In this edition of the Family Business Times we look at (so-called) best practices in a family business; do you need them or could you live without them?

Employing family members can also be a hot topic so we have pooled our ideas and come up with tips for developing an employment policy.

We also thought it would be helpful to highlight some family business events that are happening across the U.K. so that you can contact the organisers if you would like to attend.

Enjoy!

Ken McCracken
Head of Family Business Consulting

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**Events**

To find more information about the events below please click on the contact listed. Please read the events details below to ensure you are eligible to attend the events listed.


**Event details:** This event is open to family business owners, directors and shareholders across the U.K., speakers from family firms that include Pentland Brands, HMG Paints, The Entertainer, Duvalay and Wyke Farms will share their insights on their journeys to date and how they address some of the unique challenges facing family firms such as governance, succession and creating a sustainable business.


**Event details:** Exclusively open to Next Generation family members aged 18-35 who work in or are transitioning into their family business. The discussion will be led by Ken McCracken, Head of Family Business Consulting, who along with our Family Business team, will provide their views on the role of nepotism in family businesses.

**KPMG Leeds:** Family Business Dinner | 22 March 2018 | Leeds KPMG office – [Gemma Jackson](#).

**Event details:** This event is exclusively open to family members working in or transitioning into their family business. This is KPMG Leeds first in a series of dinners for family businesses.
This article is intended to encourage business families to be confident about how they choose to run their business and to be wary of the lure of “best practices”.

**Read the full article by clicking here**

**Tips**

**Employing your relatives**

You will see that we are hosting an event in our Next Generation Development Series on Nepotism and its Impact on Leadership. Some families thrive with a hiring policy that favours family ties and others do not. The difference that makes the difference is often having an employment policy to regulate how your family join the business, how their career progression will be managed and what they will be paid.

**Here are our top tips if you want to have a policy for employing relatives.**

1. **Be honest about the policy’s aims and objectives**

If you want to provide all family members with a job in the business, or encourage them to join, then say so and make a policy that will help to achieve this goal! If hiring decisions will be made purely on merit, without favouring the family in any shape or form, then say so.

2. **Who is affected by the policy?**

Bloodline only? Spouses and partners? Are there any age limits for family members making a commitment to join the business?

3. **Different rules for different roles**

Should senior management positions be considered differently to more junior roles and casual labour?

4. **What experience?**

Is it enough to be a relative who can be trusted and who has some enthusiasm and ambition? Or will family candidates have to achieve something elsewhere before seeking a role in the family business, such as having won a promotion in a relevant role outside the family business.
5. Interviews, appraisals and disciplinary procedures

In the case of a family member should these be carried out by a direct relative, or indeed any relative, or would this be too awkward? If a non-family person is to be involved what guidance or support might they need?

6. Remuneration

Don’t fudge this one. Separate remuneration from return on investment. Is remuneration based on market rate or will it be more (or less) because a family member is involved.

7. Education, training and mentoring

Do you want to give financial support to the education and development of family members and provide them with a mentor or coach who can help them progress their careers?

Now that you are armed with this information, do you think you need to create or review your policy? Remember, it’s best to start doing this before family members start enquiring about careers in the family business. And if you need one, then who do you think should be involved in creating the policy? Remember this last tip; successful family businesses are well organised.