

How to Bring In the Outsider

Synopsis

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Business size is likely to increase due to high growth aspirations, often exceeding the capabilities and bandwidth of family members.

Second or third-generation family members want to change the company culture and improve business competencies.

Infusing external talent to bring fresh perspectives, specialised expertise and strategic insight is imperative to propel the business forward. However, the senior talent acquisition process is not without challenges.

Mindset and approaches Promoters often experience anxiety, nervousness and discomfort when contemplating the inclusion of senior non-family professionals. They fear external professionals will bring in different culture and values, leading to instability in the family business. But the real question is whether family members are prepared to relinquish their existing responsibilities and control, and face uncertainty when a new person comes in.

Many legendary founder-promoters exhibit exceptional risk-taking skills in hiring, confidently selecting and placing talent based on a blend of data and intuition. Before recruiting [senior professionals](#), [family promoters](#) should shift their mindset towards a more professional outlook.

Alignment with the organisation's values and culture for incoming professionals is crucial for a harmonious fit. For instance, a candidate with an autocratic leadership style might not integrate well into an organisation that promotes a collaborative culture.

Set boundaries Promoters must grasp their roles and boundaries, defining their operational style, be it owner-manager, owner-strategist, or owner-investor. This clarity is crucial for selecting senior professionals who can align with and enhance their approach. For example, an owner-strategist should seek execution-focused professionals.

Clarity helps define roles and responsibilities of new hires. Family businesses often have dynamically evolving organisational structures, which can be a strength and weakness. This dynamically changing structure and blurred reporting lines pose difficulty in attracting the right talent.

The senior hire's position in the organisational structure, and his or her reporting line must be a well-thought-out process. Ideally, professionals

should report to one family member to avoid ambiguity, and the rest should respect that reporting hierarchy.

Finding the right talent This begins with forming a recruitment committee that comprises family promoters, independent board members or external advisers who have been associated with the family for a long time. They possess insights into the business, strengths and weaknesses of family promoters, and understand the organisation's requirements. They are genuinely interested in the organisation's growth, ensuring that candidates selected possess the necessary qualifications and align with the the organisation's goals and values.

A fundamental requirement is that senior professionals complement skills and expertise of family promoters. So, family business promoters must exercise extra caution to avoid recruiting individuals with similar personalities and competencies.

While assessing the candidate, it's not enough to focus on hard and soft skills. Chemistry needs to be a core consideration for smooth functioning between family promoters and senior professionals.

When hiring a non-family professional, it's imperative to pinpoint some non-negotiable attributes that ensure they can effectively integrate and contribute. These include:

Experience in working in a family business set-up.

Emotional intelligence to manage multiple stakeholders.

Agility, risk-taking capabilities and adeptness in identifying opportunities.

Strong integrator with an ability to harmonise family and non-family professionals.

Collaborative decision-maker respecting the traditions and legacy of the organisation.

At this stage, securing support of home-grown seniors and long-serving employees is important, as they can facilitate or block the hiring of a new professional. Any hierarchical clash should be handled delicately. Besides, promoters must recognise that professional candidates also evaluate the organisation and family managers just as much as the promoters assess the candidates.

Family business promoters skilled at crafting an inspiring narrative can attract new talent. Before concluding a hire, the selection process should involve formal and informal meetings with potential candidates. Also, it's recommended that critical working family members meet the potential hire before extending an offer. This comprehensive approach helps ensure a well-informed and aligned hiring decision.

While some successful family business entrepreneurs have innate business knowhow, financial expertise and people management skills, not all possess these essential skills to run the business effectively. Family promoters often struggle to manage the helping process, as they may not be formally trained and may not prioritise upskilling in this area.

Outsourcing these crucial decisions to internal or external experts may be costly in the long term. A balanced approach that combines intuition with data-driven processes is essential for effective hiring practices in family businesses. True success ultimately lies in identifying the multiplier ready to walk beyond professional boundaries and commit to the growth of the family

business.

Mariwala is chairman, Marico. Dixit is founder-chairman, Family Business
Research International Centre

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