University of Kentucky Guide to Creating Management Plans When Employing Relatives

Relevant regulation and policy: Governing Regulation Part I, Governing Regulation Part X and HR Policy and Procedure #19.0 related to nepotism

Purpose: Generally, per Governing Regulation Part X, no relative of any employee of the university shall be employed in any position over which a related employee exercises supervisory or line authority as this creates risk of a conflict of interest in employment (nepotism). In some cases, however, when it is in the best interest of the university, the risk of a potential conflict of interest in employment can be managed through prompt disclosure of the relationship and approval by the appropriate senior administrator. These potential conflicts may, for example, arise through changes in organizational structure, change in relationship between existing employees, change of reporting lines, or though the hiring and selection process.

The purpose of this document is to describe the requirements and approval process for such cases and to provide guidance on creating a management plan. The purpose of the management plan is to create a revised reporting structure so that no individual can make employment-related decisions for another individual who is their relative, as defined below. The plan is required to be established and followed throughout the employment of the relative to avoid the perception as well as the reality of unfair influence, either detrimental or beneficial, because of the relative being employed within the supervisory chain of command of a relative in a higher-level position.

DEFINITIONS

Relative: Relative means an employee's father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, daughter-in-law, and step-relatives in the same relationships.

Relative in higher-level position: An individual who is in a position which would normally hold authority to make employment-related decisions regarding the position their relative is applying to or currently holds.

Relative in lower-level position: An individual whose relative is in a position which would normally hold authority to make employment-related decisions for the position the individual is applying to or currently holds.

Senior administrator: Senior administrator means the person reporting directly to the President and having supervisory authority for the area where the conflict or potential conflict exists.

Assigned administrator: The individual designated to hold responsibility for decisions or recommendations related to employment status and serve as the supervisor of the employed relative.

Employment-related decisions: Decisions or recommendations related to employment status include those related to hiring, salary, working conditions, working responsibilities, evaluation, promotion and termination.

First neutral supervisor in chain of command: The person (usually the director or department head, dean or vice president in charge of the department) immediately superior to the one of the two related individuals who, if there were no conflict of interest, would have decision-making responsibly relating to the employment status of the other related individual. This person is responsible for developing a management plan and designating an assigned administrator. This person may also choose to serve as the assigned administrator themselves.

MANAGEMENT PLAN REQUIREMENTS AND APPROVAL PROCESS

Creation and approval of a management plan should occur prior to the hiring or transfer of a relative into a position which would create a potential conflict of interest in employment as well as before any organizational change (e.g. change in reporting line, organizational structure) is established by the university. Similarly, a management plan should also be created and approved prior to the establishment of a legal relationship (e.g. marriage) creating a potential conflict of interest in employment.

The management plan should be prepared by the first neutral supervisor in the supervisory chain of command or the assigned administrator. Two organizational charts of the immediate area including all relevant student employees, staff and faculty shall be included. The first chart should display the supervisory relationship that would exist if the two individuals were not related (pre-management plan). The second chart should display the proposed future supervisory relationships (post-management plan). A template management plan is available here.

The management plan shall be reviewed by the President or appropriate senior administrator in advance of hiring the relative or other changes creating a potential conflict of interest in employment and must be approved by the Director of Employee Relations (for staff). For faculty hires, the management plan must be approved by the Associate Provost for Faculty Advancement. In addition, the management plan shall be initially signed by both relatives and reviewed at least annually and signed upon every annual review of the Plan.

COMMUNICATION

All employees (faculty and staff) in the unit shall be notified of the hiring of the relative and the management plan in place to avoid the advantage or disadvantage of either relative or others employed in the unit. This notification shall occur annually, as appropriate. Any concerns or complaints related to actual or perceived nepotism should be reported to UK Human Resources or the Office of Faculty Advancement for review and investigation.

Both relatives shall be provided the following relevant UK regulations by the assigned administrator:

1. GR, Part I – The University of Kentucky, Section D, Ethical Principles and Code of Conduct
2. GR, Part X – Regulations Affecting Employment, Section A, Merit as the Basis for Appointments
3. HR Policy and Procedure #19.0, Nepotism

COMPENSATION

All pay decisions impacting the lower-level relative shall be approved by the Director of HR Compensation or Associate Provost of Faculty Advancement and the assigned administrator. These include but are not limited to pay changes because of merit or salary increases, promotions, lateral transfers and/or demotions (voluntary or involuntary), market adjustments, one-time payments, and overload assignments.

WORK ASSIGNMENTS AND DUTIES

All work assignments and duties will be directed by the immediate supervisor in alignment with the current position description with no direct or undue influence from the higher-level relative.

Any questions/concerns related to work assignments and duties (including scheduled work hours, shift assignments, overtime pay opportunities, paid and unpaid leave approvals, training opportunities, business travel, etc.) may be directed up the normal chain of command; however, prior to reaching the higher-level relative, the assigned administrator will oversee and approve all decisions related to this area.

PERFORMANCE EVALUATION AND PERFORMANCE ISSUES

The annual performance evaluation (PE), including midyear reviews, shall be completed by the supervisor if they are not the relative; however, the assigned administrator must review and approve all performance evaluations. Details and specific examples of high-level as well as low-level performance must be documented in the PE to justify the scores.

The assigned administrator may request the ability to view all PE scores within that unit to avoid preferential treatment as well as the lower-level employed relative being disadvantaged inappropriately.

A relative employed in a unit where they have a higher-level relative in the supervisory chain of command may in fact be an exceptional performer, as well as a moderate or even poor performer. In the case of performance issues of concern, the assigned administrator shall work in conjunction with HR Employee Relations or the Office of Faculty Advancement to address such issues related to job performance. In addition, the assigned administrator will be kept apprised of these issues and shall approve any formal action to be taken as outlined in HR Policy and Procedure #62.0, Corrective Action. This includes any documented coaching and/or any level of corrective action.

The relative of the employee in the higher-level position within the unit shall exert no influence on the corrective action determined to be appropriate nor will they be included in any steps of the grievance process as outlined in HR Policy and Procedure #7.0, Grievances.

PROMOTIONS/LATERALS/DEMOTIONS

A relative within a unit wherein their relative is in a higher-level position and level of authority may be considered for promotions, as well as lateral transfers and demotions; however, the same protocol shall be followed as outlined in the Hiring and Selection section (below).

CONCERNS

Any concerns involving the management plan or employees involved in the management plan should be directed to the assigned administrator. There will be no repercussions for bringing forward any issues or concerns.

HIRING AND SELECTION REQUIREMENTS

To deal with situations in which a conflict of interest might arise through a hiring decision, an additional management plan for the hiring process must be developed such that the hiring process itself is conducted free of any actual or apparent conflicts of interest. In such cases, disclosure of the relationship should be made at the earliest possible point, in many cases even before the related individual applies for the position.

- If a relative as defined is in the applicant pool for a vacant position within the supervisory line of their defined relative, the protocol outlined below shall be followed.
- If the hiring official is a neutral party (not a relative as defined by HR Policy and Procedure #19.0), they will serve as the primary decision-maker in the hiring and selection for the vacant position; however, an interview panel shall be established to provide input into the hiring decision.
- If the hiring official is the relative in the higher-level position, then the first neutral supervisor up the chain of command serves as the hiring official, and an interview panel shall be established to provide input into the hiring decision.
- The interview panel shall consist of at least one employee from the hiring unit (if available) in which the vacancy exists. The remaining members of the panel will include others from related fields/backgrounds but must be in positions outside the hiring unit. The panel normally consists of three to six members and at least half the number of panel members must be from outside the hiring unit.
- UK HR Employment will provide an orientation for the interview panel as well as support to the hiring official through the creation of interview guides, using behavioral-based interviewing strategies and data integration for the Interview panel (licensed from Development Dimensions International).
- Professional reference checks shall be completed by the panel members and shared with the remaining panel members as well as with the hiring official. The hiring official shall share this information up the chain of command and with other appropriate senior administrators, as appropriate.
- If the relative is, in fact, identified as a top candidate for the position, an assigned administrator will be named by the President, EVP or Provost and designated to hold responsibility for decisions or recommendations related to employment status, including making the final hiring decision. This assigned administrator will serve as the supervisor of the employed relative and serve in that capacity in the following employment situations listed below.
- The hiring proposal will be completed, and all standard policies, protocols and practices shall be followed; no exceptions will be made in determining the pay rate for the newly hired relative. The hiring proposal must be signed by the CHRO and Vice President for HR (staff) or Associate Provost of Faculty Advancement (faculty), as well as by the assigned administrator.

If the relative is not selected for the position, then the hiring process will continue as usual. Retaliation by the higher-level relative directed toward the hiring official or any member of the interview panel due to the relative not being selected is prohibited, and if occurs, shall be reported to Director of Employee Relations for staff or Associate Provost for Faculty Advancement for faculty.