

Nepotism: favoring relatives and friends in the workplace

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It is not unusual for multiple members of a family to work for the same employer. However, such situations can be troublesome if the family members are in a superior-subordinate relationship because:

- the relationship may give rise to favoritism or to suspicions of it
- the subordinate family member takes advantage of the situation by not working as hard or by not following the orders of the superior family member
- the superior family member cannot or will not control the activities of the subordinate (including administering discipline when needed or offering constructive criticism on performance evaluations).

It sometimes happens that employees in a superior-subordinate relationship marry during the employment. Employers generally allow both parties to remain with the company unless there is no open position to which one of the employees may be moved. However, it is important to address such situations on a case-by-case basis to avoid gender discrimination claims.

In hiring

The recruitment of current employees' relatives tends to perpetuate the racial, religious and ethnic characteristics of the existing workforce. Therefore, nepotistic recruiting may be discriminatory where the current workforce is predominantly or exclusively of one race, religion or ethnic group.

Policies against nepotism

Anti-nepotism policies prevent related individuals from working in the same company or department. Employers choosing to adopt such a policy should state that cases concerning the employment of relatives will be dealt with on a case-by-case basis to ensure maximum flexibility in handling such situations. Also, the policy should contain an explanation of why the employer discourages the employment of relatives and should describe the circumstances and types of relationships covered by the policy. The employer might also include a list of circumstances and relationships that would be permitted by the policy.

There are a number of sound reasons for anti-nepotism rules and “no fraternization” policies including:

- avoiding involvement in emotional problems at the home
- avoiding supervisory conflicts between spouses and relatives
- avoiding hiring decisions based on favoritism or the appearance of favoritism
- avoiding vacation and day off scheduling problems
- avoiding family influence regarding grievances and work conflicts.

Title VII does not prohibit discrimination on the basis of marital status. However, many state laws prohibit employers from discriminating based on marital status.

A thoughtful “anti-nepotism” policy should allow the employment of family members while avoiding the common operational issues associated with such situations.

SAMPLE ANTI-NEPOTISM POLICY

ABC Company welcomes the opportunity to hire and retain qualified employees who are related to one another by blood or marriage. However, since such relationships sometimes can create problems in the workplace, including suspicions of favoritism if the related employees are in a supervisor-subordinate relationship, it is the policy of ABC that:

1. Any employee of ABC who has or acquires a familial relationship (as defined below) with another employee shall not have any direct or indirect administrative or operational authority over the other person. This prohibition means not only that a person cannot supervise a family member but also that the family member cannot be in that person's chain of command; for example, a family member cannot work in a department in which a family member is the Vice President.
2. An employee of ABC cannot use his/her authority or position with ABC to benefit or to disadvantage another employee in a familial relationship. Although all such potential misuses of authority cannot be listed here, examples include an employee signing an evaluation for a family member or signing/approving a check payable to a family member.
3. Employees are required to notify the company's Human Resources Department of (a) any existing familial relationships; (b) any familial relationships that are created among employees (for example, by the marriage of two employees); and (c) the potential employment by ABC of a family member.
4. ABC will refuse to hire a job applicant who is in a familial relationship with a current employee if the applicant would be in a supervisory or subordinate

position to the existing employee. ABC employees who marry one another during their employment will be allowed to remain with the company unless they are in a superior-subordinate relationship and there is no open position to which one of them may be moved.

5. "Familial relationship" within the meaning of this policy means two employees (or an employee and a job applicant) in the relationship of husband, wife, father, mother, brother, sister, son, daughter, uncle, aunt, nephew, niece, grandfather, grandmother, grandson or granddaughter, or any of those relationships arising as a result of marriage (for example, brother-in-law).

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