

Family Members in the Business

Be Careful With Nepotism!

As the owner of the company, it is your right to treat people any way you want to (and bear the consequences when you do), including family members in the company. But you must also be aware that nepotism can have a very bad effect on employee morale when the employees are not family members.

Here is a recommended policy statement on family members in the company:

Purpose

The purpose of this policy is to define the procedures, process, and criteria that will govern how [Family Name] family lineal descendants and/or their spouses enter and exit from the family company's employment.

This employment policy is intended to remove the ambiguity that currently exists so that interested family members can shape their career paths accordingly.

We believe that clear, constructive communication of this policy will contribute to the long-term success of our family and the Company.

Philosophy

We are a family committed to our members and descendants being responsible, productive, and well-educated citizens who practice the work ethic and make constructive contributions to the local community and the world at large. Each member is encouraged to develop and use self-supporting, marketable skills that contribute to the enhancement of his/her self-esteem and independence. We believe that for a family member to be employed in this company, there must be a legitimate job and the skills to match.

It is the policy of this company to search out and employ, at all levels, individuals who have the ability to manage vertical and horizontal relationships, who show evidence of ability and willingness to take initiative, who exhibit self-confidence and high self-esteem, and who are both independent and responsible in managing their lives and their jobs.

We subscribe to the philosophy that the opportunity to be employed in our company must be earned; it is not a birthright. Our business succeeds best when professional competence is the criterion for entrance to employment. Further, high-level competence must be supported by a sustained performance record. We believe that family members who cannot meet these standards will be happiest when employed elsewhere.

General Conditions

- 1) Family members must meet the same criteria for hiring as non-family applicants.
- 2) Family members are expected to meet the same level of performance required of non-family employees. Like non-family employees, they will be subject to performance reviews and to the same rules regarding firing.
- 3) As a general principle, family members will be supervised by non-family members.

4) Family members under age 30 are eligible for temporary employment, with “temporary” defined as less than one year. To be re-employed after temporary employment, a family member must meet the requirements of Condition No. 7, below.

5) No family member may be employed in a permanent, entry-level position (that is, a position that requires no previous experience or training).

6) Compensation will be at “fair market value” for the position held.

7) Family members seeking permanent employment must have at last five years of work experience outside this company. One of those jobs must have been held at least three years with the same employer, during which time there must have been at least two promotions. It is our view that if a family member is not a valued employee elsewhere, then it is not likely he or she will be happy or useful in the Company.

Applying For a Position

Family members must make their interest known in writing to the president/chief executive officer of the Company. When a position becomes available, only family members who have expressed an interest in employment in writing will be informed of the opportunity. They may then complete the normal application forms and submit the application for appropriate processing and consideration.