

## **Nepotism in the Urgent Care Center**

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Although a growing percentage of the nation's estimated 8,700 urgent care centers are owned by hospitals or corporations, the vast majority of centers are still entrepreneurial enterprises operated by physicians as small- to mid-sized businesses. Nepotism, which is essentially kinship-based favoritism, is a frequent occurrence in these centers, as owners employ spouses, in-laws, children, nieces and nephews, and other relatives. Probably more frequent is when owners hire the children, parents, siblings, or cousins of existing employees.

Indeed, there may be excellent reasons for an urgent care owner to hire his or her own relatives, or to hire the relatives of current employees. However, urgent care owner-operators who employ relatives also need to be mindful of the potential complications brought about by nepotism. It is sensible, therefore, to consider implementing a policy for the business that precisely lays out the ground rules for employing family members.

### **Putting the Concept of Nepotism into Perspective**

Nepotism is often seen as more of a "sin" in the public sector than it is in private enterprise. Strict anti-nepotism rules are necessary when salaries are paid by taxpayers, because of how the public trust can be damaged by private abuse of public positions. This particular public sector concern might not apply to an urgent care enterprise, but owner-operators may still at times find themselves officially having to defend the hiring or promotion of relatives if unrelated employees raise concerns.

Business owners face a public-perception dilemma when it comes to hiring relatives. The word "nepotism" is rife with negative connotations, yet a business that is known to be "family owned and operated" is generally viewed favorably. Urgent care owner-operators who understand this dilemma will be in a better position to adopt best practices for hiring relatives as medical or support staff, and to avoid the worst personnel management mistakes that can lead to reputation-damaging charges of nepotism.

### **Reasons Why Employing Relatives Can Be Beneficial**

A family-run business gains in reputation when it's well managed, so the first reason why hiring or promoting relatives can be beneficial is simply that they are capable of accomplishing their jobs well. Competence and professionalism are the best answers to any negative accusation of nepotism. When the performance of a spouse or other relative meets the expectations of his or her job description, the hire is readily defensible, especially in a small business.

Hiring a relative can strengthen overall cohesiveness and supportiveness in the workplace; it can also gain advantages for the business from the positive values shared within the family. Family reinforcement can furthermore limit misconduct by making any wrong behavior an issue of family shame.

### **Potential Pitfalls of Nepotism for Urgent Care Operators**

Despite strong potential benefits of hiring or promoting within the family, unrelated employees can feel shut out or abused if family favoritism is too pronounced or if family members take liberties not permitted to non-relatives. Damage to morale and job satisfaction is inevitable if family members presume entitlement to first-

class roles within a business and relegate non-relative employees to second-class status. Gossip and bullying can further fracture an already-divided workplace.

Let's say you want to fire an employee who has a child, parent, cousin or a sibling who also works in the business. How do you deal with the remaining employee? It's not fair for a good employee to lose his or her job because of something a family member did. But on the other hand, the remaining employee is likely to continue to engage the terminated employee in workplace issues through dissemination of company information and gossip at family activities. Morale of the remaining employee will likely be undermined as the terminated employee expresses disdain or jealousy for his relative's continued association with the center.

Similarly, hiring family members creates fodder for workplace gossip as employees gain insight as to the owners' lifestyles, income, and values. For example, when the owner's adult child suddenly takes time off from her job at center to pursue a sabbatical in Asia—and the remainder of the center's staff goes without a pay raise due to a tough economy—the result will likely be employee resentment towards both the co-worker and the owner. And what happens when multiple family members must be absent simultaneously for the same family function—such as a funeral or wedding—causing other staff members to work unscheduled overtime?

A difficult, even intolerable work environment develops from a culture that allows one set of unspoken rules for family members and another set for non-family. For example, consider the child of a business owner who goes unpunished for acts that may lead to termination of any other employee. The subsequent disintegration of team spirit ultimately manifests in damage to patient relations and reduced quality of medical care. When relatives get away with substandard job performance, nepotism then becomes justification for any non-relative also to perform poorly.

If the worst tendencies of nepotism emerge in a business, such as undeserved promotion of insiders, theft by family members from “the family business,” or physical or verbal abuse of non-family employees, dissatisfaction permeates the workplace, and the entire enterprise is at risk. In an urgent care center, such dysfunction is likeliest to occur when there is no codified or consistently enforced employee conduct policy.

Non-relative employees can indeed cause legal trouble for a business that fails to implement a policy that addresses nepotism. A non-family member who is disgruntled about being terminated from a family business may make a charge of nepotistic favoritism in any legal action, especially if no policy addressing nepotism was ever implemented by that business. A written nepotism policy, signed on to by all employees, can thus be a tool to defend an urgent care center from possible unfair labor practice lawsuits.

### **Dangerous Territory: Unethical Nepotistic Practices**

Some urgent care center owners are tempted to “game the system” by engaging in unethical employment practices in an attempt to benefit certain relatives. One example of such a practice is when an owner “hires” family members—particularly unemployed adult children or relatives with serious health issues who can't afford an individual policy—in order to qualify them for the company's health insurance. Too often, owners find that such practices cause new unforeseen problems.

ERISA, the Employee Retirement Income Security Act, requires equal access to health plans for all full-time employees, and if the family member isn't actually working full-time, there may be tax and compliance penalties for the business owner. Such behavior can put owners at the mercy of unhappy non-family employees who may be willing to blow the whistle. The ultimate unforeseen consequence of such behavior

becomes the establishment of a dishonest business culture. Unethical nepotistic practices set a negative example for other employees, who see cheating and stealing going on and feel justified in doing likewise.

### **Adopting a Policy Addressing Nepotism in the Workplace**

Urgent care owner-operators who wish to create a foundation for a harmonious workplace, to defend their own legal hiring and promotion decisions (including the proper hiring of relatives), and to guard against the perception or the possibility of unethical business practices, would be wise to explore creation and enforcement of a nepotism policy for their businesses.

The first consideration in such a policy is to confirm that the business is anti-discriminatory. It is generally illegal to discriminate in hiring based on personal questions that are not strictly relevant to job performance. To ask a job applicant if he or she is related to another employee can be construed as discrimination. The rule of thumb for hiring is, if the question is not relevant to the job, don't ask.

It is, however, acceptable to inquire how a job applicant heard about an open position. It's also acceptable to ask in a general sense whether job applicants anticipate any conflicts of interest within the workplace, or if they're aware of any issues that may adversely impact their ability to be productive at work. Employing both spouses in a marital relationship can be especially tricky, but it is possible and indeed typically more acceptable in a private enterprise than in a public agency. Businesses can in turn require binding assurances that employees who turn out to be relatives of other employees will still carry out their job duties professionally and satisfactorily and will treat both relatives and non-relatives as equal colleagues when on the job and inside the workplace.

A nepotism policy will proceed from codifying non-discriminatory hiring practices to specifying the company's rules about equitable pay and benefits and equal treatment among all staff members, relatives and non-relatives. It will mandate a professional code of conduct that every employee in a business is obligated to honor and be guided by, and it will guarantee equality of disciplinary measures for any employee misconduct. The policy will also prohibit either undue favoritism or abusive treatment in word or deed by any employee toward any colleague. It will reject unethical or illegal nepotistic practices meant to "game the system." Finally, it will avoid discriminating on the basis of sex; separate rules for hiring husbands vs. hiring wives are not legal.

Sample nepotism policies can be found through a simple Internet search, but when drafting a policy, it's important to remember the distinctions between private enterprises and necessarily more strict public agencies. Consulting an attorney is also an option, especially if clarification of a state's employment law is needed. One very useful and efficient set of guidelines for writing a nepotism policy can be found at [http://www.ipma-hr.org/sites/default/files/pdf/hrcenter/Nepotism/cpr\\_nep\\_Writing.pdf](http://www.ipma-hr.org/sites/default/files/pdf/hrcenter/Nepotism/cpr_nep_Writing.pdf).

Last, clear and responsive communication with employees about the new policy is essential. The goal, of course, is an urgent care center staff that functions cooperatively, respectfully, and professionally, so that the goals of superior patient care and exceptional contribution to the community are met with firm commitment by all employees.