In many cases, they even take pride in fulfilling this role for the family, convinced that their viewpoints are important and merit attention.

How Should We View the Outsider?

There are various ways in which we might understand the outsider role in a family.

One might consider the outsider role as that of “gadfly.” Gadfly is defined as “a person who stimulates or annoys especially by persistent criticism (<http://www.merriam-webster.com/dictionary/gadfly>).” The role of gadfly is not necessarily a negative one. For example, Socrates took pride in his role of gadfly to the Greek city-state. “I am that gadfly which God has attached to the state, and all day long and in all places am always fastening upon you, arousing and persuading and reproaching you.” (Socrates, The Apology). Socrates thought that criticism was important to the survival of the state. Criticism can lead to a stronger family enterprise. For example, in one family, the family gadfly would plan his criticism for every board meeting; knowing this, the family CEO was especially well prepared for every board meeting and the overall quality of the discussion was

improved.

The value of the outsider's perspective can also be seen in the proverb "A fish doesn't know it's in the water until it's out of the water." This proverb suggests that an -outsider's view is often necessary in order to fully appreciate the advantages of the current situation. For example, many families do not see how successful they have been until they view their circumstances from the point of view of other families. The outsider can provide this kind of perspective, reminding the family of their broader areas of agreement by representing the minority dissent.

In considering the outsider role, we can also think of the natural world and Newton's First Law of Motion, the Law of Inertia: This law says that an object that is not subject to any outside forces moves at a constant velocity. In simpler terms, inertia means that an object will always continue moving at its current speed and in its current direction until some force acts on it. When applied to human systems, this suggests that families tend not to change until and unless they are prompted to do so by outside influences. This represents one view of how families change. They do so because they acquire new information from sources outside the family. Closed systems—like some people or some families—are not receptive to new information and do not change. Thus, the outsider can potentially bring about positive change because he or she (or they) introduces new information to a system that has been in a state of inertia. This is one reason we encourage family members to obtain work experience outside the family business. When they return—as outsiders—important new systems or processes may be returned to the family.

Finally, family therapist and psychiatrist Murray Bowen (www.thebowencenter.org) described the insider/outsider dynamic as a natural part of human relationships. According to Bowen, family relationships are built of triangles, comprising two insiders

and one outsider. The presence of an outsider allows the anxiety or tension in a relationship to be spread around a triangle, then reflects the effort by family members to manage anxiety or discomfort. Although the outsider role creates anxiety in families (because it is seen as a threat to togetherness) it also reduces anxiety by binding the others (the insiders) together. In most families the insiders and outsiders can switch positions, depending on the situation. Thus, the outsider role can stabilize, or help to manage, a family's anxiety. In one family we worked with, the outsider was the senior member of the previous generation who, in his 70s, refused to transfer control to the next generation. In response, the next generation drew together as an effective team and successfully achieved a smooth transition on their own.

Dealing with the Outsider

While the outsider role can add value, families may nevertheless experience the outsider as disruptive and frustrating. This is what we call the dilemma of the outsider. We offer here some suggestions for families who may be struggling with this dilemma.

Advice to the Outsider

Family members in the outsider role can bring value to the family as a whole. They may well take pride in this role. Nevertheless, too much of a good thing is rarely effective. Too much, or too long, in this role will lead to rejection of the outsiders, regardless of their potential value. This rejection easily leads to polarization, marginalization, and a fixing of the outsider's role at the outside margins of the family. Our advice to the outsiders is to temper themselves; provide criticism that is balanced with praise so that you are not pigeonholed as a difficult person or as a complainer.

Advice to the Family at Large

Families have much to gain from the outsider. Therefore, we recommend first that families work to understand and integrate the

outsider. Outsiders may feel marginalized and may not be aware of how they are being perceived. It can be useful to have a forthright and honest conversation outlining in a factual manner the positive and negative impact that the outsider has on the family as a whole. Finding ways to engage the outsider, who may feel marginalized, may be useful as well.

However, the family should not be dictated to by a tiny but vocal outsider point of view if it is not felt to have merit. After a fair and respectful hearing, the family will make its decision and move on. Although outsiders' points of view may help shape the ultimate outcome, their views and desires may not often prevail. Further, we would argue that many families are best served by ignoring an outsider whose input is more drain than gain.

This can be difficult for families that value communication and harmony. One family we worked with conducted a survey of every family member over age 18 to determine their satisfaction with various facets of the family business that were routinely scrutinized by their outsider branch. The survey revealed a satisfaction rate that exceeded 90%. While the survey had little impact on the behavior of the outsiders, the most significant impact was on family members at large, who were subsequently able to give themselves permission to politely listen but then disregard outsider comments.

Finally, we do recognize that some dilemmas do not have black-and-white solutions. Despite the potential value of outsiders, there may be times when remaining part of the system is no longer tenable. In such circumstances the situation must be recognized for what it is and exit strategies planned.

In Conclusion

In each of the situations described above—outsider as gadfly, as fish out of water, as a natural force prompting change, or as part of

a relationship triangle—finding value in the outsider role depends upon several factors:

- The outsider must be “heard” by others, i.e., the outsider’s views are attended to.
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- The outsider must be flexible enough to exit the outsider role and join the rest of the system when appropriate.
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- The outsider must remain part of the system.

When other family members stop listening, or when the outsider has only one role to play in the family system (e.g., as gadfly), or when the outsider becomes marginalized and therefore excluded from the family system, the contribution of the outsider and the family’s overall functioning may be compromised.

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