**Sample Family Business Employment Policy**

Kindly find below an example of Family Business Employment Policy

**SABIS®**

Excerpts from [IFC Family Business Governance Handbook](http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+cg/resources/toolkits+and+manuals/corporate+governance+scorecards)

SABIS® is an international, college-preparatory education system with roots in the 19th century. Schools in the SABIS® School Network provide Pre-K and K-12 students with a distinctively rigorous, college-preparatory education. SABIS®’ unique educational system is currently being successfully implemented in 50 schools in 14 countries with 40,000 students around the world. SABIS® and its team of experienced professionals are dedicated to offering educational management products and services to a membership network of private and public schools. The first school in the SABIS® School Network was founded in 1886 in the suburbs of Beirut, Lebanon. The name SABIS® is actually derived from the first letters of the last names of the founders: the Saad and the Bistany families. As of August 2007, there were 25 family members, 10 of them were working at SABIS®. IFC’s investment in SABIS® in 2005 was related to the new SABIS® International School in Adma, Lebanon. SIS-Adma was a greenfield elementary and secondary school designed to accommodate 1,700 students. IFC invested $8 million towards the new facilities which have become both the flagship school and international headquarters of SABIS®. IFC has also provided advice to SABIS® in its efforts to build a sound family business governance structure.

**Family Employment Policy of SABIS®**15

**A. Employment Philosophy**

The driving force behind our decisions should be the best interest of the organization and not that of individual family members.

1. We would like to attract the most qualified people to SABIS®, both family and non-family.

2. A job at SABIS® is neither a birthright nor an obligation for family members.

3. Once hired, family members will be treated as all other non-family employees.

4. There is no guarantee that family employees will be promoted to top management positions, simply because they are part of the family.

5. Family employees are expected to set the example in as far as dedication, performance, and conduct.

6. We cannot afford to carry individuals, whether family members or not, who do not make a full contribution.

**B. Existence of an Open Position**

SABIS® must have a position available for which the applying family member is qualified. SABIS® will not create a position for a family member unless the growth of the business justifies it, which is to be decided by the Board. Furthermore, non-family employees will not be dismissed to make room for family members.

**C. Prerequisite Qualifications**

***1. Educational Requirements:***

A university degree (bachelor or higher, from a reputable university approved by SABIS®) is required for employment in any position within the company.

***2. Outside Working Experience:***

A successful working experience (of 3 to 5 years) outside of SABIS® is strongly recommended, although not always required. The final decision would be taken by the Board, based on the assessment and recommendation of the Group VP of Organization Development (VP-OD) and the President/CEO. Family employees joining with no outside experience will go through an “initial training” of about 6 to 12 months, with the following objectives:

a. To introduce and expose them to SABIS®.

b. To help them uncover, or validate, their professional interests.

c. To help the company assess them.

***3. Age Limit:***

In line with our employment philosophy, the company should not be considered a “shelter” for family members in search of a job. Hence, in the case of family members seeking employment with SABIS® after the age of 40, the Board will examine their professional career path and the reasons they did not join earlier before making a decision about their application.

**D. Family Employment–Specifics**

1. Family members who wish to join SABIS® should inform the President/CEO of their desire to join. They would then be asked to complete the standard application form.

2. Family members will then go through the standard interviewing, assessment and selection process.

3. The final decision for hiring, or rejecting, a family candidate rests with the Board.

4. Once a family member becomes an employee, he/she will be treated as any other non-family employee. Family employees will be trained, supervised, evaluated, and promoted like other employees.

5. Family employees will have regular performance reviews (through the standard channels) and will be given feedback on how they are doing, and guidance on how to improve their performance. Additionally, the Group VP–OD will also review their performance for possible guidance or action in view of their prospective career plans within the company.

6. In order to contribute to the development and advancement of family members, a “Development Plan” will be elaborated for every family member working at SABIS®. This plan would encompass training, continuing education, coaching, mentoring, special projects and assignments, job rotations, etc.

7. As part of their performance management and self-development, family employees will be asked to provide a yearly self-assessment, including personal development objectives for the following year.

8. In the area of promotion and advancement of family employees, a recommendation will be made by their supervisor or by the company’s management, with the final decision being taken by the Board.

9. The grounds for dismissing a family member include continued poor performance, unacceptable personal conduct, and any other grounds on which a non-family employee may be dismissed.

10. If a family member has been dismissed by the company, he/she will not be reconsidered for employment.

11. If a family member has left SABIS® voluntarily, he/she may return to work at SABIS® subject to the approval of the Board, if an appropriate position is vacant. This would generally be limited to one time only.

**E. Compensation**

Compensation and benefits of family employees will be based on their position, responsibilities, qualifications and performance, and will be comparable to that of non-family employees in the same position and with similar qualifications. They will receive compensation and benefits based on being employees, and not on the shares they own. As owners, they will be compensated through the return on their shares.

**F. Other Family Employment Policies**

***1. In-laws Employment:***

Family member spouses who wish to join SABIS® will go through the standard interviewing, assessment, and selection process. The final decision for hiring, or rejecting, a family member spouse will rest with the Board, which would meet without the family member in question and vote confidentially.

***2. Supervision and Reporting Relationships:***

Wherever possible, family members will not be supervised by other family members. This may sometimes be unavoidable, especially in the case of senior leadership roles; however, such situations should be approved and monitored by the Board. In addition, if both members of a couple are working at SABIS®, they cannot work in the same department.

***3. Short-term Internships and Summer Employment:***

Younger family members who show a desire of working at SABIS® will be encouraged to go through short-term internships with the organization (generally ranging from a few weeks to a couple of months). Such an internship shall not replace the required “initial training” that they may have to go through if they join the company at a later stage.

***4. Continuing Education:***

Standard company policy will apply both to continuing education (towards a degree), and to professional development (e.g. training, seminars, and conferences). In the case of continuing education, if the family employee would like additional financial contribution from the SABIS® Family Council, above what the company may provide employees, a request to this end will be put forward to the Family Council by the President/CEO. The Family Council will then study the request and take a decision accordingly.