

SAMPLE  
FAMILY EMPLOYMENT POLICY  
for  
The \_\_\_\_\_ Company

## PURPOSE

The purpose of this policy is to define the procedures, process and criteria that will govern the manner in which \_\_\_\_\_ family lineal descendants and/or their spouses enter and exit from the employ of the family company. This 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 these policies 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, well educated citizens who practice the work ethic and make constructive contributions in 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 own self-esteem and independence. We believe that for a family member to be employed in the 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 ability to manage vertical and horizontal relationships, show evidence of ability and willingness to take initiative, evidence self-confidence and high self-esteem and are both independent and responsible in managing life and their jobs. No "flakes" need apply.

We subscribe to the philosophy that the opportunity to be employed in our company must be earned, it is not a birthright. Our family business succeeds best when professional competence is the criteria 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 high standards will be happiest when employed elsewhere.

## GENERAL CONDITIONS

1. Family members must meet the same criteria for hire/fire as non-family applicants.

2. Family members are subject to the same performance review as non-family members.
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. This temporary employment can be pre- or post-college graduation. Under no circumstances will the length of one unit of temporary employment exceed one calendar year. (See #7 for conditions of permanent employment.)
5. No family member may be employed in a permanent, entry-level position (defined as 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 least 5 years work experience outside the company. One of those jobs must have been at least 3 years with the same employer, during which time there would have been at least two promotions or similar evidence of rising levels of competence, increased responsibility and trust. It is our view that, if a family member is not a valued employee elsewhere, then it is likely the family member will be neither happy nor useful to The \_\_\_\_\_ Company.

## APPLYING FOR A POSITION

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

## SUCCESSION

The size of our company necessitates our reliance on non-family professionals. These industry leaders bring fresh ideas into our business and thus, renewal to our family and our business. To provide incentive for these employees to excel and aspire to the presidency of our company, we will alternate the presidency position, family member, non-family member etc. No family member can succeed another family member as President/Chief Executive Officer of The \_\_\_\_\_ Company.

## EDUCATION

1. Each quarter there will be a meeting to report the status of The \_\_\_\_\_ Company. This meeting is open to all extended family members age 14 and older. It will follow an educational model with segments of the meeting geared to different levels of understanding. The purpose is to develop throughout the extended family a broad-base, high-level understanding of business matters. Financial matters will be heavily stressed along with asset management. Learning how to handle confidential family matters will be part of the education process. One of these meetings will be called the \_\_\_\_\_ ANNUAL FAMILY GATHERING. It will include outside presenters, interesting learning opportunities and other activities that will enhance and enrich our family life.
2. If a Masters Degree has not already been earned at the time of permanent employment under provision #7 of GENERAL CONDITIONS, then the family member must earn and receive a Masters degree in a business related field within 6 years of employment. If done while in the full-time employ of the company, the family employee will be reimbursed for tuition and school related costs for each term the family member earns a "B" average or better. Family members who become permanent employees and already have earned a Masters degree in business or topics directly related to our business, will be paid a bonus of \$20,000, to be paid in equal quarterly installments over the first four years of employment.
3. When/If a family member has completed his/her Master's Degree, as a condition of continued employment the family member must complete 40 hours of approved continuing professional education in each calendar year. Failure to do so will freeze the family member's salary for one year and jeopardize his/her employment status.

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