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**Antecedents and Consequences of Nepotism: A Social Psychological Exploration**

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This thesis is submitted in fulfilment of the requirement for the degree of Doctor of Philosophy (PhD) in the Faculty of Social Sciences at the University of Kent,

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## Abstract

Nepotism is a phenomenon that has engulfed the nature of work in private-and public-sector organisations for centuries. Nepotism is not limited to third world countries; it occurs both in individualistic and collectivistic cultures. So, it is a worldwide issue which needs addressing in today's society. In spite of the relevance and vast reach of nepotism, psychological studies into the concept are scant. It remains largely unknown why some people endorse nepotistic practices, whereas others do not. Similarly, the consequences of nepotism for individuals and organisations remain poorly understood. The aim of this thesis is to contribute towards addressing these gaps.

This thesis starts by examining psychological constructs that predict variations in the perception and endorsement of nepotism between individuals (Study 1) and countries (Study 2). Studies 3 and 4 investigate the actual and perceived consequences of nepotism on employees. The aim of the studies is to advance the research body around nepotism by adopting a psychological perspective examining the genesis of nepotism at an individual and country level to aid our understanding of antecedents and consequences of nepotism.

Findings from Study 1 highlight that Social Dominance Orientation (SDO) - a psychological trait that reflects a preference for inequality and social stratification – is instrumental in predicting attitudes towards nepotism; the higher the levels of SDO possessed by an individual the more they are inclined to endorse

nepotistic practices. Findings from Study 2, a cross-cultural study, further underscore the importance of social dominance and power distance in promoting individual- and country-level differences in the endorsement of nepotism. India a high-power distance country with a collectivist culture had the highest prevalence and endorsement of nepotism when compared to the USA, with Trinidad and Greece falling in between the former two countries. Variations in SDO and family orientation contributed to explain individual-level variations in the endorsement of nepotism as well as differences between countries.

Studies 3 and 4 examine the role of qualifications as a factor that may moderate the consequences of nepotism for individuals and organisations. Study 3 indicates that individuals recruited through nepotistic means *and* suitably qualified thrive in their jobs; they have higher levels of performance, enhanced well-being and experience greater levels of autonomy and control. In contrast, individuals hired through nepotistic means *without* suitable levels of qualification showed evidence of poor psychological well-being, lower levels of autonomy and control, and underperformance. All in all, the study highlights potential benefits and drawbacks of nepotistic hirings and the crucial role of qualifications in determining whether nepotism produces positive or negative outcomes. Probing the perceived consequences of nepotism with and without qualifications, Study 4 showed that people appear to have a limited understanding of the importance of qualifications for determining employees' well-being and levels of autonomy and control. The thesis concludes with a discussion of contributions, limitations, and

areas for future research.

## **Chapter 1**

### **1.1. Chapter summary**

Nepotism is a widespread phenomenon and exists within all types of organisations, including those that are not run by families (Bellow, 2003; Jones, Stout, Harder, Levine, Levive, & Sanchez, 2008; Jones, 2012; Padgett & Morris, 2005; Vinton, 1998). Curiously, knowledge of the causes and consequences of nepotistic practices is scant (Padgett & Morris, 2005; Jones, 2012), and the few studies that have been conducted in this area often produced contradictory results. Drawing on social psychological theories and principles, the thesis provides a systematic investigation of antecedents of nepotism by looking at the roles of family ties, power distance and social dominance, and meritocracy and opportunism, which I argue can lead individuals to endorse nepotism to varying extents. This is followed by a discussion of the consequences of nepotism focusing on work-attitudes, performance, and employee well-being. I will make a case for the role of qualifications in determining positive and negative consequences for beneficiaries of nepotism. In particular, I aim to highlight the differences between beneficiaries of nepotism who are qualified for the position and those who gain a position through family connection rather than merit.

## 1.2. Introduction

“All experience teaches that, whenever there is a great national establishment, employing large numbers of officials, the public must be reconciled to support many incompetent men; for such is the favouritism and nepotism always prevailing in the purlieus of these establishments, that some incompetent persons are always admitted, to the exclusion of many of the worthy” (Melville, 1850, p. 179).

There have been many recorded instances of nepotism going back to Biblical times: King David believed his son Solomon was chosen by God and therefore appointed him to be the next king, even though he was young and inexperienced (1 Chronicles 29: 1, New Living Translation); of course it turned out he was the wisest and greatest king that ever-ruled Israel (1 Kings 3:9-12, New Living Translation). Given the history of nepotism, it is perhaps not a surprise that some biologists have argued that nepotism is ‘hardwired’ to promote the survival of our genes (Alexander, 1982).

Evidence of nepotistic practices can be found universally across the globe (Bellow, 2003; Hooker, 2009), ranging from countries such as Sweden - one of the least corrupt cultures in the world according to the Corruption Perception Index 2017 (CPI) (Sundell, 2014) - to the Middle East, which is one of the most corrupt cultures on the CPI (Sidani & Thornberry, 2013). Nepotism is rife within leading

industrialised nations, including America where it is not uncommon for First families and high ranking government officials to share family ties (Bellow, 2003). In a recent example of these practices, the president of the United States of America appointed his daughter to take his place at the G20 summit, which she is not qualified for (“Ivanka Trump”, 2017). These and similar nepotistic tendencies in American politics are curious, given that many US states have explicitly outlawed nepotism in organisations in a bid to discourage the (unfair) employment of family members.

There are several other examples globally of nepotism at the level of government. In Greece, the former Finance Minister was investigated for appointing relatives into high positions who evaded paying taxes (“Greek Ex-minister”, 2012). Likewise, in India, a member of the Gandhi family spoke out about the lack of meritocracy and made charges of corruption and nepotism in the current political administration (Biswas, 2013). In the EU in 1999, the Committee of Independent Experts requested the resignation of The Santer Commissioner because many relatives and friends of the commissioner were allegedly appointed to senior bureaucratic posts (Shore, 2005).

All of these examples illustrate that nepotism is an important global phenomenon and it is flourishing (Kunzar & Fredrick, 2007; Riggio & Riggio, 2013; Zgheib, 2014). It also demonstrates that nepotism is not limited geographically or to family-owned businesses.

Interestingly, the prevalence of nepotism stands in contrast to people's perceptions of nepotistic practices. Ewing (1965) found that 85% of surveyed managers opposed the use of factors other than merit in hiring and other personnel decisions; yet nepotism has continued in contemporary practices. There is no evidence that the proportion of individuals opposing nepotistic practices in the workplace is declining or that the outcry against this practice has decreased over time (Dickson, Niemien, & Biermeirer-Hanson, 2012).

### **1.3. What is nepotism?**

#### **1.3.1. Definition**

The expression nepotism derives from the Italian word *nipote* meaning "relative". During the 15<sup>th</sup> and 16<sup>th</sup> century *nepotismo* was thriving in the church as illegitimate papal sons, or "nephews", were appointed to religious positions. Traditionally, nepotism describes the favouring of blood relations. Simon, Clark and Tiff (1966) defined nepotism as "the bestowal of patronage by reason of relationship regardless of merit" (p. 345) . Similarly, Bellow (2003) places the inter-generational transmission of property, knowledge, authority, cultural traditions and values from one kin to another at the heart of the concept. Adopting a looser definition of nepotism, Ponzo and Scoppa (2010) surmised that managers nepotistically appointed family members, friends, and those connected via their social network to trusted positions based on their connections rather



than their merits. In this view, nepotism does not only imply favouring ones' own relatives, but more broadly favouring individuals with strong ties to an organisation (Jones, 2013). This extends Bellow's (2003) definition of nepotism as "favouritism based on kinship" (p. 11) and encompasses favouritism based on social bonds.

This thesis takes an intermediate view and defines nepotism as the *practice of favouring the family members of individuals who are connected to an organisation*. In organisational settings, nepotistic practices tend to affect hiring practices and promotions (Ford & McLaughlin, 1985; Jones, 2004).

### **1.3.2. Facets of nepotism and research traditions**

The concept of nepotism has been studied in a range of disciplines, including evolutionary biology, anthropology, religion, history, economics, political science, and sociology (Hamilton, 1964; Park, Schaller, & VanVugt, 2008; Simon, Clark, & Tiff, 1966; Williams, 1992). Nepotism is a multidimensional concept that is sometimes described as an ideology manifested in individuals, groups, organisations, economic strands, and countries (Jones, 2004; Katz & Kahn, 1978; Senge, 1990).

In management and psychological science, nepotism and its effects have generally been examined at a macro-level with an emphasis on the service industry and human resource management (Abdalla, Magharbi, & Raggard, 1998;

Gyimah-Boadi, 2000; Mutlu, 2000). Much research on nepotism focusses on family-owned businesses (Jones 2012; Mhatre, Riggio, & Riggio, 2012; Mulder, 2012; Padgett, Padgett & Morris, 2015), although as indicated earlier nepotistic practices can be found in other organisations too. Families have been running family-owned business for centuries and remain an unshakeable force behind many successful modern work forces globally. For example, in America one in eight Fortune 500 companies are either family-owned or controlled by an established family (Bellow, 2003; Lansberg, 1983).

Many previous studies of nepotism have been opinion-based drawing on anecdotal evidence (e.g., Maestriperi, 2012; Padgett, Padgett & Morris, 2015). Some studies have employed surveys to discern individuals' attitudes towards nepotism, which, as indicated earlier, often tend to be negative (Abdalla, Magharabi, & Raggard, 1998; Ewing, 1965; Ford & McLaughlin, 1986; Hayajenh, Maghrabi, & Al-Dabbagh, 1994).

Studies of nepotism have focussed on specific professions such as human resources management, bank managers, hotel managers, and police (Abdalla et al., 1998; Arasli, Bavik, & Ekiz, 2006; Scoppa, 2009; Wated & Sanchez, 2013). In the context of family-owned-businesses, past research has employed a mix of qualitative and quantitative research methods (Ciulla, 2005; Denison, Lief, & Dickson, Nieminen, & Biermeier-Hanson, 2012; Mhatre et al., 2012; Padgett & Morris, 2005, 2012; Vinton, 1998; Ward, 2004; Welle, 2004). However, it is widely

acknowledged that there is a paucity of empirical studies examining the consequences of nepotism both from an individual and organisational level perspective (Arasli, Alper, & Doh, 2015; Arasli & Tumer, 2008; Keles, Ozkan, & Bezirci, 2011; Padgett & Morris, 2005, 2012).

Nepotism encompasses both unmerited hiring decisions based on family ties (Simon, Clark, & Tiff, 1966), favouritism based on mere kinship coined as “old nepotism” by Bellow (2003, p.12), as well as intergeneration career paths that leads to hiring based on merit (Jones, Stout, Harder, Levine, Levine, & Sanchez, 2008). Bellow (2003) refers to the latter as “new nepotism” (p. 15), adding that it involves the tendency of qualified descendants to intentionally select professions identical to their parents. This is important because it implies that nepotism need not preclude merit. Similarly, Stout, Levesque and Jones (2007) argue that nepotistic practices can entail thoughtful career-related choices as well as impetuous opportunism. However, others such as Wong and Kliener (1994) argue that nepotistic behaviour is predominantly apparent in the hiring and promotion inadequately qualified or unqualified relatives in public and private sectors, including family-owned business. As such, nepotism often remains the antithesis of hiring qualified individuals to fill vacant positions (Chrisman, Chua, & Sharma, 1998; Sidani & Thornberry, 2013).

### **1.3.3. Commonalities and idiosyncratic aspects**

Affirmative action and nepotism are to some extent overlapping. One of the most frequently cited negative aspects in both affirmative action and nepotism is the idea of (unwarranted) preferential treatment and the hiring or promotion of individuals upon factors other than merit (Bellow, 2003; Ford & McLaughlin, 1986; Kravitz, Harrison, Turner, Levine, Chavees, Brannick, & Conard, 1997). As a result, there is a stigma associated with both practices. The stigma surrounding affirmative action results from the assumption that an individual is selected for a position as a result of group membership rather than qualifications (Golden, Hinkle, & Crosby, 2001; Harris, Lievens, & Van Hoye, 2004; Heilman, 1994; Heilman, Block, & Lucas, 1992; Heilman, Simon, & Repper, 1987; Kluegel & Smith, 1983, as cited in Jones, 2013, p. 238).

Much of the stigma associated with nepotism arises from the belief that nepotism implies not only favouring a relative, but also favouring someone who is unqualified, or incompetent compared to other applicants (Bellow, 2003). Although the basis of preferential treatment may differ between the two concepts (e.g., race or gender versus kinship), negative reactions and consequences, specifically for beneficiaries, are common to both affirmative action and nepotism (Welle, 2004).

Nepotism has been described as a set of psychological and social processes associated with family membership in an organisation (Jones, 2012). However, Jones et al. (2000) suggest that nepotism distinguishes itself

from kinship and in-group favouritism because unlike kinship and to some extent in-group favouritism, nepotism has a more unequivocally negative connotation attached to it (Bellow, 2003; Jones, 2012). Furthermore, Sidani and Thornberry (2013) suggested that the practice of nepotism is unlike any other group membership, as it offers its stakeholders advantages such as access to influential networks based on family connections that would otherwise not be accessible. Furthermore, according to Sidani and Thornberry (2013) the close connection between its members through kinship, culture, community and reciprocity makes bonds in nepotistic networks particularly strong. Another interesting characteristic of nepotism, given its long history and pervasiveness across cultures, is its apparent adaptive power. Nepotism has been part of the working culture globally for centuries (Bellow, 2003); it has been described as a fundamental part of our survival and success as a species (Bellow, 2003; Jones, 2012; Muchinsky, 2012). This has led to the supposition that nepotism is “hardwired” in just the same way as language and emotions have strong evolutionary roots (Jones, 2012).

#### **1.4. Factors that give rise to nepotism**

##### **1.4.1. Current state of knowledge**

In America approximately 95% of businesses are owned by family, including a large percentage (40%) of fortune 500 companies, and most of these family-

owned businesses hire family members to run and manage the businesses (Ciulla, 2005). The same applies to family-owned businesses around the world. However, nepotism is not just limited to the business world; it is also prevalent across the arts, sports and politics to name a few. For example, American and United Kingdom politics have seen the likes of Bush, Clinton, Dole, Powell, Miliband, Wintour and Alexander appointed in powerful positions (Ciulla, 2005; Keeble & Reeves, 2005) over the years. The question arises what are the factors that make nepotism more or less acceptable? In other words, what are the circumstances in which individuals are more or less inclined to endorse nepotistic practices? The following sections address this question with a focus on organisational-, societal-, and individual-level antecedents of nepotism.

#### **1.4.1.1. Organisational level antecedents**

Nepotism is an organisational culture that is affected by certain organisational characteristics such as an organisation's size and location. For example, smaller family-owned businesses in less developed countries are more likely to employ nepotistic practices especially in the early stages. This is due to factors such as family loyalty, lower risk, lower turnover, maintaining the family name, and transference of human capital from one generation to the next (Danco, 1982; Hayajenh, Maghraki, & Al-Dabbagh, 1994; Jones et al., 2008; Laker & Williams, 2003; Molofsky, 1998). Family-owned businesses are of course not

restricted to the developing world. Across Europe, Asia, the Middle East, the Americas, Africa, and India the greater share of organisations are family-owned firms (Bellow, 2003; Dewenter & Malatesta, 2001). Some of the largest retailers in the UK and USA such as BskyB, Wal-Mart and Ford Motors are family-owned. Many family-owned firms are privately held firms but there is also a fair share of publicly operated companies managed by families (Burkart, Panuszi & Shliefer, 2003).

As such, family-owned firms come in a variety of shapes and sizes, from local corner shops to global multinational organisations. Dyer (2006) created a typology of family firms. From this typology he inferred that some family firms were more likely to enlist nepotistic practices. He mooted the concept of a clan family (i.e. family firms where family relationships and involvement reduce the external cost of running the company and promote human capital transfer); of mom and pop family firms (i.e., small firms such as farms and family-owned restaurants, which are run from one generation to another); and of self-interested family firms (i.e., the firm is solely geared towards creating benefits for family members employed by the firm). Dyer (2006) suggested that these types of family firms are more inclined to endorse nepotistic practices due to their size, success, opportunism, economic turnover and use of human capital available within the family and the type of culture within which they exist.

It stands to reason that family-owned businesses are often structured around meeting the developmental needs of the family. Spranger (2005) argues that family members within family-owned business (FOBs) seemingly do not regard nepotism as a negative practice, as they are more likely to view preferential treatment as an inherent part of a family business culture.

Consequently, nepotism in family-owned businesses is less likely to be seen in a negative light since brand names trade from one generation to the next. For example, brand names such as *Johnson & Johnson*, *Ford Motors*, and *Loreal* are infamous for passing their business to successive generations without any public outcry of unfairness or violation of merit-based principles. Nepotism within family run firms may be beneficial for these organisations to the extent that family members share the same values, goals, and ambition to maintain the family business (Bellow, 2003). Family members are also less likely to leave their firms for other firms due to a sense of loyalty, values and commitment (Bertrand & Schoar, 2006).

Matthews (1997; cited in Slack, 2001) carried out an empirical study into firm performance showing that family-run firms often performed better than (comparable) non-family-run firms. This led to the suggestion by Slack (2001) that family run firms adopt nepotistic practices to increase firm performance (Padgett & Morris, 2005).



However, nepotistic practices in the public sector, for example politicians appointing their spouses or partners into public office (Hulse & O'Connor, 2009) or appointing family members to government positions for which they may not be qualified (McGraw, 2008), generally results in the public feeling dismayed and let down (Dickson et al., 2012).

Organisational culture describes the dominant values and beliefs that ultimately shape employees' behaviour. In family-owned businesses, the founder's values and beliefs fundamentally shape and form the culture of the organisation. For example, Chrisman, Chua and Zahra (2003) and Chrisman, Chua and Sharma (2003) suggested family-owned business owners' and managers' values, beliefs and principles are likely to influence practices and developments within the business including allocation of resources and people. Nepotism provides a means of preserving and reinforcing the extant culture (Denison et al., 2004). Similarly, Pfeffer (1997) argued that nepotistic hiring can be advocated as a way of creating a "communal organisation" (Padgett, Padgett & Morris, 2015, p. 285), which inspires a holistic sense of care for its employees and creates a feeling of community on the job (Padgett et al., 2015).

#### **1.4.1.2. Societal level antecedents**

The existence and prevalence of nepotism can be seen in societies across the globe (Sidani & Thornberry, 2013), including China where nepotism is known

as *Guanxi* (Zhang & Li, 2003), in Russia as *Blat* (Onoshchenko & Williams, 2013), and in the Philippines as *utang na loob* or debt of gratitude (Quah, 2006).

Previous research has suggested that nepotism may be established in cultural values (Wated & Sanchez, 2015). In traditional cultures such as those in Asian countries, nepotism is often seen as the norm (Quah, 1999). Here, cultural values put an emphasis on family loyalty, which is placed above other loyalties (e.g., civic loyalty) (Robertson-Snape, 1999). Consequently, it would be the duty of any official in public office to seek the interest of his family and community and to further their economic and employment opportunities; this is considered perfectly legitimate (Quah, 1999; Robertson-Snape, 1999). The same applies to Indian cultures where individuals with a position of power could dispense personal favours to their family and expect such favours to be reciprocated (Robertson-Snape, 1999).

Scoppa (2009) examined the suggestion that parents working in the public sector in Italy use their position and networks for the benefit of their children. Drawing on data from the Survey of Household Income and Wealth (SHIW) conducted by the Bank of Italy every two years with samples of approximately 8,000 Italian households, the author showed that children of public sector workers were more likely to find a public sector job at any educational level. Public sector jobs are particularly prevalent in the southern regions of Italy (with the exception of the Trentino and Lazio regions), which suggests a link

between individuals' socio-economic circumstances and the prevalence of nepotism.

Collectivist values and beliefs are known to foster greater levels of cohesion, support, trust and unity amongst social collectives such as the extended family. In these socio-cultural settings, behaviour is governed by strong kinship bonds, which appear to be particularly prevalent amongst family-owned firms (Chakrabarty, 2009; Gudykunst, Matsumoto, Ting-Toomey, Nishida, Kim, & Heyman, 1996).

Perceptions of the economic effectiveness of nepotism also seem to differ between cultures. In Western cultural settings, nepotism is often considered inferior to meritocratic practices. However, in other cultural settings such as China or Arab nations, nepotism is often regarded as effective, and as a factor that contributes to economic growth (Sidani & Thornberry, 2013).

Cultural variations cannot be mapped solely onto an East/West divide. Indeed, in some Western cultural settings, nepotism also serves an important function in the pursuit of economic goals. As mentioned previously, work by Scoppa (2009) suggests that parents in Italy with influential jobs in the public sector are more inclined to help and encourage their children to find employment in careers similar to theirs.

Societal variations in nepotism can be formalised in law, as illustrated by anti-nepotism laws in many American states, which outlawed nepotism in

organisations, so employees are discouraged from employing their families within these organisations.

#### **1.4.1.3. Individual level antecedents**

Evolutionary perspectives notwithstanding, individual-level variables that may predict the endorsement of nepotism have been largely neglected in the literature. Notable exceptions include work by Wated and Sanchez (2005; 2015), who suggested that collectivistic values may pre-dispose Latin American managers to tolerate nepotism, and this would be reflected in individuals' attitudes, subjective norms and attributions. Individuals' attitudes towards nepotism refers to their beliefs that the practice of nepotism is acceptable or unacceptable; subjective norms refer to societal standards or expectations regarding prevalence and endorsement of nepotistic practices; and attributions refers to individuals' beliefs surrounding the availability of resources and opportunities that facilitate nepotistic practices (Ajzen & Fishbein, 1980; Ajzen & Madden, 1986; Wated & Sanchez, 2005). The results of their empirical study showed that managers' attitudes, subjective norms and attributions were significant predictors of the intention to discipline nepotistic employees.

Similarly, Mulder (2012) suggested that in order to understand the acceptance of nepotism, one needs to consider the position of family members currently working for the organisation. Family values, expectations,

goals, and position within the organisation may help explain whether nepotistic practices are endorsed.

#### **1.4.2. Unanswered questions**

Jones (2012) identified the need to investigate socio-cultural dimensions to understand how these factors shape the prevalence and consequences of nepotism. Similarly, Jaskiewicz, Uhlenbruck, Balkin, Reay (2013) highlighted the need for cross-cultural studies to gain a better understanding of nepotism. They added that most concerns related to nepotism are put forward in Western individualistic cultures. However, even though it appears that nepotism is more widely accepted in collectivistic cultures (e.g., Asian, Latin American, Indian cultures), direct empirical evidence for the link between socio-cultural variables is scant. What is more, the precise mechanisms that underpin socio-cultural variations in the endorsement of nepotism are poorly understood. In what follows, I will describe the functions of the primary theoretical framework Social Dominance Theory framework, which links together the variables under investigation in this thesis. I will review the potential roles of family ties, meritocratic beliefs, and power relations as variables that may explain differences in the extent to which nepotism is endorsed and practiced.

##### **1.4.2.1. The importance of family ties**

As indicated earlier, there are grounds to believe that nepotism is more common and more strongly endorsed in collectivistic (vs. individualistic)

cultural settings (Kyriacou, 2016). Since collectivism and individualism can represent the dominant values which make up people's social environment; these values or attitudes can impact people's work life and affect their behaviour at work, the decisions made during hiring and promotion, and the allocation of rewards to fellow in-group members (Wated & Sanchez, 2015; Yang et al., 2012).

Individualism is more commonly found in most European countries and North America. Individuals within an individualistic society are more inclined to be self-centred and self-reliant (Triandis, Bontempo, Villareal, Marcelo, Asai, & Lucca, 1988). In contrast, collectivism is more commonly found in Asia, South America, Latin America, and a few European countries like Greece. Here, the emphasis lies on how one's actions affect others (Basabe & Ros, 2005), and on duties and obligations towards others (Hui, 1988; Triandis et al., 1988). In close-knit collectivistic structures, the most important in-group is the family (Chakrabarty, 2009). It has been argued that in collectivist societies, it would appear almost uncaring not to help friends and family and would conflict with the notion of putting family first (Fukuyama, 2011, 2014).

In a collectivist society, individuals are more likely to be concerned with the way their action affects others; their core beliefs centre around duty and obligation towards the in-group (Basabe & Ros, 2005). These inclinations boost conformity, accommodating the requirements of the in-group, and putting the needs of family, friends and in-group first (Basabe & Ros, 2005). Findings from Wated and Sanchez's (2015) empirical study in Latin American collectivist cultures suggest

that nepotism serves the purpose of creating ties and connections between family members and friends. The authors also proposed that individuals support and tolerate nepotism because of their collectivistic values, which emphasise interdependence. They concluded that culture may act as an antecedent of nepotism by influencing individuals' attitudes, subjective norms and attributions.

It should be noted that even within set cultures there can be disparity along cultural dimensions. For example, Pillay and Dorasamy (2010) noted that collectivist cultures some individuals subscribe to collectivistic principles more than others. This suggests that even within a given cultural setting, there may be quite significant variations in the value individuals attach to family ties, and this may contribute to variations in individuals' endorsement of nepotism.

Previous studies have looked at family ties indirectly through a cultural perspective. This approach confounds family ties with other social and economic conditions, micro-geographies, and political circumstances. The notion that family ties are important in determining people's attitudes towards nepotism is consistent with Jaskiewicz and colleagues' (2013) theoretical model, which posits that social exchange relationships are more likely to produce reciprocal nepotism. Similarly, Ermisch and Gambetta (2010) reported an empirical study showing that people with strong family ties trusted strangers less than those with weak family ties. Drawing on these findings as well as the literature on collectivism, it stands to reason that the stronger individuals' family ties, the more individuals tend to endorse nepotistic practices. I will address this question in the empirical chapters reported below.

#### 1.4.2.2. The importance of power and dominance

The culture of a country or society varies in the way they perceive and endorse inequality, hierarchy and egalitarianism/ meritocracy. Societies as a whole are presented with dilemmas associated with managing relationships amongst groups, inequality in status, wealth and power (Basabe & Ros, 2005). Some cultures are more inclined to endorse hierarchical relations over egalitarian relations - a phenomenon that Hofstede (1983) coined *power distance*. For example, countries like India endorse inequality and hierarchical relations, which form a principal component of society (Hofstede, 1980; 1983).

Countries with low power distance are more likely to show a preference for shared decision making, see each other as equal, have equal rights, and engage in informal communication, which is direct and characterised by a degree of participation from all levels (Hofstede 2001). However, countries with high power distance are more likely to have a high degree of acceptance for inequality between high power/status and low power/status individuals. Furthermore, people are more likely to look to individuals in authority to make decisions, and



engage in deference rather than challenge unethical behaviour from superiors (Basabe & Ros, 2005; Curtis, Conover, & Chui, 2012; Hofstede, 2010).

Power distance and the associated tendency to endorse inequality have had little mention in the literature on nepotism. A handful of studies have examined ethical practices such as whistleblowing and corruption because higher power distance countries have fewer inspections and regulations against the misuse of power (Schultz et al., 1993; Davis & Ruhe, 2003; Basabbe & Ros, 2005; Hofstede, 2001; Pillay & Dorasamy, 2010; Curtis, Conover & Chui, 2012), but none have focused on investigating the relationship between power distance and nepotism.

In countries such as India or Indonesia where there is a high power distance, individuals are unlikely to challenge the power of their bosses and it would be highly unlikely they would bypass their chain of command (Davis & Ruhe, 2003). Therefore, practices such as extortion, unequal levels of compensation (Getz & Volkema, 2001) and nepotism are more likely to exist. In contrast, in countries such as Denmark or Finland where power distance is small, and society is more equal, there is less corruption, and anyone can challenge powerholders or the chain of command (Francesco & Gold, 1998).

Gomez-Mejia, Balkin and Cardy (1998) stipulated that low power distance societies are more likely to have egalitarian-based systems in place; therefore, selection would be based on merit, not nepotistic connections, and nepotism on the whole would be seen as unethical and a conflict of interest. Conversely, in

societies that have a large power distance, which often also coincides with a more collectivistic or relationship-based culture (Pillay & Dorasamy 2010), the primary means for getting ahead or getting things done lies in the ability to network. Thus, power relations are manifested in, and perpetuate through personal and family networks (Hooker, 2009). In this view, nepotistic appointments serve to reinforce inequality and the concentration of privilege and wealth amongst powerful 'elites' (Guhan & Samuel, 1997; Mills, 1956).

The notion of dependence on those in authority can lead individuals with low power/status to subscribe to hierarchical differentiation and refrain from questioning leaders' decisions even if the latter may be unethical (Hofstede, 1983). In contrast, individuals in authority with high power/status would be free to act nepotistically for the benefit of relatives knowing they would not be challenged (Basabe & Ros, 2005; Deschepper et al., 2008). For example, the very powerful ex-Indonesian president, Suharto, appointed his submissive brother-in-law to public office who in turn proceeded to appoint other members of the Suharto family and their friends, some of whom were widely considered to be incompetent to hold public office or carry out contracts awarded to them for public services (Robertson-Snape, 1999). However, due to the level of power and authority commanded by President Suharto and his family, his people were intimidated into accepting his way (Robertson-Snape, 1999).

Hofstede's power distance dimension is related to the extent to which national cultures tolerate and buy into the unequal distribution of power in their society, as illustrated by the example of the Indonesian president, Suharto. In general, it relates to inequality (Hofstede & Hofstede, 2005) and the stratification between high and low status individuals (Basabe & Ros, 2005). Reviews of cross-cultural studies carried out by Triandis et al. (1988) and Basabe and Ros (2005) suggest collectivistic societies have more social and economic inequality and power differentials are more acceptable and considered to be legitimate.

Eastern countries are often characterised by a greater prevalence of high-power distance, whereas Western countries are characterised by low power distance (Erez, 1994; Triandis, 1994). Banuri and Eckel (2012) suggested that collectivist cultures have their moral values and beliefs rooted in the betterment of their in-group. However, power distance is also linked to unethical behaviour and practices (Khatri, 2009), which again leads to the prediction that nepotistic practices are more prevalent in high power distance settings, when compared to low power distance settings. This is consistent with Bellow's (2003) supposition that nepotism occurs far more frequently in less developed nations and societies, which are, with some exceptions, more likely to be classified as high power distance.

According to Khare (1999), the decision-making process in Indian organisations (which are characterised by high power distance) is hierarchical and dominated by superiors; those in position of authority make decisions without consulting with their subordinates. Communication between bosses and subordinates is often done via formal methods only. As a result, there is little to no informal interaction between superiors and subordinates because of hierarchical structures. In contrast, in low power distance organisations superiors may seek out their subordinates' views and input before making a decision, as the likelihood of subordinates resisting new decisions without consultation is high (Brockner et al., 2001).

Hierarchical structures facilitate top-down decision-making, where power-holders are free to make important decisions and appoint employees with little oversight or involvement from employees. These top-down decisions are less likely to be merit based and more likely to involve nepotistic practices. For example, qualitative research suggests that family-owned businesses in Pakistan—a high power distance culture—have no human resource department, and business owners don't see the need for it as those in senior positions appoint relatives to positions and award promotions based on their level of connection to the founder or the general managers (Mangi, Shah & Ghumro, 2012). Therefore, the closer the connection to the founder, the higher the position you would be appointed too (Afzal, Khan & Ali, 2009). This practice maintains existing hierarchical structures, and the founder or managers often regard their business as their fiefdom (Mangi, Shah, & Ghumro, 2012). Also, family members appointed or

promoted are happy to maintain the status quo; therefore those in authority are unchallenged, and the nepotistic hierarchal gap between low level employees and management remains.

#### **1.4.2.3. Social Dominance Theory**

Social Dominance Theory (SDT) describes the processes that contribute to varying forms of group-based oppression (Sidanius et al., 1994; Sidanius & Pratto, 2001). According to SDT group-based oppression (e.g. group-based discrimination, racism, sexism, classism, ethnocentrism) originates from a tendency create and maintain group based hierarchy (Sidanius, Pratto, van Laar & Levin, 2004).

Social Dominance theory (SDT) provides an account for why people in societies organise themselves in group-based hierarchies and it explores the differences between dominant groups and subordinate groups in social structures. SDT provides a good framework from which we can better understand the reasons why people endorse ideologies like nepotism, which can be classified as a form of discrimination and a factor that reinforces inequalities (Wong & Kleiner, 1994).

SDT highlights that people perceive and treat members of a dominant group differently compared to members of a subordinate group. Compared to members of subordinate groups, members of dominant groups are more likely to have higher degrees of decision-making power, and are more likely to differ in their endorsement of inequality (Pratto et al., 2000; Robertson-Snape, 1999; Sidanius et al., 2004).

Social Dominance Theory implies that group-based hierarchy (in-group versus out-group) or group discrimination are more likely to operate systematically because of hierarchy-enhancing ideologies and forces (Sidanius et al., 1994; Sidanius & Pratto, 2001). Nepotism can be one such force as inter-generational jobs (such as those in the military or family firms) are passed from one (dominant group) family member to the next, which is likely reinforced by system justifying beliefs and ideologies (Mills, 1956; Luo, 2002; Sidanius et al., 2004).

Social Dominance Orientation (SDO) indicates the extent to which people accept and endorse activities, systems, and processes that legitimize and reinforce inequality and power differences (Sidanius et al., 2004). Consequently, SDO is typically conceptualised as a disposition or enduring ideology that individuals possess (Pratto, Sidanius, Stallworth, & Malle, 1994; Pratto, Sidanius, & Levin, 2006). SDO encapsulates the view that we live in a competitive world where the strong deserve to win (Duckitt, 2009). In a given society or cultural setting, some individuals endorse hierarchical differentiation more than others, and this influences the extent to which individuals accept or reject policies and procedures that contribute to group differentiation (e.g., Kteily, Sidanius, & Levin, 2011; Pratto et al., 1994; Schmitt, Branscombe, & Kappen, 2003). For example, people who endorse SDO are more likely to purposefully discriminate against out-group members whilst ensuring in-group members have the best outcome and remain in a dominant position (e.g., Pratto et al., 2006).

Individuals who endorse SDO are more likely to perceive their in-group superior to out-groups (e.g., Pratto et al., 1994; Chiao, Mathur, Harada, & Lipke 2009). Perhaps, not surprisingly, SDO predicts variations in prejudice (Kteily, Sidanius & Levin, 2011), as well as individuals' choices in relation to equality in organisational settings (Haley & Sidanius, 2005), the persecution of under privileged, minority groups (e.g., Sidanius & Pratto, 2001; Sidanius et al., 2015; Thomsen, Green & Sidanius, 2008), and support for social welfare and affirmative action (Federico & Sidanius, 2002; Ho et al., 2015; Sidanius & Pratto, 1999). SDO encapsulates support for high status groups that are controlling and dominating over low status groups, and individuals who support high status groups are more likely to display support for beliefs that maintain inequality amongst groups (e.g., Pratto, Sidanius & Levin, 2006). Unlike individuals who endorse SDO, individuals who exhibit low SDO are more inclined to favour policies and procedures aimed at fostering equality and reducing inequality (e.g. Pratto et al., 1994).

Both SDO and nepotism give rise to group-based collective processes; they are both vehicles for promoting hierarchy, and for perpetuating power inequalities through the preservation of hierarchies within organisations. It therefore stands to reason that individuals who gravitate to having higher levels of SDO are more likely endorse nepotism because relatives are perceived as more deserving and as belonging to a more elite, superior in-group. Individuals who endorse SDO are also more inclined to prefer policies and practices that create social stratification. Because SDO is an ideological variable, and ideologies tend to be influential in family networks (Pratto et al., 1994; Rosenblatt, Chen, Lishner &

Doescher, 2010), individuals appointed through nepotism may themselves be more likely to endorse SDO. In a similar vein, individuals who possess nepotistic tendencies are more likely to be higher in the hierarchy order based on their kin connection (for example a first born son would be seen higher in the hierarchy order than a cousin), and this would afford them greater control over others and entitle them to a higher status (Rosenblatt et al., 2010). In contrast, subordinates without strong ties are less likely to be nepotistic because they do not have the same power striving and dominance traits. In this view, SDO and the endorsement of nepotism are presumably connected and positively correlate with each other as they both are focused on maintaining hierarchies and maintaining the status quo. This will be explored within the remit of this thesis through empirical studies.

Whilst there is no direct evidence that nepotism is linked to constructs such as SDO and power distance, circumstantial evidence underscores the importance of power dynamics. Padgett and Morris (2005) suggested family-owned firms employ nepotistic practices in order to maintain control and ownership of their business. Anecdotal evidence linking nepotism to powerful groups or individuals, who pass on their wealth and influence through family generations abounds. American presidents (Bush, Addams, and Clinton) are a point in case, and so are firms such as Ford, Johnson & Johnson, Wal-Mart, BSKY B, where it is common for family members to advance to influential roles (e.g. Bellow, 2003; Bertrand & Schoar, 2006).



It has been suggested that nepotism can be a strategic manoeuvre to maintain control, whilst distributing wealth and stakeholder status among family members (Sidani & Thornberry, 2013), providing long term stability for the family and ultimately keeping power and influence within the family (Cucculelli, 2013), as illustrated by the Trumps in America today. Wal-Mart CEO, John Walton, described his company as a trust or *legacy* designed to provide long term benefits and opportunities for his family (Bertrand & Schoar, 2006). Similarly, the forefather of the famous Rothschild family, who amounted their fortune through international financing, stipulated rules in his will that would nepotistically tie his family to his business for the foreseeable future. These rules included that the family was to maintain control of the business by keeping it within family hands; all key positions were to be held by male members of the family only, and the family had to inter-marry either their first or second cousin to keep it all in the bloodlines. He was not concerned about meritocracy but more about legacy (Bertrand & Schoar, 2006; Niall, 1998). The family remains one of the wealthiest in the world today by following nepotistic principles.

#### **1.4.2.4. The importance of meritocracy and opportunism**

The principle or ideal of meritocracy is that only individuals with a proven level of competency are rewarded. Thus, an unbiased system is needed for meritocracy to operate (Clayton & Tangri, 1989; Smith-Winkelman & Crosby,

1994). In many individualistic societies where people attach prestige and status to personal achievements, merit is meant to dictate hiring and promotion decisions (Bauernschuster, Falck, Gold, & Heblich, 2012; Kyriacou, 2016; Tanzi, 1994).

Individuals with a strong preference for endorsing nepotism could be perceived as violating the merit principles in these cultural settings (Bellow, 2003; Son Hing, Bobocel, Zanna, Garcia, Gee, & Oraziotti, 2011).

Affirmative action, and preferential treatment originating from nepotism, may result in the hiring or promotion of less qualified or competent individuals over more qualified individuals (Scoppa, 2009). Relatedly, nepotism may be perceived as a violation of principles of fairness, infringing on the level of equality candidates may be expecting. For example, President Bush Jnr set the standard for official nepotism by appointing members of his family and friends who appeared to have some level of qualification, but the overriding factor in getting the job appeared to be family ties (Bellow, 2003).

Bellow (2003) controversially suggested that the American population appears to be more comfortable with nepotism than egalitarian principles; this however seems to go against common depictions of American society as an individualist, meritocratic nation. Nepotism, he added, challenges the view of America's meritocratic ideal. Nevertheless, in practice it would seem that Americans are just as inclined to confer advantages to those who have been born into an influential family (Joffe, 2004). This could be linked to the fact that family-

owned firms account for a large percentage of American businesses and strong family tradition are also very much integral to the national fabric of the American society (Arasli, Bavik, & Ekiz, 2006; Evans, 1995).

It has been argued that nepotistic recruitment typically involves some level of formality such as the completion of entry exams; even though the appointment of individuals with nepotistic ties is often a given (Boje, 1991; Evans, 1992, 1995). Rauch and Evans (2000) suggested that in countries with a high prevalence of nepotism, meritocratic practices such as exams and other entrance qualifications are poorly monitored and often not used to select candidates with relevant experience. These qualifications can also act as barriers to entry for qualified outsiders because they shield incumbent family members from competition (Williamson, 1985).

Endorsing nepotism may in itself affect the extent to which people associate nepotism with merit. Son Hing, Bobocel and Zanna (2002) suggested that people who are more inclined to violate merit based principles are more likely to indulge in nepotistic practices because they perceive the beneficiaries of nepotistic hiring as the most qualified or competent people. Thus, subjectively, the endorsement of nepotism may be compatible with the endorsement of meritocratic beliefs, and individuals may be able to hold both sets of beliefs or worldviews without experiencing any cognitive inconsistency. Consequently, empirical studies are needed to confirm the assumption that people who subscribe to meritocratic

principles also tend to reject nepotistic principles and practices, and vice versa. Studies 1 and 2 presented in Chapter 2 were designed with this goal in mind.

In many cultures, reciprocity and nepotism go hand in hand; employers are more inclined to base their work-related choices and decisions around the family, and they expect favours to be 'reciprocated' as their intention is to provide a good quality of life for their family and have a good network they can depend on (Davila & Elvira, 2005; Wated & Sanchez, 2015). Consequently, people may endorse nepotism more to the extent that they expect to gain benefits, either for themselves or their families. For instance, Popezyk (2017) proposed that in family run firms a form of social exchange occurs whereby interactions are based on the norm of reciprocity. Reciprocal nepotism implies extending favours with the recipient accepting the moral obligation of returning the favour at some point in the future (Kragh, 2012).

Opportunism is another factor that can play a role in nepotistic hiring; for example when opportunities arise in family run firms there is a greater likelihood that family members, especially those within close social distance, will fill the required positions (Dyer, 2006). For instance, the retirement of parents in a family firm subsequently leads to their children taking on leadership roles with the organisation (Jones et al., 2008). Further anecdotal evidence provided suggests that parents use their position of authority to nepotistically provide opportunities for their children (Bellow, 2003; Cucculelli, 2013; Sidani & Thornberry, 2013; van

Hoofst & Stout, 2012). However, the choice to make use of the said opportunities' rests with the children. There are valid reasons children may accept such opportunities put forth by their parents: financial gains, to maintain a brand name, or to contribute to the long-term stability for the family (Cucculelli, 2013; Sidani & Thornberry, 2013). There is indirect evidence to support such a transactional or opportunistic view of nepotism, but direct empirical evidence is scant. In Chapter 2, I report two studies that were designed to address this gap.

## **1.5. Consequences of nepotism**

### **1.5.1. Current state of knowledge**

Nepotism is often perceived negatively, at least in Western cultural settings. In the 60's, Harvard Business Review (1965) sampled a population of approximately 2,700 businessmen and reported that a large percentage (> 60%) of their participants perceived nepotism to be negative. Consistent with those findings, almost forty years later Slack (2001) reported nepotism was still deemed undesirable. People's negative perception of nepotism are deeply rooted in their personal belief that nepotism opposes values such as egalitarianism, meritocracy and self-reliance. Specifically, nepotism is viewed to be a form of privilege for those with family and social connections in places of power. The beneficiaries of nepotism are perceived to advance their career not because of individual merit but based on family connections (Bellow, 2003). In these circumstances when the emphasis is placed on factors other than merit or competency, nepotism is perceived as unfair and unreasonable (Padgett & Morris, 2005). Over the centuries, formally or informally nepotism has played a role in hiring practice in industry, arts, politics and sports, but relatively little empirical research has been conducted to understand the actual consequences of nepotism and its effects on the workforce (Jones et al., 2008; Jones, 2012; Padgett & Morris, 2005; Vinton, 1998). The following sections summarise what we know about the implications of nepotism for individuals and organisations.

### **1.5.1.1. Organisation level consequences**

In labour markets, nepotism can lead to the selection of inefficient personnel and a decline in the performance of firms (e.g. Abdalla et al., 1998; Arasli et al., 2015; Jones, 2012). For example, nepotistic practices can result in family problems becoming business problems, to the detriment of organisations (Becker & Gerhart, 1996; Ford & McLaughlin, 1986; Ichniowski, 1988; Mulder, 2012). However, contrasting evidence indicates that nepotism within family run firms may have little effect on organisational performance and output (Dyer, 2006). Vinton (1998) argues that there are a great number of anecdotal articles relating to family-owned business which deem nepotism more (Bellow, 2003) or less favourable (Danco, 1982; Molofsky, 1998; Nelton, 1998).

Alcorn (1982) suggested that family firms benefit from hiring relatives during founding years when a business is being established, as relatives are more willing to provide reliable manpower at nominal rates of pay to get the business off the ground. However, nepotistic practices can also be detrimental for the image of organisations, as illustrated by Mutlu (2000) who examined nepotism in the police force in Turkey. The author administered a questionnaire to police chiefs, which revealed that appointments and promotions were made, and dominated by, the use of personal networks. Mutlu argues that there was also evidence of political interference in hiring and promotion practises, which contributed to citizens

mistrusting the police. However, these effects may not be universal as it is also conceivable that nepotism can enhance the image of (some) organisations by providing a common identity and uniqueness (cf. Jones, 2012).

Ponzo and Scoppa (2010) drew on data provided by the Bank of Italy. Their results showed that informal networks are commonly used in low-skilled jobs, small firms, and low-tech companies where formal education is perhaps not as important when assessing an individual level of performance or productivity. Companies that hire from their employee pool of informal networks save on recruitment and selection cost unlike companies who go through the 'formal' route of advertising and enlisting recruitment agencies. Conversely, informal networks are generally used less in high-skilled professions that require highly educated workers. Importantly, their data suggested that the stronger family ties are, the greater the prevalence of favouritism, and the lower levels of job productivity.

An empirical study by Spranger et al. (2012) in family-owned businesses suggested that non-family members can perceive nepotism to be unfair and unjust and this can produce counterproductive behaviours and higher turnover—outcomes that are detrimental for organisations. In their study, family members' perceptions of nepotism differed from non-family members' perceptions, as nepotistic individuals believed they were entitled to benefit from their family connections economically and otherwise. However, nepotism in family-owned



firms and areas such as farming appear to be more accepted by both nepotistic and non-nepotistic employees. In particular small companies remotely located are more likely to hire relatives due to their restricted labour market, and this appears to have no detrimental impact on these organisations (Vinton, 1998).

All in all, there is significant degree of variability in the current evidence base regarding the consequences of nepotism for organisations. Whilst some studies suggest that nepotism may have advantages as a recruitment 'tool', with no allied detrimental impact on organisational performance and output, other studies suggest that there may be drawbacks for employee satisfaction and an organisation's reputation. As discussed below, in the present thesis I argue that the consequences of nepotism depend to a large extent on the qualifications of those who are hired and/or promoted through nepotistic practices (herein referred to as 'nepot').

#### **1.5.1.2. Individual level consequences**

Arasli and Tumer (2008) and Scoppa (2009) noted that there is a paucity of empirical work on the direct effects of nepotism on the nepot themselves. Only a handful of empirical studies have examined the effects of nepotism in workplaces (Abdalla et al., 1998; Arasli et al., 2015; Arasli & Tumer, 2008; Ford & McLaughlin, 1986; Lentz & Laband, 1990; Laband & Lentz, 1992; Laker & Williams, 2003; Mhatre et al., 2012; Mulder, 2012; Scoppa, 2009). Laker and Williams

(2003) looked at the relationship between working with relatives and levels of job satisfaction in a large Latin American family-controlled bank. An internal audit of this bank in 1998 suggested that 25% of their employees were related to each other (this was before the introduction of a strict anti-nepotism policy). Laker and Williams (2003) found that nepotism was associated with employee dissatisfaction and lower commitment.

Ichniowski (1988) and Ford and McLaughlin (1986) argued that nepotism has a negative impact on the morale of those people who are in position of authority over relations of high-level executives, fellow employees, as well as employees who perceive that a nepotistic relative were unjustifiably given a promotions or reward. By the same token, nepotism may actually be a strain for nepots as they may have a level of uncertainty if their hiring, promotion, or allocation of rewards were based on their actual performance or based on their family connections (Jones, 2012). Also, empirical studies show that permitting nepotism can expose non-nepotistic employees to issues arising from family conflicts, sibling rivalry, disagreements over managerial succession, and a general conflation of business and personal family affairs in the workplace (Abdalla et al., 1998; Arasli et al., 2015; Mulder, 2012).

Arasli and Tumer (2008) reported that perceived nepotism over time may lead to increased job stress amongst employees due to the consequences of conflicts when dealing with employees who were hired based on their nepotistic

connections. They empirically demonstrated that amongst under-qualified family members, nepotistic hiring leads to lower job satisfaction, increased turnover and stress, poorer psychological health and lower employee work attitudes and morale. Jones et al.'s (2008) review of nepotistic literature added to Arasli and Tumer's (2008) findings, suggesting that individuals hired through nepotistic practices are more likely to face negative reactions from their co-workers, which may invariably lead to reduced psychological well-being.

Anecdotal evidence provided by Kiechel (1984) suggests that if the practice of nepotism is prevalent but clandestine; it can sometimes be good, but mostly bad and generally more difficult on the unqualified family member than anyone else. Further anecdotal evidence by Lansberg (1983) suggests that when nepots lack adequate qualifications, the values, culture and principles of the family and that of the business are in conflict (see also Burkart, Panuszi & Shliefer, 2003). The expectation to hire family members can put pressure on organisational decision-makers who are aware they may be hiring an incompetent family member, and this may ultimately affect the productivity of the business, or cause discord within the family if they do not hire the family member (Lansberg, 1983). In the case of sports, it has been argued that people associate certain traits or behaviours with a family name, which creates the expectation that family members will perform in similar ways (Jones et al., 2008).

From the above examples, nepotism may have been deemed a profitable or favourable strategy, when jobs were transmitted from parents to children, or children were employed in the same firm as their parents, or if one of the most qualified nepots were hired. However, nepots themselves can experience negative consequences such as lower job satisfaction, poorer psychological well-being, lower morale, and lower job commitment. They may also experience strain arising from self-doubt.

### **1.5.2. Unanswered questions**

Laker and Williams' (2003) remark that most nepotism studies are anecdotal and more empirical studies are needed to determine the influence of nepotism on employees and organisations still holds to this date. One of the latest pieces of research on nepotistic hiring was carried out by Darioly and Riggio (2014). Using simulated hiring scenarios, the authors showed that people perceive qualified nepotistic hires in the organisation negatively, irrespective of the level of qualification of the nepots. This may be due to perception of injustice and incompetence. The author suggested lay people do not distinguish between qualified and unqualified nepotistic employees, and as a result the perception of nepotism violates perceptions of meritocracy and fairness. Part of this thesis investigates the actual and perceived consequences of nepotism based on

empirical studies within an organisation. This aims to fill a gap in the literature that has not been previously covered.

#### **1.5.2.1. The drawbacks of unqualified nepotistic**

Hernandez and Page's (2006) empirical study, and Khatri and Tsang's (2003) review of the literature suggest that nepotism in general is associated with several negative outcomes for the organisation. These include lower organisational performance, conflicts of interest, gossip and rumours of unfair practices, inequality, lack of meritocratic practices by hiring and promoting underqualified candidates, reduced organisational diversity and a reluctance to change.

A potential pitfall of nepotism lies in hiring less than competent individuals, who may not have the level of skill required to carry out the job successfully. Jones and Stout (2015) suggested the classic problem of nepotism is the competence dilemma, especially if the hiring organisation endorses the hiring of family members irrespective of competence levels.

Competence is a combination of qualifications, knowledge, skills, traits, abilities, attitudes, beliefs and/or experience that employers look for in their employees to meet the demands of work (McClelland, 1973; Spencer & Spencer, 2008; Stoof, Martens, Van Merriënboer & Bastiaens, 2002). According to Beaumont (1996), competence in regard to work-based qualification involves an

individual's ability to apply their knowledge and skills to perform an organisational task, as well as to demonstrate problem-solving skills and the ability to cope with changing demands. As such, competence is associated with success in relation to the requirements or work criteria set out by the organisation (Kurz & Bartram, 2002; Schuler & Jackson, 2008).

A lack of skills, experience, understanding, and/or knowledge are significant barriers for individuals to function adequately and to discharge their work-related duties and responsibilities. Here lies the dilemma of hiring nepotistic unqualified individuals; they may have some level of human capital transfer, which is a plus, but their lack of qualification and competence (i.e., job related knowledge, experience and skills) implies a mis-match between the individual's level of competence and the level of competency required to carry out their role. Consequently, hiring incompetent nepots can be seen as complicated and dysfunctional for the organisation creating bigger problems in the future for nepotistic individuals as well as the organisation (Becker, 2012; Wated & Sanchez, 2012).

Psychological well-being is dependent on ongoing feelings of competence. Feeling competent in one's position suggests that underlying needs such as self-esteem, self-confidence and self-efficacy are fulfilled (Sheldon, Ryan & Reis, 1996). Bandura (1977) implied that a key determinant of psychological well-being is the feeling of achievement when one is given a task; having the necessary skills

and competence to achieve a task increases self-confidence, self-esteem and self-efficacy. Carver and Scheier (1990) and Slaven (2002) suggested that health benefits increase when individuals feel they are accomplishing their goals.

There are many anecdotal stories of incompetent offspring's being hired compared to qualified individuals but there is little quantitative or empirical evidence to support the crucial role of competence in contributing to the negative effects of nepotism (Mulder, 2012; Jones & Stout, 2015). As outlined in the next section, nepotism combined with high levels of competence may have a number of benefits for individuals and organisation.

#### **1.5.2.2. The benefits of hiring qualified nepots**

As outlined above, nepotism is often synonymous with hiring and promoting incompetent individuals through family connections rather than capabilities and education (Dickson, Niemien, & Biermeirer-Hanson, 2012). However, it is important to remember there may be individuals with family connection that may possess the appropriate education, skills, experience, and motivation to do the job (Jones, 2012).

The advantages of hiring qualified nepotistic individuals according to an argument put forward by Ford and McLaughlin (1986) and Hernandez and Page (2006) includes the allure of working in a friendly family-type environment, having a trusted organisational structure which helps with communications and

continuity of family-held values for customers and the community. They claim by hiring qualified nepotistic individuals, the organisation gains someone who already understands the inner working culture of the company, has the right person-environment fit, and someone who has the necessary skill and experience to meet the needs of the organisation. They continued by saying qualified nepotistic individuals can add value to the organisation as they already are aware of the culture and value in the way the company works because they have been around the business for many years, and their orientation and training times are far less than an employee who has not been in the organisation before (Van Hoof & Stout, 2012).

Having family ties with an organisation, nepots already have established links with employees, and the familial connection can give an increased sense of commitment, loyalty and attachment to the organisation. As discussed earlier, hiring a qualified nepotistic individual can also reduce costs associated with recruitment and selection processes (Van Hoof & Stout, 2012). Moreover, Bellow (2003) suggested that qualified nepotistic relatives are likely to reciprocate the trust instilled in them.

A significant concern for any employee is the levels of autonomy and control they have to carry out their duties. Autonomy encompasses aspects such as being able to decide the methods and procedures to be used to meet the demands of



the job. The greater an individual's perceptions of autonomy and control, the better their performance on their job (e.g., Slaven, 2002).

Low levels of autonomy and control are associated with greater level of dependency on co-workers and superiors (Semmer, 2000). On the other hand, employees with a high level of competence can exert greater autonomy and thus perform tasks more independently, putting less pressure on co-workers and superiors (Aube, Rousseau, & Morin, 2007).

Employees who possess the relevant skills and experience to discharge their duties are more likely to experience a greater level of control and autonomy in their working environment; conversely, employees with limited experience or skills are more likely to experience less autonomy and control, and as such are less likely to thrive in a working environment.

Several studies established a positive link between autonomy and control and well-being (Athanasiades & Winthrop, 2007; Judge & Locke 1993; Slaven, 2002). Deci and Ryan (1985) and Ryan (1995) suggested that autonomy plays a part in having optimal psychological well-being. Individuals lacking a sense of achievement may experience less satisfaction and more frustration in their lives which leads to poorer psychological well-being (Sheldon & Kasser, 1995; Sheldon, Ryan, & Reis, 1996). In contrast, individuals who possess a stronger sense of achievement are more likely to experience a greater sense of

autonomy and control, boosting individuals' self-confidence, self-efficacy and ultimately their psychological well-being.

In a study by Karasek (1979), employees with substantial job demands reported a decrease in their psychological well-being when they had little or no autonomy and control during the decision-making process. This affected the way they performed their duties, whereas employees with high levels of autonomy and control in similar situations (heavy job demands) reported that their psychological well-being was not greatly affected. Litt (1988) suggested that having control or perceived levels of control in one's job can ameliorate poor psychological well-being.

From the above discussion derives the prediction that qualified nepotistic and non-qualified nepotistic individuals differ in how much autonomy and control they experience in their jobs, and this can have implications for performance and well-being over time. Much of the literature on nepotism has focused on negative aspects of nepotism, often ignoring the potential importance of competence and qualifications, which I argue is critical to understand the consequences of nepotism. To address this gap, in Chapter 3 I will present studies comparing qualified nepotistic individuals with unqualified nepotistic individuals, as well as non-nepotistic individuals in terms of relevant individual and organisational outcomes such as how much autonomy and control people experience in their jobs, well-being and performance.

## 1.6. Summary and outlook

Nepotism is a global phenomenon that can be observed in both small family-run firms and large multinational corporations, (Bellow, 2003; Padgett & Morris, 2005; Vinton, 1998). Nepotistic practices are not confined to a particular region and exist in first world countries as well as developing nations (Bellow, 2003; Jones et al., 2008; Jones, 2012; Padgett & Morris, 2005; Vinton, 1998). Based on the literature review there appears to be a paucity of empirical research investigating antecedents and consequences of nepotistic practices (Padgett & Morris, 2005; Padgett, Padgett & Morris, 2015) and the studies that do exist often report conflicting findings.

In this chapter, I reviewed empirical and anecdotal evidence around nepotistic practices and provided some examples of nepotism in high ranking government positions. These were not limited to micro-geographies or family-run firms, and ironically exist in some countries where governments have implemented anti-nepotism laws to stop such practices (Biswas, 2013).

To increase our understanding of nepotistic practices, I investigated antecedents that exist on the organisational, societal and individual level. A few examples of organisational level antecedents included the size and location of an organisation (Laker & Williams, 2003; Jones et al., 2008), and whether firms are family-owned (Chrisman, Chua & Zahra, 2003; Chrisman, Chua & Sharma, 2003;

Pfeffer, 2005; Padgett, Padgett & Morris, 2015). Vertical collectivistic cultures and related socio-economic settings that use family connections were discussed as societal-level antecedents (Gudykunst et al., 1996; Chakrabarty, 2009; Scoppa, 2009). At an individual level, I noted evolutionary arguments that nepotism is hardwired in our DNA (Jones, 2012). Furthermore, I discussed collectivistic values as a factor that may affect individuals' beliefs and attitudes in relation to nepotistic practices (Wated and Sanchez, 2005; 2015).

Having identified organisational, societal and individual level antecedents, I moved on to examine the roles of family ties, power distance, meritocracy and opportunism as factors that may contribute to differences in the endorsement of nepotistic practices. Families within collectivist societies are deemed to have closer family ties and are duty bound towards their families and in-group (Basabe & Ros, 2005). This tendency gives rise to favouring their kin (Wated & Sanchez, 2015), which likely impacts the endorsement of nepotism.

According to Basabe and Ros (2005), Hofstede et al. (2010) and Curtis et al. (2012), countries with high power distance are more accepting of inequality between its citizens. Consequently, in countries like India and Indonesia, which are classified as high power distance countries, individuals are likely more supportive of nepotistic practices. SDO is closely related to power distance; individuals who endorse SDO are more likely to perceive their in-group as superior to outgroups (Pratto et al., 1994), which can lead to prejudice and

discrimination towards out-group members (Kteily, Sidanius & Levin, 2011).

People who endorse SDO also show greater support for promoting hierarchy-enhancing policies. As such, it stands to reason that individuals who exhibit high levels of SDO may be more likely to endorse appointing and promoting relatives because they are perceived as more deserving than out-group members. In Chapter 2, I will present what, to my knowledge, is the first empirical evidence to examine the association between power distance and SDO on the one hand, and nepotism on the other.

There is reason to assume that individuals who value merit principles are less likely to show a preference for endorsing nepotism (Son Hing et al., 2011; Bellow, 2003). Similarly, reciprocity and opportunism are two factors that go hand in hand with nepotism (Wated & Sanchez, 2015; Davila & Elvira, 2005). Reciprocity amongst family and friends can lead individuals to favour kin over non-kin (Bellow, 2003). Similarly, previous studies have shown that parents use their position of power within the organisation to obtain opportunities for their children (Bellow 2003; Cucculelli, 2013; Sidani & Thornberry, 2013; van Hooft & Stout, 2012). Consequently, reciprocity and opportunism may be important individual-level variables to explain variations in the endorsement of nepotism. I will explore these conjectures in Chapter 2.

I proceeded to discuss the consequences of nepotism for both the organisational and individual level. Some literature points to the use of nepotism

as a recruitment tool, and I noted that nepotism can provide some advantages to the organisation. This literature also argues that nepotism may have little or no detrimental impact on performance and output. However, another camp in the literature posits that nepotism is detrimental to employee satisfaction and an organisation's reputation.

So far, previous empirical studies have shown that the consequences of nepotism for the individual are often negative; this includes having a negative impact on the morale of employees who supervise nepots, or colleagues who work alongside them (Ichniowski, 1988; Ford & McLaughlin, 1986). In addition, nepotism can result in non-nepotistic employees being caught up in family matters (Abdalla et al., 1998; Arasli et al., 2015; Becker 2012; Mulder, 2012). Jones (2012) suggested nepotism may also be a strain for nepots. Nepots can face negativity from their co-workers (Jones et al., 2008; Arasli & Tumer, 2008), which can have a detrimental impact on psychological well-being (Kiechel, 1984).

With the above in mind, I proceeded to explore the potential moderating role of qualification/competence in determining whether the outcomes of nepotism for the individual and organisation are primarily positive or negative. Ford and McLaughlin (1986) and Hernandez and Page (2006) suggested that there are several benefits of hiring qualified nepots: a good person-fit to the environment, a person with an inside knowledge of the inner working of the organisation, and a suitably qualified and competent person. There is also the

added bonus of human capital transfer, a greater sense of loyalty and commitment, and reduced costs associated with recruiting and selecting candidates (van Hoof & Stout, 2012).

There are drawbacks when hiring unqualified nepots; their lack of competence and qualifications put them at a disadvantage when compared to their qualified and non-nepotistic colleagues. This is because by definition they do not possess the necessary skills, experience and knowledge to perform tasks and discharge their duties. Lower levels of perceived control can put a strain on unqualified nepots who lack competence to meet the demands of their job. Consequently, unqualified nepots are more likely to experience poorer psychological well-being and lower levels of performance.

The subsequent, empirical chapters of this thesis are organised into two parts. The first part, Chapter 2, focusses on individual psychological and socio-cultural factors that predict variations in the endorsement of nepotism. Study 1 was carried out in the UK with university students. In this study, SDO emerged as a reliable predictor of nepotism endorsement. Furthermore, individuals who perceived nepotism to be meritocratic and not violating merit principles were more likely to endorse nepotistic practices. Unexpectedly, I found no significant association between endorsement of nepotism on the one hand, and collectivism and opportunism on the other.

Study 2, a cross cultural investigation, examined the prevalence and endorsement of nepotism in India, USA, Greece and Trinidad. The results indicated that samples from collectivistic high-power distance countries exhibited the highest prevalence and endorsement of nepotism, and samples from individualistic low power distance countries, the lowest. In addition, people who exhibited high levels of SDO again endorsed nepotism more than people who exhibited low levels of SDO, presumably because nepotism contributes to maintaining and reinforcing existing hierarchies and inequality. Finally, individual differences in the value attached for family ties and utilitarian beliefs influenced people's attitude towards nepotism.

In the second part of this thesis, Chapter 3, I examine actual and perceived consequences of nepotism for both qualified and non-qualified nepots; thereby extending a small body of empirical evidence on the consequences of nepotism reviewed above (Arasli et al. 2015; Arasli & Tumer, 2008; Keles et al., 2011; Padgett & Morris, 2005, 2012). Study 3 was a longitudinal empirical study carried out in a real work setting. Data was collected from a military arm of the defence force in a Caribbean country. The results indicated that hiring unqualified nepotistic personnel had a detrimental impact on the individual and the organisation. However, hiring qualified nepotistic personnel had the opposite effect and was, to some extent, beneficial. Study 4 addressed the *perceived* consequences of nepotism in a sample of undergraduates from the UK. Results



indicated that employees from the nepotistic firm were perceived to be more committed and thought to experience greater well-being than employees in the non-nepotistic firm. Employees in the nepotistic firm were also perceived to have more autonomy and control than employees in the non-nepotistic firm.

Importantly, the perceived consequences of nepotism were the same regardless of whether employees worked in an environment that favours qualified nepots, or an environment that favours unqualified nepots. In Chapter 4, I reflect on how these findings enhance our understanding of the actual and perceived consequences of nepotism.

## Chapter 2

### 2.1. Chapter summary

This empirical chapter consists of two primary studies which explore antecedents of nepotism by looking at the roles of family ties, social dominance and power distance, as well as meritocracy and opportunism. Study 1, was carried out in the UK with university students. In this study, SDO emerged as a reliable predictor of nepotism endorsement. Unexpectedly, I found no significant association between endorsement of nepotism on the one hand, and proxies for opportunism (Machiavellianism), family ties (collectivism), and meritocratic ideologies (system justification) on the other. In Study 2, a cross cultural investigation, I examined the prevalence and endorsement of nepotism in India, USA, Greece and Trinidad. The results indicated that samples from collectivistic high-power distance countries exhibited the highest prevalence and endorsement of nepotism, and samples from individualistic low power distance countries the lowest. In addition, people who exhibited high levels of SDO again endorsed nepotism more than people who exhibited low levels of SDO. Finally, individual differences in the value attached to family ties, meritocratic ideologies, and utilitarian beliefs influenced people's attitude towards nepotism. The chapter concludes with a discussion of how the present empirical findings tie in, and extend, the literature on nepotism.

## 2.2. Studies overview

The aim of the present chapter is to address several gaps in our understanding of factors that lead individuals to endorse nepotistic practices. Chapter 1 identified family ties, power distance and social dominance, and meritocracy and opportunism as factors that may impact the prevalence of, and people's attitudes of, nepotism. Studies 1 and 2 provide an empirical test of the assumption that these constructs serve as antecedents of nepotism.

In Study 1, *Machiavellianism* was used as a proxy for self-enhancement motives (i.e., opportunism) to see whether people who score high on Machiavellianism would be more inclined to endorse nepotism than people who score low on Machiavellianism. Individuals with high Machiavellianism traits are manipulative, self-centred and happy to indulge in unethical decision making to advance their own position (e.g., Zheng et al., 2017). I also measured *System Justification* as an ideological belief system that correlates strongly with the tendency to endorse meritocratic principles (in the UK, where Study 1 was conducted). In Study 2, I draw on more direct measures of people's motives for endorsing nepotism, and I examine those motives in conjunction with variations in cultural settings.

Social Dominance Orientation (SDO) plays a major role in this thesis. As discussed in Chapter 1, SDO is closely related to power distance and reflects the extent to which individual endorse social hierarchies and inequality. Because of

the central role that SDO plays for the current thesis, this variable was included in both Studies 1 and 2.

### 2.3. Study 1

The aim of Study 1 was to provide some initial evidence for psychological constructs that serve as individual-level predictors of nepotism. As discussed in Chapter 1, the extent to which people endorse nepotism may be related to the extent to which people endorse merit-based principles (Jones et al., 2008); those who endorse meritocracy are less likely to endorse nepotistic practices.

In Study 1, I examined system justification as a proxy for the endorsement of meritocratic principles. *System justification* describes people's perception that the status quo in the current social system is generally fair, just and legal (e.g., Jost, Banaji, & Nosek, 2004; Jost et al., 2001; Kay & Jost, 2003). This ideology helps us to understand how people come to understand and accept the social structure they live in (e.g., Jost and Hunyady 2005). System justification beliefs suggest that individuals are inclined to justify and rationalize their current socioeconomic, socio-political system as legitimate and fair so as to justify the status quo (e.g., Kay & Jost 2003). In Anglo-American cultural settings, system justification beliefs correlate with the belief that the social and economic system is meritocratic, and that people can achieve social mobility through hard work (Lalonde, Doan, & Patterson, 2000; Son Hing et al., 2011).

Social dominance orientation (SDO) can also serve as a system-justifying belief: high status, wealthy, powerful individuals are perceived as more deserving of their rewards; poor individuals deserve their poverty due to their lack of hard work. This suggests individuals who are more prone to endorse social stratification and group-based dominance, that is, individuals with high SDO traits, are more likely to endorse ideologies connected to merit (i.e, belief in a just world and protestant work ethics). However, Son Hing, Bobocel, Zanna, and McBride (2007) found that system justification was inversely correlated with SDO. Individuals with a strong preference for endorsing nepotism could be perceived as offering preferential treatment to their family, and therefore violating the merit principles in Western cultures (e.g Son Hing et al, 2011). In turn, individuals who display high system justification traits are more likely to oppose the endorsement of nepotism, as system justification has a negative effect on nepotistic attitudes and behaviour. The relationship between meritocracy and nepotism, mirrors that of system justification and the endorsement of nepotism in that individuals who endorse meritocracy are less likely to endorse nepotism as such meritocracy has a negative impact on nepotistic behaviour. System justification and meritocracy were suitably matched for the purpose of this study this was the reason for using this scale.

In the present study, the *Machiavellianism* scale was used as a proxy for individual differences in the tendency to seek out opportunities to get ahead.

Individuals with Machiavellianism trait tend to be forward planners; they build coalitions with people for their self-advancement, and they are motivated by material gains (e.g., Barber, 1998; Jones & Paulhus, 2011). They are not impulsive individuals; they carefully strategize their moves. Their reputation is paramount, so they generally avoid manipulating family members (Barber, 1998), or displaying any behavioural abnormalities that could harm their reputation. As such, Machiavellianism can be summed up as individuals who are callous, strategically calculative, and use whatever is at their disposal to manipulate others for personal gain (e.g., Jones & Paulhus, 2011; Wai & Tiliopoulos, 2012). Machiavellian individuals' career choices are motivated by financial gains and their main focus is getting ahead.

Given that Machiavellian individuals are primarily concerned with seeking opportunities for self-advancement, it seems reasonable to expect that these individuals would be likely to endorse nepotism, if not for their family, but for themselves and self-promotion. This would be consistent with the observation that people with Machiavellian traits tend to exploit interpersonal relationships, and they are happy to bend rules for their own benefit (e.g., Jones & Paulhus, 2014). Mach's love of money, power and self-advancement are key elements to them employing unethical behaviours to achieve their goals (Tang & Liu, 2012). In the process they form strong alliances with other self-minded individuals to whom they are connected through reciprocity of favours.

Machs are more likely to agree with questionable workplace behaviour which to some may seem to be unethical (such as nepotism) as long as it benefits their

interest. As such, they tend to have a negative view of organisational or corporate social responsibility (e.g. Mudrack & Mason, 1995). Machs commonly embrace politics and are happy to yield their power over others for their own purposes (e.g., Deluga 2001). All this suggests that Machs should be more likely to endorse nepotism for their own self-interest.

In sum, in Study 1, I examine the extent to which individual differences in SDO, collectivism, Machiavellianism, and system justifying ideologies predict individual differences in the endorsement of nepotistic practices. I expected SDO, collectivism, and Machiavellianism to be positively associated, and system justification to be negatively associated, with the endorsement of nepotism.

### **2.3.1. Methods**

#### **2.3.1.1. Participants and design**

Participants were all students from the University of Kent, UK, who participated in exchange for course credit. Two hundred and twenty-one (184 females;  $M_{age} = 19.97$ ,  $SD_{age} = 4.61$ ) participants completed this correlational study passing all attention checks.

#### **2.3.1.2. Procedure and materials**

The data collected for this research was part of mass-test carried out at the start of the academic year. Participants were advised to complete the survey on a laptop or desktop but not on a mobile or tablet. Participants were informed when

responding to the survey that all (anonymous) data supplied would be used and stored as part of a data repository held by the University of Kent.

**Social Dominance Orientation.** A short measure taken from Pratto et al. (1994) was used to measure individual differences in SDO. The scale included eight items such as *'An ideal society requires some groups to be on the top and others to be on the bottom'* (1 = *strongly disagree* to 7 = *strongly agree*), This SDO scale was used in this study as it proved to be very robust with a Cronbach alpha of .68 and measuring the variables we were investigating within this thesis .

**Machiavellianism.** A measure of Machiavellianism derived from Jones and Paulhus's (2013) Short Dark Triad scale (SD3) of which 9 items assessed individual differences in Machiavellianism. Participants responded to items such as *'I like to use clever manipulation to get my way'* (1 = *strongly disagree* to 7 = *strongly agree*).

**Collectivism (vs. individualism).** This measure was taken from Triandis and Gelfand (1998). The 16-item scale consisted of four items which measured horizontal individualism (e.g., *'I would rather depend on myself than others'*), four items measuring vertical individualism (e.g., *'It is important that I do a better job than others'*), four items measuring horizontal collectivism (e.g., *'If a co-worker gets a prize, I would feel proud'*), and finally four items measuring vertical collectivism (e.g., *'It is my duty to take care of my family, even when I have to sacrifice what I want'*). All items were rated on a 7-point scale (1 = *strongly disagree* to 7 = *strongly agree*).



**System justification.** A measure by Jost and Kay (2003) was used to understand participants' perception of fairness, legitimacy and justifiability of the current social system in Great Britain. All 8 items were adapted for participants in Britain (e.g., *'In general the British political system operates as it should'*). All items were rated on a 7-point scale (1= *strongly agree* to 7= *strongly disagree*).

**Nepotism endorsement.** Based on the literature review there were no measures, tools or scales looking at nepotism endorsement, therefore this new measure was developed specifically for the purpose of the present research. Participants were asked to indicate how much they agreed or disagreed with the practice of nepotism on two items that read, *'Favouring relatives of members of an organisation over other individuals who do not have any family ties'* and *'Using one's family connections to employ someone or advance someone's career'*. Both items were rated on a 7-point scale from 1 (*strongly disagree*) to 7 (*strongly agree*).

## 2.3.2. Results

### 2.3.2.1. Data preparation

I collapsed scale items to create single indices of SDO ( $\alpha = .68$ ,  $M = 24.08$ ,  $SD = 6.62$ ), Machiavellianism ( $\alpha = .77$ ,  $M = 36.25$ ,  $SD = 8.50$ ), system justification ( $\alpha = .79$ ,  $M = 34.29$ ,  $SD = 7.23$ ), and nepotism endorsement ( $\alpha = .79$ ,  $M = 6.13$ ,  $SD = 2.63$ ). I also created composites of collectivism ( $\alpha = .77$ ,  $M = 36.43$ ,  $SD = 5.29$ ) and individualism ( $\alpha = .72$ ,  $M = 31.47$ ,  $SD = 5.75$ ), and subtracted the latter scores from the former scores to create a single index of collectivism (vs. individualism) ( $M = 4.96$ ,  $SD = .46$ ).

### 2.3.2.2. Main analysis

At first, I conducted a Pearson correlation analyses amongst all study variables. As shown in Table 1.1, individual differences in the endorsement of nepotism correlated positively with individual differences in SDO ( $r = .256$ ,  $p < .001$ ), and negatively with System Justification ( $r = -.153$ ,  $p = .023$ ), as expected. However, contrary to predictions, correlations with Machiavellianism ( $r = .117$ ,  $p = .083$ ) and collectivism (vs. individuals) ( $r = .003$ ,  $p = .697$ ) were not significant.

Table 1.1

*Internal consistency (Cronbach's  $\alpha$ ), Correlations, means and standard deviations*

	1	2	3	4	5
1. Nepotism endorsement	(.78)	.117	.003	.256**	-.153*
2. Machiavellianism	-	(.77)	-.082	.320**	.009
3. Collectivism (vs. individualism)	-	-	(.73)	-.154*	.139*
4. SDO	-	-	-	(.68)	-.201**
5. System justification	-	-	-	-	(.79)
Mean	6.13	36.25	4.56	24.08	34.29
SD	2.63	8.50	0.66	6.62	7.23

NB:  $N=221$ ; \* $p < .05$ , \*\* $p < .001$

Table 1.1 also shows a number of significant correlations between Machiavellianism, collectivism (vs. individualism), SDO, and system justification. I proceeded to regress nepotism endorsement on these predictor variables to examine unique associations with the outcome measure. The regression explained 11% of the variance in nepotism endorsement, which was significant,  $F(11,209) = 2.23, p = .014$ . However, as shown in Table 1.2, SDO emerged as the only significant predictor of nepotism endorsement,  $B = 0.32, t(209) = 2.66, p = .008$ . This suggests that the significant association between nepotism endorsement and system justification observed when looking at zero-order correlations may have derived from the (negative) association between system justification and SDO.

Table 1.2

*Regression analysis predicting variations in nepotism endorsement*

	B	SE	t	P	95% CI
(Constant)	1.66	1.21	1.38	.171	
Machiavellianism	.000	.119	.000	.999	-.234, .234
Collectivism (vs. individualism)	.099	.146	.679	.498	-.189, .388
System Justification	-.144	.010	-1.46	.145	-0.34, 0.50
SDO	.315	.118	2.66	.008	.082, .549

### 2.3.3. Discussion

This Study is the first to empirically examine intra-individual psychological constructs as predictors of nepotism endorsement. Study 1 revealed an association between SDO and nepotism endorsement — the more individuals subscribed to SDO ideologies, the more they favoured nepotistic practices. This finding is consistent with previous studies that show SDO is associated with support of group hierarchy, inequality, and discrimination against out group members (e.g., Pratto et al., 1994; Sidanius, Pratto, & Bobo, 1994). To the best of my knowledge, this is the first study linking SDO with nepotism endorsement, so these findings provide a new understanding of why some people endorse nepotism more than others.

The present study examined Machiavellianism to capture individual-differences in the extent to which people are concerned with seeking opportunities for self-advancement. I reasoned that this trait would be associated with greater endorsement of nepotism. However, this prediction was not confirmed as I failed to observe a significant relationship between Machiavellianism and nepotism endorsement. It is possible that participants scoring high (vs. low) on Machiavellianism did not make the connection between nepotism and opportunities for personal advancement. In the next study, I seek to overcome this limitation by incorporating a more direct measure of transactional or opportunistic views of nepotism.

Individual differences in collectivism (vs. individualism) also showed no significant association with nepotism endorsement. This seems inconsistent with

the notion that support for nepotistic practices increases to the extent that people value family ties. It is possible that collectivism is too broad of a construct and more direct measures of the extent to which nepotism is endorsed due to bringing benefits for family members are needed. Finally, system justification shared a negative zero-order correlation with nepotism endorsement. On the face of it, this was predicted as beliefs that the system is unbiased, and fair should be associated with meritocratic beliefs in a political and economic setting such as the United Kingdom. However, the association between system justification and nepotism endorsement vanished when controlling for variations in SDO; perhaps as a reflection of the extent to which system justification encapsulates egalitarian beliefs in a UK setting. In my next study, my intention is to provide more direct evidence for the role of meritocracy beliefs in determining the extent to which people endorse nepotism.

#### **2.4. Study 2**

Study 2, a cross-cultural investigation, examined the prevalence and endorsement of nepotistic practices in India, USA, Greece and Trinidad. I conducted Study 2 in these countries because they vary both in collectivism and power distance. Nepotism is ingrained in culture as suggested by Bellow (2003); therefore, it seems logical to examine variations in nepotism between countries that differ on relevant cultural dimensions. Drawing on Hofstede and colleagues' cross-cultural studies (Hofstede, 2011; Hofstede & Bond, 1984, De Mooij, & Hofstede, 2011), I predicted that in a collectivistic, high power distance

country distance such as India, nepotism would be widespread and be endorsed more than in a more individualistic, low power distance country such as the USA. In contrast, Trinidad and Greece—both collectivistic countries with intermediate levels of power distances—would fall in between India and the USA in terms of the prevalence of nepotism and its endorsement.

Of course, nepotism can also be found in individualist societies like America. Therefore, it is important to examine individual-level predictors along-side country-level variables to examine factors that give rise to nepotism endorsement. Building on Study 1, and in keeping with the conceptual framework outlined in the previous chapter, in the present study I examined the importance of family ties alongside variations in SDO, meritocratic beliefs, and opportunisms as potential predictors of nepotism endorsement.

I also sought to gain a fuller understanding of people's perceptions of nepotism. In particular, I measured the extent to which nepotism was perceived to be fair, efficacious in hiring and promotion decision, alongside normative consideration; that is, whether nepotism was perceived to be acceptable and endorsed by others (e.g., friends, family members). Finally, moving beyond generic questions and abstract self-reports, I also probed participants' perceptions of nepotism using brief vignettes that described different hiring procedure. The vignettes varied in terms of whether hirings were based on nepotism, and in terms of the value placed on qualifications. Participants indicated their agreement or disagreement with the said hiring procedures, which served as an additional measure of nepotism endorsement.

## 2.4.1. Methods

### 2.4.1.1. Participants and design

The study employed a correlational design. Participants were recruited from four different countries as follows:

**Trinidad.** One hundred and sixty-nine volunteers completed the study. One person was excluded because they were not Trinidadian and had been living in Trinidad for less than two years. The final sample consisted of one hundred and sixty-eight volunteers (92 females;  $M_{age} = 36.50$ ,  $SD_{age} = 9.52$ ). Participants were recruited from the private, and public sector as well as the armed forces. The private sector included 93 participants which were recruited from a large multinational company based in Trinidad; the public sector included 62 participants which were recruited from the University of the West Indies Trinidad Campus, and the armed forces included 11 participants which were recruited from the country national defence force.

**America.** One hundred and ninety-nine participants completed the survey. Twenty-two participants failed pre-specified attention checks, one participant indicated that their responses were invalid and should not be used, and a further nine participants were excluded as they were not US nationals. The final sample consisted of 167 participants (69 females;  $M_{age} = 33.00$ ,  $SD_{age} = 10.03$ ).

**India.** One hundred and sixteen respondents completed the survey. Out of those, 26 failed pre-specified attention checks, leaving a final sample of ninety participants (28 females;  $M_{age} = 34.13$ ,  $SD_{age} = 9.63$ ).

**Greece.** Two hundred and twenty-nine participants took part in Study. Sixty-two participants failed one or more pre-specified attention checks. The final sample consisted of 167 participants (42 females;  $M_{age} = 47.00$ ,  $SD_{age} = 10.23$ ).

#### **2.4.1.2. Procedure and Materials**

**Trinidad.** I invited participants to take part in a study looking at Work Life Perception in Trinidad by sending an online link to the survey administered via Qualtrics along with paper questionnaire to department heads at public and private sector organisations. Department heads then filtered this down to their subordinates. Participants from the private sector completed the survey online while members of the armed forces completed the paper survey. Public sector participants were asked to complete the online questionnaire but if they did not have access to a computer, they could access the paper copy from a departmental office. All participants were entered into a prize draw for Amazon vouchers worth \$500 (TT dollars; approximately £50).

**America and India.** American and Indian participants were recruited via Amazon Mechanical Turk (MTurk) (see Buhrmester, Kwang, & Gosling, 2011, for a



validation study). Participants were invited to take part in a study investigating work life perception in exchange for being paid.

**Greece.** Staff at six universities were contacted via email and invited to complete an online survey administered via Qualtrics. All participants entered a prize draw with a chance to win €100,- (approximately £90,-).

**Measures.** All measures were administered in English in all four countries. At first, participants completed a series of measures tapping into their perceptions of how prevalent nepotism was in their respective country. This was followed by various measures tapping into participants' perceptions of nepotism and relevant beliefs. Finally, participants indicated their agreement with different hiring scenarios. At the end, participants were given the opportunity to provide feedback before being thanked and debriefed.

**Prevalence of nepotism.** This was a new measure developed specifically for the purpose of this thesis. It was designed to gain a better understanding of the prevalence of nepotism within the countries measured in this study.

Participants indicated how many people they knew in their circle of family and friends who were appointed either '*because they had relatives in the organisation*', or '*because relatives knew someone in the organisation*', or '*without family ties*'. I calculated the proportion of hirings that fell into the first two categories (out of all three categories) as an indicator of individuals'

*Personal Exposure to Nepotism*. In addition, I also asked participants to indicate, still with reference to their circle of family and friends, how many people were appointed based on '*family connections*' only, '*family connections and merit*', or

'merit' only. The proportion of people falling into the first category (out of all three) provided an index of individuals' *Personal Exposure to Nepotism Without Merit*.

I also measured individuals' perceptions of nepotistic practices in their countries. To this end, participants were asked to consider their country as a whole, and to indicate what proportion of people were appointed either '*because they had relatives in the organisation*', or '*because relatives knew someone in the organisation*', or '*without family ties*'. Separately, they also indicated what proportion of people were appointed based on '*family connections*' only, '*family connections and merit*', or '*merit*' only. From these scales, I derived measures of *Perceived Prevalence of Nepotism* and *Perceived Prevalence of Nepotism Without Merit*, following the same principle as for the measures of personal exposure.

In addition, I also employed a simplified measure to capture people's perceptions of how common nepotism was in their respective countries. To that end, participants indicated how common the practice of favouring one's own relatives or the relatives of colleagues or friends was (1 = *not at all common* to 7 = *extremely common*). In the USA, India, and Greece, participants answered this question twice, once in reference to the *public sector*, and once in references to the *private sector*. In addition, Trinidadians also indicated their perceptions with regard to the armed forces.

***Endorsement of nepotism.*** Endorsement of nepotism was measured with two items, asking participants how much they agreed with the practice of

favouring relatives in workplace settings (e.g., *'Favouring relatives of members of an organisation over other individuals who do not have any family ties'* and *'There is nothing wrong about using one's family connections to employ or advance someone's career'*). Both items were rated on a scale ranging from (1= *strongly disagree*, to 7 = *strongly agree*).

***Perceptions of Nepotism.*** This was another new measure developed for the present research to gain a better understanding of the way nepotism was perceived by participants within their respective countries. Two sets of items examined whether participants thought nepotism was efficacious (1 = *very ineffective; very damaging* to 7 = *very effective; very beneficial*) and consistent with prescriptive norms (1 = *very inappropriate; not at all acceptable* to 7 = *very appropriate; extremely acceptable*). Again, ratings were made in relation to the public and the private sector, respectively (and armed forces in Trinidad only). Furthermore, four items measured the extent to which participants felt nepotistic practices were fair (e.g., *'Do you think the practice of favouring one's own relatives or the relatives of colleagues or friends is compatible with the principle of fairness'*; 1 = *definitely not* to 5 = *definitely yes*). In addition, *perceived social norms* were assessed with a further three items (e.g., *'Do you think the practice of favouring one's own relatives or the relatives of colleagues or friends is endorsed by your friends'*; 1 = *definitely not* to 5 = *definitely yes*). Finally, participants' perception of positive and facets of nepotism for organisations was measured using the 20-items scale developed by Ford and McLaughlin (1986). In particular, ten items measured positive facets of nepotism in the workplace (e.g., *'People*

bearing the organization's name are more likely to impress clients'), and ten items measured negative facets of nepotism in the workplace (e.g., *'Relatives pushed up the ladder of success by family ties hurt the organization'*). Participants were asked to indicate their level of agreement on a 4-point scale (1= *strongly disagree*, to 4 = *strongly agree*).

**Predictors of nepotism endorsement.** The questionnaire incorporated a series of measures to tap into relevant values and beliefs that assumed to predict variations in nepotism endorsement. Social dominance orientation (SDO) was measured using the same scale employed in Study 1 (Pratto et al., 1994). In addition, four statements probed the importance of the family and family ties (e.g., *'There is nothing more important in life than taking care of one's family'*), and a further four statements measured the extent to which individuals thought nepotism presented an opportunity for self-advancement (e.g., *'Given how much people depend on family connections at work it would be foolish not to take advantage of them'*). Finally, Trinidadian, American, and Indian participants also completed a 15-item scale measuring the extent to which participants subscribed to meritocratic principles using items such as *'In organizations, people who do their job well ought to rise to the top'* (Davey, Bobocel, Hing, Zanna, 1999).<sup>1</sup>

Participants rated their agreement to all statements on a scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*).

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<sup>1</sup> This measure was not included in Greece.

**Vignettes (Trinidad, America and India).** At the end, and having completed the various scales described above, participants were presented with vignettes about different hiring procedures employed by an organisation. For each vignette, participants indicated their evaluation (1 = *very bad* to 7 = *very good*) and endorsement of the hiring practice (1 = *strongly disagree* to 7 = *strongly agree*) using a 7-point scale. *Vignette 1* describes a nepotistic hiring procedure, giving preference to relatives with minimum qualification levels. The instructions read as follows:

When considering employees for hiring and promotion, an organization uses a new procedure. A minimum qualification level for each position has been set. The most qualified applicant above this level receives the available position unless there is an applicant with relatives in the organization who fulfils the minimum qualification level. In this case, the relative of a member of the organization is selected before a potentially better qualified applicant who does not have family ties in the organization.

*Vignette 2* describes a nepotistic hiring procedure, giving preference to relatives irrespective of whether they are qualified or not. The scenario read as follows:

When considering employees for hiring and promotion, an organization uses a new procedure. A minimum qualification level for each position has

been set. The most qualified applicant above this level receives the available position unless there is an applicant with relatives in the organization. Irrespective of whether or not the applicant is qualified enough, the relative of a member of the organization is selected before a potentially better qualified applicant who does not have family ties in the organization.

## 2.5. Results

### 2.5.1. Data preparation

I collapsed scale items to create single indices for the three measures of nepotism endorsement (2-item scale:  $\alpha = .86$ ,  $M = 2.93$ ,  $SD = 1.59$ ; Vignette 1:  $r = 0.87$ ,  $M = 2.33$ ,  $SD = 1.24$ , Vignette 2:  $r = 0.86$ ,  $M = 2.15$ ,  $SD = 1.22$ ); the six measures tapping into participants' perceptions of nepotism (efficacy:  $\alpha = .87$ ,  $M = 3.43$ ,  $SD = 1.33$ ; fairness ( $\alpha = .87$ ,  $M = 2.05$ ,  $SD = 0.95$ ); prescriptive norms:  $\alpha = .89$ ,  $M = 2.64$ ,  $SD = 1.25$ ; social norms:  $\alpha = .81$ ,  $M = 2.97$ ,  $SD = 0.96$ ; positive facets of nepotism:  $\alpha = .78$ ,  $M = 2.24$ ,  $SD = 0.38$ ; negative facets of nepotism:  $\alpha = .72$ ,  $M = 2.66$ ,  $SD = 0.35$ ); and the four predictors of nepotism (SDO:  $\alpha = .91$ ,  $M = 2.97$ ,  $SD = 0.90$ ; meritocratic ideology:  $\alpha = .63$ ,  $M = 4.82$ ,  $SD = 0.65$ ; opportunism:  $\alpha = .87$ ,  $M = 3.30$ ,  $SD = 1.36$ ; family orientation:  $\alpha = .73$ ,  $M = 4.16$ ,  $SD = 1.18$ ).

### 2.5.2. Country-level differences

**Prevalence of nepotism.** At first, I examined the proportion of family members and friends hired through family ties. Descriptive statistics of this index of *Personal Exposure to Nepotism* indicated that participants from India ( $M = 51.04\%$ ,  $SD = 29.14$ ) and Trinidad ( $M = 48.28\%$ ,  $SD = 36.98$ ) had the highest personal exposure to nepotism, followed by Greece ( $M = 32.50\%$ ,  $SD = 27.02$ ) and the USA ( $M = 30.53\%$ ,  $SD = 32.79$ ). A one-way ANOVA (country: US vs. Trinidad vs. Greece vs. India) followed by Tukey post-hoc comparisons revealed two clusters: India and Trinidad on the one hand, and USA and Greece on the other hand, with significant differences between ( $ps < .001$ ), but not within ( $ps \geq .926$ ), each of the two clusters,  $F_{\text{Country}}(3, 502) = 13.21$ ,  $p < .001$ ,  $\eta_p^2 = .073$ .

I also examined how many people in participants' social circles were hired through nepotism without merit (*Personal Exposure to Nepotism Without Merit*). I again observed a significant difference between countries,  $F(3, 519) = 7.16$ ,  $p < .001$ ,  $\eta_p^2 = .04$ , with Tukey pairwise comparisons showing that India had the highest nepotism rates ( $M = 24.94\%$ ,  $SD = 23.72$ ), followed by Trinidad ( $M = 16.76\%$ ,  $SD = 29.46$ ), Greece ( $M = 14.01\%$ ,  $SD = 22.98$ ), and USA ( $M = 10.12\%$ ,  $SD = 21.88$ ). Whilst India stood out and was significantly different from the other countries ( $ps \leq .081$ ), USA, Trinidad, and Greece did not differ from each other ( $ps \geq .111$ ). In sum, both India and Trinidad had the highest level of nepotism judging

from individuals' personal exposure but hiring relatives without merit was more common in India than in any of the other countries.

Next, I examined participants' perceptions of nepotism in their countries as a whole (*Perceived Prevalence of Nepotism*). Again, I observed significant differences between countries,  $F(3, 586) = 32.56, p < .001, \eta_p^2 = .143$ , with participants in Trinidad ( $M = 69.54\%, SD = 23.89$ ) and India ( $M = 60.06\%, SD = 23.02$ ) indicating that nepotistic practices are more widespread compared to Greece ( $M = 59.28\%, SD = 22.16$ ) and USA ( $M = 44.86\%, SD = 22.84$ ). All countries differed from one another ( $ps < .001$ ), with the exception of India and Greece ( $p = .994$ ).

With regard to people's perceptions of nepotistic practices without any regard for relevant qualifications (*Perceived Prevalence of Nepotism Without Merit*), there were again differences in participants' perceptions between countries,  $F(3, 586) = 22.50, p < .001, \eta_p^2 = .103$ , with the highest figures obtained in Trinidad ( $M = 33.86\%, SD = 19.34$ ) and India ( $M = 31.10\%, SD = 19.29$ ), followed by Greece ( $M = 27.74\%, SD = 16.44$ ) and USA ( $M = 18.95\%, SD = 14.45$ ). Trinidad and India did not differ from one another ( $p = .613$ ), but Trinidad was higher than Greece and USA ( $ps \leq .007$ ). Similarly, India did not differ from Greece ( $p = .445$ ), but was higher than USA ( $p < .001$ ). Finally, participants in the USA had lower perceptions compared to all other countries ( $p < .001$ ).



To corroborate these results, I also examined participants' summative perceptions of how common nepotism was (across the private and public sector), which differed between countries,  $F(3, 585) = 27.60, p < .001, \eta_p^2 = .124$ . Trinidadians thought nepotism was more common ( $M = 5.88, SD = 0.90$ ) compared to Indians ( $M = 5.35, SD = 0.91$ ), Greeks ( $M = 5.18, SD = 0.90$ ), and US participants ( $M = 4.93, SD = 1.16$ ). Trinidadian differed from all other participants ( $ps < .001$ ), while Indians and Greeks did not differ ( $p = .522$ ), and US participants differed from Indians ( $p = .007$ ), but not Greeks ( $p = .115$ ). Thus, people's summative judgments mirrored the findings obtained when asking participants to judge the proportions of nepotistic and non-nepotistic hiring in their countries.

In sum, individuals' personal exposure to nepotism was largely in line with predictions; with Indian participants reporting the highest level of exposure, and American participants reporting the lowest level, although for the most part the latter participants did not differ from Greek and Trinidadian participants.

However, a somewhat different picture emerged when looking at people's impressions of the prevalence of nepotism in their countries. On this measure, Trinidadians asserted having particularly high levels of nepotism.

*Public vs. private sector.* Previous research conducted in Europe and America suggests that nepotism is more common in the private sector than public sector (Abdalla et al., 1998; Bellow, 2003; Scoppa, 2009). To explore whether this pattern holds across the four countries sampled here, I conducted a 4 (country:

Trinidad vs. India vs. Greece vs. USA) x 2 (sector: public vs. private) mixed ANOVA with repeated measurement on the last factor to predict variations in perceived commonality. Consistent with previous studies in Europe and America participants perceived nepotism to be more common in the private sector than in the public sector,  $F(1, 583) = 21.78, p < .001, \eta_p^2 = .15$ . There was also a main effect of country,  $F(1, 583) = 27.63, p < .001, \eta_p^2 = .12$ , qualified by an interaction with sector,  $F(3, 583) = 35.01, p < .001, \eta_p^2 = .15$ . As can be seen in Table 2.1, Trinidadian participants did not reveal any systematic differences in their perceptions of how common nepotism was in the private and the public sector,  $F < 1$ . In contrast, US and Indian participants perceived nepotism to be more common in the private sector than the public sector,  $F_{USA}(1, 166) = 68.50, p < .001, \eta^2 = .292$ ,  $F_{India}(1, 89) = 10.48, p = .002, \eta^2 = .105$ . Finally, Greeks thought nepotism was more common in the public sector than the private sector,  $F_{Greece}(1, 165) = 20.28, p < .001, \eta^2 = .109$ .

To shed further light onto the differential perception of nepotism in public and private sector organisations across cultures, I also examined whether people's perceptions of nepotism – how common nepotism was perceived to be, and what proportion of employees' participants thought were hired through nepotistic means – differed depending on whether participants were employed in the private or the public sector. A 2 (sector: public vs. private) x 4 (country: US vs. Trinidad vs. Greece vs. India) between-subjects ANOVA revealed, however, no

systematic differences,  $F_s < 1$ . This suggests that differences in the perceived prevalence of nepotism in private and public sector organisations between countries may reflect more people's subjective beliefs than factual differences between different sectors.

Table

2.1.

*Prevalence and endorsement of nepotism in different countries*

Measure	Trinidad		USA		India		Greece	
	M	SD	M	SD	M	SD	M	SD
Prevalence								
Personal Exposure to Nepotism	48.28%	36.98	30.53		51.04		32.50	
Personal Exposure to Nepotism Without Merit	16.76%	29.46	10.12	32.79	24.94	29.15	14.01	27.02
Perceived Prevalence of Nepotism			44.86		60.06		59.28	
Perceived Prevalence of Nepotism Without Merit	69.54%	23.89	18.95	22.84	31.10	23.02	27.74	22.16
Perceived Commonality	33.86%	19.34		14.45		19.29		16.45
Private Sector	5.86	1.00	5.53	1.29	5.66	1.00	4.93	1.14
Public Sector	5.90	1.22	4.34	1.66	5.04	1.51	5.42	1.14
Combined (Public and Private)	5.88	0.90	4.93	1.16	5.35	0.91	5.18	0.90
Nepotism Endorsement								
Endorsement scale	2.86	1.06	2.86	1.19	3.55	1.11	2.40	0.97
Vignette 1	2.32	1.25	2.07	1.24	3.67	1.95	--	--
Vignette 2	2.15	1.22	1.72	1.05	3.33	1.91	--	--

**Endorsement of nepotism.** Next, I examined whether participants in the four countries endorsed nepotism to varying extents. Looking first at the generic rating scale, descriptive statistics indicated that Greece had the lowest level of endorsement of nepotism ( $M = 2.40, SD = .97$ ), and India the highest level ( $M = 3.55, SD = 1.11$ ), with Trinidad ( $M = 2.86, SD = 1.06$ ) and the US ( $M = 2.86, SD = 1.19$ ) falling in the middle. A one-way ANOVA (country: US vs. Trinidad vs. Greece vs. India) revealed significant differences between countries,  $F(3, 586) = 22.09, p < .001, \eta_p^2 = .10$ . To explore these differences further, I employed a Tukey post-hoc test, which indicated that the high levels of endorsement observed in India differed significantly from the other three countries ( $ps < .001$ ); the same applied to low levels of endorsement observed in Greece ( $ps < .001$ ). In other words, Trinidad and the USA were on par with each other in their endorsement of nepotism whilst India had the highest level of endorsement and Greece the lowest level of endorsement of nepotism.

**Vignettes.** Finally, I examined participants' responses to the vignettes to probe country-level differences in the endorsement of nepotism. As indicated above, Vignette 1 describes a nepotistic hiring procedure, whereby relatives with a minimum level of qualification are given preference. In contrast, Vignette 2 describes a scenario whereby relatives are given preference over non-relatives irrespective of their level of qualification. To examine country-level differences in participants' endorsement of the hiring procedures, I conducted a 3 (country:

Trinidad vs. USA vs. India) x 2 (qualification level: minimum qualification vs. no qualification) mixed ANOVA with repeated measurement on the last factor. The analysis revealed a main effect of qualification level. Participants endorsed more the hiring procedure that favoured Nepos with minimum qualifications (*Vignette 1*) than the hiring procedure that favour Nepos irrespective of qualifications (*Vignette 2*),  $F(1, 420) = 20.51, p < .001, \eta_p^2 = .05$ . There was also a main effect of country,  $F(2, 420) = 51.14, p < .001, \eta_p^2 = .20$ . Indian participants endorsed the hiring procedures most ( $M = 3.50, SD = 1.73$ ), US participants least ( $M = 1.89, SD = 1.02$ ), with Trinidadians ( $M = 2.23, SD = 1.10$ ) falling in the middle. Tukey post-hoc tests indicated that all three groups differed from one another ( $ps \leq .033$ ). The interaction between country and qualification was not significant,  $F < 1$ .

Overall, country-level differences in people's endorsement of nepotism were mostly consistent with predictions; with the highest level of endorsement observed for Indian participants across all measures. However, US participants only showed the lowest level of endorsement for some measures (*vignettes*), but not for others (*generic answer scale*).

Table 2.2.

*Internal consistency (Cronbach's  $\alpha$ ), correlations, means and standard deviations*

	1	2	3	4	5	6	7	8	9	10	11	12	13	
<i>Nepotism Endorsement</i>														
1. Endorsement scale	(.86)	.31**	.20**	.19*	.49**	.25**	.35**	.17*	-.13	.15*	-.23**	.21**	.38**	
2. Vignette 1		(.93)	.59**	.02	.25**	.29**	.08	.28**	-.26**	.41**	-.39**	.21**	.29**	
3. Vignette 2			(.92)	.04	.08	.24**	.01	.28**	-.24**	.48**	-.52**	.26**	.39**	
<i>Perceptions of nepotism</i>														
4. Efficacy				(.87)	.37**	.20*	.25**	-.03	-.20**	-.08	.11	.17*	.03	
5. Prescriptive norm					(.89)	.24**	.36**	.15	-.11	.06	-.01	.19*	.24**	
6. Fairness						(.87)	.39**	.16*	-.11	.18*	-.21**	.17*	.20**	
7. Social norm							(.81)	.07	-.03	.08	-.01	.22	.35**	
8. Positive facets								(.78)	.03	.10	-.26**	.28**	.44**	
9. Negative facets									(.72)	.35**	.32**	-.06	-.07	
<i>Predictors of nepotism</i>														
10. SDO											(.91)	-.51**	.26**	.40**
11. Meritocratic ideology												(.63)	-.10	-.21**
12. Family orientation													(.73)	.39**
13. Opportunism														(.87)
Mean	2.93	2.33	2.15	3.43	2.64	2.05	2.97	2.24	2.66	2.97	4.82	4.16	3.30	
SD	1.59	1.24	1.22	1.33	1.25	0.95	0.96	0.38	0.35	0.90	0.65	1.18	1.36	

NB: \*\*  $p < .001$ , \*  $p < .05$  (2-tailed)

### 2.5.2.1. Individual-level differences

**Perceptions of nepotism.** At first, I examined perceptions of nepotism. As shown in Table 2.2, the more participants endorsed nepotism, the more they also believed nepotism was effective, acceptable (prescriptively normative), fair, and endorsed by others (social norms),  $ps < .001$ . Perhaps not surprisingly, the more participants endorsed nepotism, the more they endorsed positive facets of nepotism and the more they rejected negative facets of nepotism,  $ps < .001$ . These results emerged consistently across all three different measures of nepotism endorsement.

**Predictors of nepotism.** Turning to individual-level predictors of nepotism, SDO was positively associated with nepotism endorsement consistent with Study 1. Extending the findings of Study 1, the more participants subscribed to meritocratic ideologies, the less they endorsed nepotism. On the other hand, nepotism endorsement was significantly and positively related to family orientation and opportunism. Again, these results emerged consistently for all three measures of nepotism endorsement,  $ps < .001$ .

To examine the unique variance explained by all four predictor variables, I proceeded to conduct a multiple regression analysis. As shown in Table 2.3, SDO, meritocratic ideologies, family orientation and opportunism emerged as significant predictors in this analysis, consistently for all three measures of nepotism endorsement,  $ps \leq .001$ .



Table 2.3.

*Regression analyses prediction variations in nepotism endorsement.*

	B	SE	T	P	95% CI
Endorsement Scale					
(Constant)	3.067	0.445	6.9	<.001	
SDO	0.221	0.046	4.847	<.001	.131, 3.11
Meritocratic ideology	-0.442	0.071	-6.195	<.001	-.583, -.302
Family orientation	0.140	0.037	3.767	<.001	.067, .213
Opportunism	0.242	0.033	7.228	<.001	.176, .307
Vignette 1					
(Constant)	3.140	0.635	4.946	<.001	
SDO	0.362	0.065	5.563	<.001	.234, .490
Meritocratic ideology	-0.594	0.102	-5.831	<.001	-.795, -.394
Family orientation	0.173	0.053	3.264	.001	.069, .277
Opportunism	0.151	0.048	3.163	.002	.057, .245
Vignette 2					
(Constant)	3.286	0.559	5.876	<.001	
SDO	0.419	0.057	7.300	<.001	.306, .532
Meritocratic ideology	-0.672	0.090	-7.488	<.001	-.849, -.496
Family orientation	0.150	0.047	3.215	.001	.058, .242
Opportunism	0.130	0.042	3.091	.002	.047, .213

***Individual-level predictors as mediators of country-level differences.*** In a final step I sought to examine the potential role of SDO, meritocratic ideologies, family orientation and opportunism as mediators of country-level differences in nepotism endorsement. To this end, I conducted a multiple-mediator analysis, following the procedure outlined in Hayes and Preacher (2014) (Model 4). For the purpose of this analysis, I aggregated the three measures of nepotism endorsement (generic answer scale, Vignette 1, Vignette 2) in countries where multiple measures were available (USA, Trinidad, India;  $\alpha = .81$ ). Similarly, the mediating role of meritocratic ideologies was only probed in the USA, Trinidad,

and India where this measure was available (including or excluding meritocratic ideologies alongside the other mediator variables in the USA, Trinidad, and India did not change the conclusions drawn from the analysis).

Table 2.4, shows all overall, direct, and indirect effects (via the four mediators), using USA as a reference country to compare the other countries against. As can be seen, increased levels of SDO, lowered levels of meritocratic ideologies, and an increased family orientation partially mediated the substantively higher levels of nepotism endorsement observed in India relative to the USA. Increased levels of SDO, lowered levels of meritocratic ideologies also mediated the greater nepotism endorsement observed in Trinidad relative to the USA. Utilitarian views of nepotism were higher in the USA than in Trinidad, which means that opportunism actually had a depressing effect on the gap between the USA and Trinidad.

Table 2.4.

*Individual-level variable predictors mediating country-level differences in nepotism endorsement.*

Effect	Greece vs. USA			Trinidad vs. USA			India vs. USA		
	B	SE	95% CI	B	SE	95% CI	B	SE	95% CI
Total Effect	0.183	0.115	-.043, .409	0.229	0.116	.002, .456	1.299	0.138	1.029, 1.570
Direct Effect	0.348	0.103	.147, .550	0.111	0.104	-.092, .315	0.746	0.121	.509, .984
Indirect Effect (via SDO)	0.136	0.051	.042, .242	0.29	0.063	.176, .421	0.459	0.078	.318, .621
Indirect Effect (via Meritocratic Ideology)	--	--	--	0.229	0.057	.132, .355	0.377	0.065	.255, .512
Indirect Effect (via Family Orientation)	-0.100	0.033	-.172, -.042	-0.026	0.021	-.074, .009	0.057	0.025	.012, .109
Indirect Effect (via Opportunism)	-0.202	0.047	-.300, -.116	-0.146	0.04	-.234, -.074	0.037	0.031	-.023, .102

## 2.6. Discussion

The present study examined people's exposure to, and perceptions of, nepotism in countries that differ in the cultural values of collectivism (vs. individualism) and power distance. I hypothesised that nepotism would be more strongly endorsed, and be more prevalent, in a collectivistic, high power distance country such as India. In contrast, an individualistic, (relatively) low power distance country such as the USA nepotism should be less strongly endorsed and also be less prevalent relative to India, but also relative to countries such as Trinidad and Greece, which are more collectivistic than the USA. To examine this hypothesis, I gathered responses from Indian, American, Trinidadian, and Greek respondents. As anticipated, the results indicated that nepotism was most prevalent in India and least prevalent in the USA. Perceptions of the prevalence of nepotism appeared to be somewhat inflated, and this tendency was most pronounced in Trinidad, where participants felt that nepotism was more common compared to India. As expected, India had the highest level of nepotism endorsement, but somewhat surprisingly the lowest level of nepotism endorsement was observed in Greece.

In an exploratory fashion, I also examined people's perceptions of nepotism in the public and private sector. Whilst Trinidadian participants did not differentiate between the public and private sector, US and Indian participants perceived nepotism to be more common in the private sector than the public

sector. The opposite was the case for Greek participants who thought nepotism was more common in the public sector than the private sector. These latter results need to be treated with caution as it may be influenced by the fact that public sector workers were over-represented in the Greek sample (relative to the other samples). Using participants' own experiences as a guide to discern differences in the prevalence of nepotism in the public and private sector, no reliable effects were found. In other words, perceived differences between the public and private sector may reflect more people's stereotypes than actual differences observed in different sectors.

Turning to individual-level variables, the present study revealed that positive attitudes towards nepotism (e.g., nepotism endorsement) correlated significantly with beliefs that nepotism was effective, acceptable (prescriptively normative), fair, endorsed by others (social norms), and associated with positive outcomes for individuals and organisations. These findings contribute to shed light onto how people may adopt very conflicting views when assessing the benefits and drawbacks of nepotism.

Consistent with Study 1, I once again observed a positive association between SDO and nepotism endorsement, which held when controlling for other predictor variables. These results align with the literature showing that individuals with high SDO inclinations tend to support practices that reinforce hierarchical differentiation and boost inequality (Pratto et al., 1994). Variations in SDO also

contributed to explain the higher levels of nepotism endorsement observed in India and, to a lesser extent, Trinidad. It stands to reason that Indians are more inclined to subscribe to SDO because of their caste system which provides a strict hierarchical system with dominant groups at the top and subordinate groups at the bottom. This suggests that societies characterised by classism and inequality provide environments that are particularly conducive to nepotism. All in all, the present findings underscore the importance of dominance and (unequal) power relations as antecedents of nepotism.

Family orientation was positively associated with nepotism endorsement. This is consistent with the literature arguing that nepotism is more common in collectivistic cultures (e.g., Wated & Sanchez, 2012). However, when considered alongside power and dominance, family orientation might not be quite as a crucial. For example, in the present research it contributed to explain differences between Indian and American participants, but it did not explain differences between Trinidadian and American participants.

Opportunism had a positive association with nepotism endorsement and contributed to explain individual differences in nepotism endorsement. However, opportunism did not contribute to explain the higher levels of nepotism endorsement observed in India compared the USA. Furthermore, participants from the US subscribed more to utilitarian views of nepotism than did Greek or Trinidadian participants. Thus, although nepotism was more strongly endorsed in

Trinidad than in the US, this was *in spite of* American participants being more inclined to endorse the use of nepotism for self-advancement. These results suggest that there is more to nepotism than getting on economically, considering that Trinidad is a less wealthy country compared to the USA with a higher prevalence of nepotism.

From an individual difference level perspective, the more individuals endorsed nepotism less likely they were to subscribe to meritocratic ideologies. This fall in line with the work of Son Hing et al. (2011), who suggested that individuals who prefer meritocracy are more concerned with fairness and equal opportunities to all, and consequently less likely to endorse nepotistic practices. At a country level, India had the highest level of nepotism endorsement in the hiring and promotion process, and this this was partially mediated by Indians (vs. American's) inclination to reject meritocratic beliefs. This is consistent with Fischer and Smith (2003), who suggested that the more hierarchical societies are the more people will tend to endorse inequality over meritocratic ideologies. This empirical study adds to this work showing that the more individuals subscribe to meritocratic ideologies they more they have a tendency to reject nepotistic practices.

## 2.7. Coda

The empirical work reported in this chapter contributes to the recognition that nepotism is very multi-faceted and there are important individual- and country-level differences in the endorsement of nepotism. Support for nepotism appears to be closely linked to the endorsement of inequality and hierarchical differentiation and to the rejection of meritocratic ideologies. Perhaps not surprisingly, the more strongly people value supporting their family, the more they are also inclined to endorse nepotistic practices. At the same time, support for nepotism can also reflect selfish motives if people believe they can benefit personally from it.

The present findings extend previous research suggesting that individualistic societies have greater levels of meritocracy and lower levels of nepotism (Basabe & Ros, 2005; Kyriacou, 2016). The present work shows that hierarchical relations (i.e., power distance) appear to be equally if not more important in providing a cultural setting that favours nepotistic practices. Of course, this does not preclude variations observed within a given cultural setting, as illustrated in recent times by the nepotistic actions of a head of state of an individualistic culture (USA). All in all, the studies presented in this chapter have extended the research in nepotism by marrying both social and occupational



psychology and by drawing social psychological theories and concepts to explore antecedents of nepotism.

## Chapter 3

### 3.1. Chapter summary

This chapter consist of two empirical studies on actual and perceived consequences of nepotism, focussing on work attitude, performance and well-being in the workplace. Study 3 was carried out in Trinidad with service personnel from an arm of the Defence Force. In this study, *qualification* played a crucial role in determining the consequences of nepotism for the individuals in their work environment. Study 4 was carried out in the UK with university students. The results of this study indicated that commitment and well-being were perceived to be greater for employees from a nepotistic (vs. non-nepotistic) firm. Furthermore, employees in a nepotistic firm were perceived to have greater levels of autonomy and control than employees in the non-nepotistic firm. Unexpectedly, students perceived qualifications as inconsequential for employees' well-being and autonomy.

### 3.2. Studies overview

The aim of this chapter is to examine actual and perceived consequences of nepotism, looking at qualification as a potential moderating variable. In other words, I will compare suitably qualified and unqualified nepots with employees hired non-nepotistically. As outlined in Chapter 1, I predict qualifications play an important role in determining whether nepotism has positive or negative effects on employees and organisation.

In Study 3, a longitudinal study conducted in a military setting, I examine the actual consequences of nepotism for control and autonomy, psychological well-being and performance, separately for beneficiaries of nepotism who are highly qualified and those who are unqualified but gained their position through family connections. In Study 4, I will explore the perceived consequences of nepotistic practices. Here, I am looking at the way lay individuals perceive nepotistic practices, and whether individuals (implicitly or explicitly) recognise the importance of qualifications.

There is a paucity of empirical work from scholars addressing the role of qualification (i.e., competence and skill) in nepotistic hiring. The present research contributes to rectify this and in so doing seeks to reconcile the literature which has predominantly focused on negative consequences of nepotism with few authors addressing the potential benefits of nepotism for areas such as work attitudes, performance and psychological well-being. The value of this research

lies in delineating when and why nepotism may have negative and indeed positive implications for individuals and organisations, as well as offering a better understanding of people's perceptions of the consequences of nepotism.

### **3.3. Study 3**

The aim of Study 3 was to provide empirical evidence that leads to a greater understanding of the consequences of nepotism for employees. To this end, I focussed on work attitudes, well-being, performance, and perceptions of organisational practices as outcome variables. I chose these variables based on the relative paucity of empirical literature examining these variables in the context of nepotism. By measuring the extent to which individuals who are nepotistic or nepotistic but suitably qualified and non-nepotistic vary on these outcomes one can have a greater appreciation of the consequences nepotism have within the work environment.

As discussed in Chapter 1, I hypothesised that the consequences for nepotism when not matched with adequate qualifications may be largely negative. Wong and Kleiner (1994) suggested that not having the competence to match an appointment can be detrimental for nepots in the long term. Meanwhile, Pearce and colleagues observed in their longitudinal study that nepotism can have a negative effect on performance levels for nepotistic employees (Pearce, 2011; Pearce & Huang, 2014). Slaven (2002) also suggested

role conflict based on a lack of confidence or competence to carry out the designated job can affect well-being and performance of personnel. It stands to reason that unqualified nepots would be particularly inclined to experience role conflict and lower levels of autonomy and control. In addition, prior research has suggested that nepotism negatively affects job satisfaction and organisational commitment (Arasli et al. 2006; Arasli & Tumer, 2008; Padgett & Morris, 2005, 2012). Based on these and related findings outlined in more depth in Chapter 1, I predicted that unqualified nepots would experience lower job satisfaction and lower levels of organisational commitment.

A similar reasoning applies to employees' well-being and performance. Unqualified nepots may experience poorer well-being over time and lower performance levels than their colleagues. This would be consistent with Abdulla et al. (1998) and Arasli et al. (2006) who found that nepotistic individuals had poorer psychological well-being and performance levels than their non-nepotistic colleagues. I therefore predicted that unqualified nepots would show evidence of lower levels of psychological well-being and lowered performance compared to non-nepotistic colleagues.

In contrast, qualified nepots should not suffer from these predicaments. As discussed in Chapter 1, qualified nepots benefit from having suitable qualifications and competencies to carry out their designated job whilst having support from their nepotistic connections (Hernandez & Page, 2006), all of which

should contribute to higher levels of performance and enhanced well-being on the job. By the same token, qualified nepots should benefit from having greater levels of autonomy and control because they possess the competency to fulfil the requirements of their role (Aube, Rousseau, & Morin, 2007), and they are less likely to experience role conflict.

Conversely, nepots who do not have relevant competence and job skills, may not perform as well as suitably qualified candidates. Conflict may arise between non-nepotistic employees and employees who were hired because of nepotism. On the other hand, compared to qualified nepots and non-nepots, unqualified nepots may have more positive perception of organisational practices, and they would be less critical of organisational practices as those practices meet their needs. Thus, I predicted that unqualified nepots would be more amenable to nepotism and less likely to have any discord with organisational practices. Unqualified nepots should also be more likely to think that the organisation is fair and objective in performance evaluation, and that methods used in recruitment and selection are fair and transparent.

To address the aforementioned hypothesis, I recruited active service personnel from a military base in the Caribbean. This setting is ideal as it is widely assumed that nepotism is actively practiced in the military. Indeed, it is not uncommon to witness families in which three or more consecutive generations served within the force armed with the appropriate qualifications and skills as it

was deemed an honour to serve in the force of their forefathers (Lewin, 1943).

The decision to enlist in the military is often taken not just for economic or political reasons, but the concept of families and communities established by the military is a key source of defusing intergenerational information related to military service. As such, wanting to serve becomes a family tradition (Kleykamp, 2006). It has been argued that there is a strong influence on enlistment by personnel when a parent served or serves in the military; offspring's of active and former military personnel are more likely to serve once enlisted and more likely than others to serve long-term (Faris, 1981, 1984; Kilburn & Klerman, 1999; Segal & Segal, 2004).

Continuing a military family tradition can be a primary reason why people enlist into the military (Faris, 1981, 1984). Previous research suggested children adopt similar career paths as their parents for different reasons, but some of the most common reasons are the continuity of family presence in the organisation, loyalty, and branding (Bellow, 2003). As a result, farmers' children become farmers, politicians' children go into politics, and the children of military personnel enlist to serve their country (Groothuis & Groothuis, 2008). It stands to reason that this may lead people to enlist even though they may be unsuitable for the service. The concept of "military institutional presence" (Kleykamp, 2006, p. 274) suggests that prior exposure to the military by friends and family enlisted or

retired from the service or on active duty may influence the enlistment decision of an individual (Segal & Segal, 2004).

To identify nepotistic individuals in the present research, I used self-reports of family enrolled in the service who were actively serving or deactivated from the service and entrance level education as specified by the service personnel which was validated through certificates in each service personnel file. Using this information, I proceeded to classify respondents into qualified nepotistic, unqualified nepotistic and non-nepotistic hires. I then assessed various dimensions of work attitudes, well-being, and perceptions of organisational practices using self-reports. Performance was derived from personnel files and based on appraisal scores. A subset of the total sample completed the study in two waves, separated by 24 months.

### **3.3.1. Methods**

#### **3.3.1.1. Participants and Design**

This longitudinal field study employed a correlational design. Data were collected in two waves (Time 1 and Time 2). One hundred and sixty-five military personnel participated in the first wave (Time 1), and out of those 147 personnel completed the second wave (Time 2). In addition, 273 personnel participated in the second wave only, thus resulting in a total sampled of 420 personnel at Time 2. This latter sample made up 41% of the total workforce ( $N$

=



1030) at the time the study was carried out. Twelve per cent of respondents were females and 88% were males, which is indicative of the ratio of males to females in the force; personnel ages ranged from 19 to 58 years (50 females;  $M_{age} = 27.8$ ,  $SD_{age} = 8.1$ ). The sample included both ratings and officers. Ratings (non-commissioned officers) accounted for ninety-four per cent (94%) of the surveyed sample of which forty-one per cent (41%) were categorised as nepotistic using the classification scheme described below. Officers accounted for six per cent (6%) of the surveyed sample of which less than one per cent (1%) was categorised as nepotistic.

**Classification of nepotistic and non-nepotistic personnel.** To probe the existence of nepotistic kinship networks, participants indicated whether they had any family members enrolled in the Defence Force (currently or previously). Furthermore, in order to establish whether personnel were qualified or unqualified for a military career at the time of entering the force, participants also indicated their education level when entering the force. This information was later validated by accessing personnel files. Ratings were classified into one of three groups according to their entrance status: (a) qualified nepotistic hires - personnel in this category had family in the service, and they were suitably qualified on the basis of their assessment scores and education level; (b) unqualified nepotistic hires - personnel in this category had family in the service, but they were not suitably qualified on the basis of their assessment scores

and/or education level; and (c) non-nepotistic hires - personnel in this category were suitably qualified but did not have any family in the Defence

Force. Commissioned officers (see table 3.1 below) were classified in a similar manner as ratings. However, all officers had to be suitably qualified for the position on application and this was also evident in their personnel files.

Consequently, all commissioned officers were either non-nepotistic, or nepotistic and suitably qualified.

Table 3.1

*Frequency of Ratings and Officers according to their entrance status.*

	Unqualified Nepotistic	Qualified Nepotistic	Non-Nepotistic	Total
Ratings	79	92	224	395
Officers	0	5	19	25

### **3.3.1.2. Procedure and materials**

All procedures and materials had to be acceptable to the Defence Force. Consequently, the survey was vetted a number of times by a defence force focus group comprising of the presiding commanding officer at the time, three lieutenant commanders, five sub lieutenants, and two chief petty officers (CPO) across various departments. The aim was to ensure that the questionnaire was culturally sensitive, confidential, worded appropriately, geared towards all ranks, questions were not misleading to personnel, and personnel with below-average literacy levels could also complete the survey.

Personnel, including ratings and commissioned officers, were recruited from an island in the Caribbean Defence Force via a weekly memo published in a departmental newsletter. Participants were told the aim of this research was to investigate the effects of nepotism on work attitudes and psychological well-being. There was no reward for taking part in the research and all information collected was kept confidential. Each personnel had the option to opt out whenever they wanted before, during or after filling out the questionnaire. All questionnaires were identifiable only by personnel service numbers.

Data was collected over a period of three months; each head of department was briefed by the commanding officer to relieve personnel from their duties to participate in the study. Personnel who volunteered to be a part of this study were under no pressure from command to participate or to complete the questionnaire. The survey was administered in English in the presence of the researcher.

Personnel scores obtained at selection, training and appraisals were requested in the questionnaire. All scores collected were verified based on personnel files. Other relevant information included in personnel files included educational certificates, training certificates, selection scores, training scores, and all appraisal scores participants had from the time of enlistment. Two junior rates and two officer cadets were assigned to the researcher to help locate personnel

files based on service numbers (unique identification number), which was given on the questionnaire.

**Measures.** Participants completed a series of demographic items followed by measures designed to explore work attitudes and psychological well-being. Measures of well-being (GHQ-12) were available at Time 1 and 2. All other measures described below were administered at Time 2 only, with the exception of performance appraisal scores, which were available for the time of entry to the Force and for Time 2.

**Work attitudes.** A series of measures tapped into different facets of work attitudes:

*Autonomy and control.* This measure was developed by Jackson et al. (1993) and was used in this study to examine the extent of autonomy and choice personnel had in their day to day duties. The scale consisted of three items measuring autonomy (e.g., *'To what extent can you choose what work you will carry out'*) and three items measuring choice (e.g., *'To what extent can you determine the methods and procedure used in your job'*). Responses were provided on a 5-point scale (1 = *Not at all* to 5 = *A Great deal*).

*Role conflict.* Role conflict was measured using a seven-item scale developed by Rizzo, House and Lirtzman (1970) (e.g., *'I receive incompatible*

*request from two or more people*'). All items were rated on a 7-point scale (1 = *Very false* to 7 = *Very true*).

*Organisational commitment.* A measure adopted from Slaven (2002) was used to gain a better understanding of how committed service personnel were to the organisation. The scale consisted of seven items all measuring organisational commitment (e.g. *'I am proud to tell people I am on this force'*). All items were rated on a 5-point scale (1 = *strongly disagree* to 5 = *strongly agree*).

*Leader support and team support.* This measure was developed by Bridger and Kilminster (2006) and examined the relationship personnel had with their immediate superior and the extent of peer support provided by fellow personnel. The scale had three items measuring the relationship with superiors (e.g., *'How friendly and easy is it to approach is your superior?'*) and three items measuring the relationship with peers (e.g., *'To what extent can you count on your colleagues to back you up at work?'*). Answers were provided on a 5-point scale (1 = *to a very little extent* to 5 = *to a very great extent*).

*Job satisfaction.* Job satisfaction was measured using a single item taken from Cooper and colleagues (1998). The item read *'How satisfied are you with your job?'*. This was rated on a 5-point scale (1 = *very satisfied* to 5 = *very dissatisfied*).

*Value similarity.* This measure was developed for the present study.

Participants responded to two items to indicate how similar their own values were to the value of the organisation (*'Did you believe your values were similar to that of the service before joining?'*; *'How similar are the values of the service to your own personal values?'*). Answers were provided on a 5-point scale (1 = *Very similar* to 5 = *Very dissimilar*).

***Perception of organisational practices.*** Five scales developed specifically for the present study and the organisation assessed personnel's perceptions of organisational practices. These items were developed with the help of a focus group from the military to ensure the questions were sensitive to the organisation and personnel.

*Perceived meritocracy.* This scale consisted of three items measuring personnel perception of important factors required to enlist someone in the service (e.g., *'To what extent do you believe score on selection process to be important in the decision to enlist someone'*). Responses were provided on a 5-point scale (1 = *Not at all important* to 5 = *Incredibly important*).

*Perceived nepotism.* This scale consisted of three items measuring personnel perception of important factors required to enlist someone in the service (e.g., *'To what extent do you believe education level to be important in the decision to enlist someone'*). Responses were provided on a 5-point scale (1 = *Not at all important* to 5 = *Incredibly important*).

*Discord with practices.* This scale consisted of three items capturing the extent to which personnel were in agreement with the methods used to enlist, develop and appraise personnel within the service (e.g., '*How often do you agree with the methods used by the service in the training process*'). Responses were provided on a 5-point scale (1 = *Always agree* to 5 = *Always disagree*).

*Transparency of personnel selection.* This scale consisted of a single item measuring personnel perception of transparency of the service (e.g., '*How transparent do you believe your organisation is in terms of recruitment and selection*')? Responses were rated on a 5-point scale (1 = *Very transparent* to 5 = *Not at all transparent*).

*Fairness of performance evaluation.* This scale consisted of a single item measuring personnel perception of fairness of performance evaluation (e.g., '*I think my superior evaluated my performance objectively and without prejudice*'). Responses were rated on a 5-point scale (1 = *Very objective* to 5 = *Very subjective*).

**Well-being.** Personnel's psychological well-being was assessed using the General Health Questionnaire (GHQ-12). This is a 12-item measure capturing experiences of depression, bouts of anxiety, social dysfunction and somatic symptoms (Goldberg, 1972; 1978). For example an item could read '*Have you recently lost much sleep over worry*'?. Answers were provided by selecting one of

four options (e.g., *Not at all; No more than usual; Rather more than usual; Much more than usual*).

**Performance.** Personnel were allocated a percentage score by their divisional officer biannually based on their exam and training results for promotion and a percentage score reflecting service personnel's level of fitness, leadership skills, ability to work under pressure, ability to take and carry out orders, and general accountability. The accumulated total score was placed in the respective service personnel file and this was used as their performance/appraisal score.

### **3.3.1.3. Ethics**

Verbal consent for this study was granted in 2008 by the residing Commanding Officer of this arm of the Defence Force. The Commanding Officer granted the researcher full access to bases, personnel of all ranks and personnel files without prejudice until completion of the research. The broad aim of the investigation was to uncover how personnel were selected, trained and currently performing based on their appraisal scores and their level of psychological well-being. The investigation was approved under the terms of a Service Review by the University of Liverpool Ethics board. Further ethical approval to exploit the existing data set for research purposes was granted by School of Psychology Ethics Committee at the University of Kent. The study



adhered to the ethical guidelines of the British Psychological Society. Ethical requirements were met by obtaining informed consent from each serving personnel who volunteered to complete the questionnaire. Personnel were assured that their data will be held in a secure location, remain anonymous, and no senior officers will have access to questionnaires filled out by personnel. All data was given a unique identification number and access to this data was restricted to the researcher.

### **3.3.2. Results**

#### **3.3.2.1. Data preparation**

Response to the GHQ-12 were scored following Goldberg (1972). This involved ascribing a value of 1 to affirmative responses, and a value of 0 to negating responses. Answers are summed so that a respondent would receive a score between 1 and 12 with a higher score indicating a greater number of symptoms indicating poor psychological well-being.

All multi-item scales were collapsed into composites to be used in the analysis; internal consistencies, means and standard deviations are shown in Table 3.2.

Table 3.2.

*Internal consistency (Cronbach's  $\alpha$ ), correlations, means and standard deviations*

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Work Attitudes</i>															
1. Autonomy and Control	(.87)	-.07	-.21**	.25**	.32**	.20**	-.12*	.04	.29**	-.06**	-.04	-.05	-.12*	.24**	.34**
2. Role Conflict		(.06)	.16*	-.18**	-.19**	-.06	.15**	-.03	-.07	.10*	.05	.12*	.11*	-.02	-.05
3. Job satisfaction			(n/a)	-.46**	-.33**	-.26**	.26**	-.07	.06	.30**	.23**	.08	.25**	-.02	-.04
4. Organisational Commitment				(.78)	.35**	.29**	-.27**	.21**	.13**	-.21**	-.12*	.01	-.27**	.03	.09
5. Leader Support					(.86)	.32**	-.15**	.07	.06	-.18**	-.08	-.14*	-.24	.15**	.17**
6. Peer Support						(.83)	-.16**	.80	.05	-.17**	-.08	-.03	-.22**	.09	.10
7. Value Similarity							(.67)	-.11*	-.14**	.20**	.15**	.09	.18**	-.02	-.03
<i>Perception of Organisational Practices</i>															
8. Perceived Meritocracy								(.67)	-.24**	.07	.06	.08	.05	.00	.05
9. Perceived Nepotism									(.30)	-.02	-.01	.16**	.00	-.00	.04
10. Discord with Practices										(.75)	.33**	.14**	.14**	.15*	.19**
11. Transparency of Personnel Selection											(n/a)	.12*	.05	.17**	.14**
12. Fairness of Performance Evaluation												(n/a)	.15**	-.03	-.12*
<i>Well Being</i>															
13. GHQ-12													(.87)	-.14**	-.11
<i>Performance</i>															
14. Appraisal (Initial)														(n/a)	.60**
15. Appraisal (Current)															(n/a)
Mean	2.70	4.18	2.70	3.60	3.14	3.13	2.74	3.83	3.03	3.14	3.01	2.80	2.54	69.72	66.92
SD	0.95	0.91	1.17	0.72	0.97	0.96	1.08	0.80	0.79	0.98	1.26	1.13	2.54	17.59	41.81

NB: \*  $p < .05$ , \*\*  $p < .01$

### 3.3.2.2. Main analysis

Since there were no unqualified nepotistic officers, I performed separate analyses on ratings and officers, as follows: As a first step, I conducted analyses of variance comparing qualified nepotistic ratings, unqualified nepotistic ratings and non-nepotistic ratings' perceptions of organisational practices, work-attitudes, performance, and well-being (see Table 3.3). Post-hoc follow-up tests were employed for comparisons between groups. In a second step, I explored the contributions of work-attitudes to well-being and job performance. Finally, I repeated the first step, focusing on the comparison between qualified nepotistic officers and non-nepotistic officers only.

#### 3.3.2.2.1. Ratings

**Ratings' wellbeing and job performance.** I sought to explore how qualification and nepotism affected ratings' psychological well-being, as well as their performance on the job. Recall that GHQ-12 scores measuring well-being were available at Time 1 and 2, thus also allowing me to explore changes in the wellbeing of ratings over time. Performance was operationalized as appraisal scores at the time of entering the force as well as the most recent appraisal at Time 2.

*Well-being (Time 2).* GHQ-12 composite scores were submitted to a one-way analysis of variance comparing qualified nepotistic ratings, unqualified

nepotistic ratings and non-nepotistic ratings. The results revealed no significant difference between the three groups,  $F(2, 389) = 1.85, p = .06, \eta_p^2 = .01$ . However post hoc comparisons using the Tukey HSD test indicated that unqualified nepotistic ratings ( $M = 3.03, SD = 2.54$ ) had higher GHQ-12 scores denoting a poorer psychological well-being than either qualified nepotistic ( $M = 2.38, SD = 2.42$ ) or non-nepotistic ( $M = 2.42, SD = 2.45$ ) ratings ( $ps < .05$ ).

*Change in well-being (Time 1 versus Time 2).* To examine change in well-being, I conducted a 3 (entrance status: unqualified nepotistic vs. qualified nepotistic vs. non-nepotistic) x 2 (assessment period: GHQ-12 Time 1 vs. GHQ-12 Time 2) mixed model analysis of variance with repeated measurement on the last factor. The analysis was conducted on a subset of ratings for which Time 1 data were available (see Participant section for further details). The analysis revealed a significant interaction between entrance status and assessment period,  $F(2, 130) = 3.49, p = .033, \eta_p^2 = .05$ . An examination of changes in well-being were carried out separately for the three groups, which showed that qualified nepotistic ratings displayed an *increase* in well-being over the assessment period ( $Ms = 3.04$  vs.  $1.69$ ;  $SDs = 3.22$  vs.  $2.35$ ),  $F(1, 44) = 3.43, p = .066, \eta_p^2 = .03$ . And the well-being of unqualified nepotistic declined as indicated by the ANOVA results (unqualified nepotistic):  $Ms = 2.32$  vs.  $3.41, SDs = 2.46$  vs.  $3.16, F(1, 21) = 5.58, p = .020, \eta_p^2 =$

.04; non-nepotistic:  $M_s = 2.51$  vs.  $1.61$ ,  $SD_s = 2.35$  vs.  $2.13$ ,  $F(1, 65) = 2.34$ ,  $p = .131$ ,

$$\eta_p^2 = .26$$

*Job performance (initial)*. Entrance status had a significant effect on the ratings' initial appraisal scores,  $F(2, 395) = 9.64$ ,  $p < .001$ ,  $\eta_p^2 = .24$ . Post hoc comparisons using the Tukey HSD test indicated that unqualified nepotistic ratings ( $M = 61.86$ ,  $SD = 7.83$ ) performed worse than the other groups ( $p_s < .001$ ), which did not differ in their initial appraisals (qualified nepotistic:  $M = 75.60$ ,  $SD = 16.59$ ; non-nepotistic:  $M = 72.70$ ,  $SD = 16.07$ ).

*Job performance (current)*. The three groups also had different current appraisal scores,  $F(2, 310) = 32.66$ ,  $p < .001$ ,  $\eta_p^2 = .09$ . Unqualified nepotistic ratings had the lowest performance scores ( $M = 32.26$ ,  $SD = 37.96$ ), followed by non-nepotistic ratings ( $M = 73.11$ ,  $SD = 40.25$ ). Qualified nepotistic on the other hand displayed the highest level of performance ( $M = 90.15$ ,  $SD = 24.54$ ). Post hoc comparisons using the Tukey HSD test showed that all three groups differed from one another ( $p_s \leq .002$ ). Thus, while qualified nepotistic ratings and non-nepotistic ratings did not differ in initial appraisals, the former group outperformed the latter in their current appraisals.

*Change in performance (initial versus current)*. To examine changes in performance, I conducted a 3 (entrance status: unqualified nepotistic vs. qualified nepotistic vs. non-nepotistic) x 2 (appraisal: initial vs. current) mixed model

analysis of variance with repeated measurement on the last factor. The analysis revealed a main effect of appraisal,  $F(2, 307) = 7.65, p = .006, \eta_p^2 = .24$ , qualified by a significant interaction with entrance status,  $F(2, 307) = 29.94, p < .001, \eta_p^2 = .09$ . Further analysis showed that non-nepotistic ratings did not change in their performance,  $F < 1$ . In contrast, the performance of qualified nepotistic ratings showed a significant *increase*,  $F(1, 83) = 40.53, p < .001, \eta_p^2 = .08$ , while the performance of unqualified nepotistic ratings *declined*,  $F(1, 64) = 43.90, p < .001$ .

Table 3.3

Table 3.3

*Comparison of ratings' work attitudes, perception of organisational procedures, well-being, and performance as a function of their entrance status*

	Non- Nepotistic Ratings	Qualified Nepotistic Ratings	Unqualified Nepotistic Ratings	<i>F</i>	<i>N</i>
<b>Work Attitudes</b>					
Autonomy and Control	2.63 <sub>a</sub> (.94)	3.00 <sub>b</sub> (.86)	2.54 <sub>a</sub> (.97)	12.76***	396
Role Conflict	4.24 <sub>a</sub> (.86)	4.08 <sub>a</sub> (1.00)	4.14 <sub>a</sub> (.87)	1.05	393
Job Satisfaction	2.75 <sub>a</sub> (1.21)	2.72 <sub>a</sub> (1.13)	2.72 <sub>a</sub> (1.12)	.031	394
Organisational Commitment	3.54 <sub>a</sub> (.72)	3.65 <sub>a</sub> (.73)	3.59 <sub>a</sub> (.68)	.761	390
Leader Support	3.13 <sub>a</sub> (.99)	3.25 <sub>a</sub> (.92)	3.09 <sub>a</sub> (1.01)	.704	395
Peer Support	3.15 <sub>a</sub> (.94)	3.09 <sub>a</sub> (.97)	3.01 <sub>a</sub> (.98)	.610	391
Value Similarity	2.79 <sub>a</sub> (1.12)	2.75 <sub>a</sub> (1.07)	2.60 <sub>a</sub> (1.03)	.862	395
<b>Perception of Organisational Practices</b>					
Perceived Meritocracy	3.71 <sub>a</sub> (.60)	3.62 <sub>a</sub> (.68)	3.47 <sub>b</sub> (.69)	4.14*	384
Perceived Nepotism	2.34 <sub>a</sub> (1.30)	2.76 <sub>b</sub> (1.23)	2.95 <sub>b</sub> (1.22)	8.29*	395
Discord with Practices	3.13 <sub>a</sub> (.99)	3.33 <sub>a</sub> (.91)	2.95 <sub>b</sub> (1.05)	4.35*	395
Transparency of Personnel Selection	3.11 <sub>a</sub> (1.26)	3.11 <sub>a</sub> (1.28)	2.66 <sub>b</sub> (1.18)	4.17*	395

Fairness of Performance Evaluation	2.79 <sub>ab</sub> (1.10)	2.65 <sub>a</sub> (1.11)	3.01 <sub>b</sub> (1.19)	2.25	394
Well-being					
GHQ-12	2.42 <sub>a</sub> (2.45)	2.38 <sub>a</sub> (2.42)	3.03 <sub>b</sub> (2.86)	1.85 <sup>†</sup>	392
Performance					
Appraisal (Initial)	72.70 <sub>a</sub> (16.07)	75.60 <sub>a</sub> (16.59)	61.86 <sub>b</sub> (7.83)	9.64 <sup>***</sup>	395
Appraisal (Current)	73.11 <sub>a</sub> (40.25)	90.15 <sub>b</sub> (24.54)	32.26 <sub>c</sub> (37.96)	32.66 <sup>***</sup>	310

\*\*\* $p < .001$ , \*\* $p < .01$ , \* $p < .05$ , † $p < .10$ . Means with same subscripts within rows do not differ according to a Tukey post-hoc test

To summarise, unqualified nepotistic ratings had a poorer well-being at Time 2 when the main survey took place. In contrast, qualified nepotistic ratings did not differ from non-nepotistic ratings. However, the well-being of qualified nepotistic ratings increased over time during the assessment period. A similar picture emerged for job performance. Unqualified nepotistic ratings performed worse than other ratings. Their performance also declined over time. Conversely, qualified nepotistic ratings performed as well as non-nepotistic ratings at the time of entering the force. However, qualified nepotistic ratings' performance showed a steeper increase over time, and they had the best current appraisal scores out of all three groups.

**Ratings' perceptions of organisational practices.** Next, I examined ratings' perceptions of organisational practices.



= *Perceived meritocracy and nepotism*. Ratings differed in the extent to which they thought nepotism and meritocracy were important factors in hiring decisions,  $F_{\text{Nepotism}}(2, 395) = 8.29, p = 0.04, \eta_p^2 = .02, F_{\text{Meritocracy}}(2, 384) = 4.14, p = 0.03, \eta_p^2 = .02$ . Post-hoc comparisons showed that qualified nepotistic ratings ( $M=3.62, SD = 0.68$ ) and non-nepotistic ratings ( $M = 3.71, SD = 0.59$ ) were more convinced than unqualified nepotistic ratings ( $M = 3.47, SD = 0.69$ ) that qualification are an important factor in hiring decisions,  $ps < .05$ . Non-nepotistic ratings rated the importance of family ties lower ( $M = 2.34, SD = 1.30$ ) compared to the two nepotistic groups, which did not differ (unqualified:  $M = 2.95, SD = 1.22$ ; qualified:  $M = 2.76, SD = 1.23$ ). Further mixed model analyses showed that while all three groups of ratings believed that qualification was more important than family ties, the difference was more pronounced for qualified nepotistic ratings and non-nepotistic ratings than for unqualified nepotistic ratings,  $F(2, 381) = 14.14, p < .001, \eta_p^2 = .13$ .

*Discord with organisational practices*. The ratings also showed different levels of discordance with the methods used for recruitment, training and selection,  $F(2, 395) = 4.35, p = 0.04, \eta_p^2 = .01$ . Post hoc comparisons using the Tukey HSD test revealed that unqualified nepotistic ratings were less critical and more accepting of organisational procedures ( $M = 2.95, SD = 1.05$ ) compared to qualified nepotistic ratings ( $M = 3.33, SD = 0.98$ ) and non-nepotistic ratings ( $M = 3.13, SD = 0.99$ ), who did not differ in their level of discord.

*Transparency in recruitment.* Entrance status also had a significant impact on how transparent the ratings thought the recruitment and selection process was,  $F(2, 395) = 4.17, p = 0.04, \eta_p^2 = .02$ . Post hoc comparisons using the Tukey HSD test indicated that unqualified nepotistic ratings ( $M = 2.66, SD = 1.18$ ) felt that the recruitment and selection process was more transparent than did the qualified nepotistic ( $M = 3.11, SD = 1.28$ ) or non-nepotistic ratings ( $M = 3.11, SD = 1.26$ ).

To summarise, non-nepotistic ratings and qualified nepotistic ratings showed a high level of agreement in their perception of organisational practices. In contrast, unqualified nepotistic ratings were less critical of organisational practices and felt that merit was less important in hiring decisions. They also asserted that recruitment was more transparent than did the other groups of ratings.

**Ratings' work attitudes.** I proceeded to explore the effects of nepotism and qualification on work attitudes. To this end, I conducted a similar set of analysis as before, this time focusing on ratings' work attitudes and perceptions of organisational procedures. Initial analyses did not yield any between-group differences in terms of the level of *role conflict, job satisfaction, organisational commitment, the level of support ratings felt they received from leaders and peers*. The discussion below focuses on the only facet of work attitudes where group differences were found autonomy and control.

A one-way analysis of variance showed that the three groups differed in the levels of autonomy and control,  $F(2, 393) = 12.76, p < .001, \eta_p^2 = .03$ . Post hoc

comparisons using Tukey HSD test indicated that qualified nepotistic ratings experienced a higher level of autonomy and control ( $M = 3.00$ ,  $SD = 0.86$ ) than unqualified nepotistic ratings ( $M = 2.54$ ,  $SD = 0.97$ ) or non-nepotistic ratings ( $M = 2.63$ ,  $SD = 0.93$ ). The latter two groups did not differ. Thus, paralleling the findings obtained for well-being and job performance, nepotism led to positive outcomes in terms of perceived autonomy and control, but only when combined with a suitable level of qualification when entering the force.

### **Contributions of work attitudes to ratings' well-being and performance.**

Entrance status affected perceptions of autonomy and control but no other facet of work attitudes. Perceptions of autonomy and control are closely linked to job performance: the greater individuals' perceptions of autonomy and control, the better people tend to perform in their jobs (Slaven, 2002). Similarly, numerous studies have also established a positive association between autonomy and control and well-being (Athanasiaades & Winthrop, 2007; Judge & Locke, 1993; Slaven, 2002). The same pattern also emerged in the present study. As can be seen in Table 3.2, autonomy and control correlated positively with ratings' initial and current appraisal scores, and negatively with scores on the GHQ-12. Thus, it stands to reason that the increased perception of autonomy and control of qualified nepotistic ratings may play a role in the enhanced performance and the positive changes in well-being experienced by this group. To explore this supposition, I ran a multiple mediation analyses following the bootstrapping

procedure of Preacher and Hayes (2008). I conducted separate analyses for each combination of entrance status, outcome variable and mediator. The independent variable (IV) was the ratings' entrance status, comparing qualified nepots and non-nepots ( $D1 = 1, D2 = 0$ ), and unqualified nepots and non-nepots ( $D1 = 0, D2 = 1$ ). The outcome variables (DV) were performance at Time 2 (current); well-being (Time 2) and differences in well-being between Time 1 and 2, respectively. Autonomy and control, along with appraisal 1 and 2 served as mediating variables.

*Performance (Time 2).* With autonomy and control serving as the mediator for  $D1$  and current performance as outcome variable, the direct effect of  $D1$  on ratings' current appraisal scores was significant  $B = 12.88, SE = 4.67, 95\% CI = 3.69$  to  $22.06$ , and so was the indirect effect,  $B = 4.16, SE = 1.67, 95\% CI = 1.07$  to  $7.75$ . This suggests that qualified nepotistic ratings' increased perceptions of autonomy and control contributed to their higher performance scores when compared to non-nepotistic ratings.

Turning to the comparison between unqualified nepotistic ratings and non-nepotistic ratings, the direct effect of  $D2$  on performance was significant,  $B = -40.08, SE = 5.04, 95\% CI = -50.00$  to  $-30.17$ . However, the indirect effect through autonomy and control was not significant,  $B = -.76, SE = 1.91, 95\% CI = -4.71$  to  $2.79$ . This means that (lowered) perceptions of autonomy and control did not contribute to the performance gap between unqualified nepots and non-nepots.

*Well-being.* Next I examined the contributions of autonomy and control to ratings' psychological well-being. The direct effect of  $D_1$  on well-being at Time 2 was not significant  $B = .15$ ,  $SE = .33$ , 95% CI = -0.50 to .79, but the indirect effect via autonomy and control was significant  $B = -.12$ ,  $SE = .67$ , 95% CI = -.30 to -.02. This suggests that higher levels of autonomy and control observed in qualified nepots relative to non-nepots had a protective effect on qualified nepots' well-being. In contrast, neither the direct effect of  $D_2$  on well-being, nor the indirect effect via autonomy and control was significant,  $B = .63$ ,  $SE = .34$ , 95% CI = -0.04 to 1.30 and  $B = .03$ ,  $SE = .05$ , 95% CI = -.04 to 1.55, respectively. These findings suggest perceptions of (lower) autonomy and control did translate into lower levels of well-being for unqualified nepots relative to non-nepots at Time 2.

Using Appraisal 1 and Appraisal 2 as mediators of the effects of  $D_1$  on well-being at Time 2 indicated the direct and indirect effects were not significant,  $B = .07$ ,  $SE = .33$ , 95% CI = -.57 to .71 vs  $B = -.05$ ,  $SE = .04$ , 95% CI = -.02 to .01 and  $B = .32$ ,  $SE = .35$ , 95% CI = -.37 to 1.01 vs  $B = -.09$ ,  $SE = .06$ , 95% CI = -.26 to .02, respectively. Turning to the comparison between unqualified nepots and non-nepots, the direct effect of  $D_2$  on well-being was not significant,  $B = .04$ ,  $SE = .36$ , 95% CI = -.23 to 1.18, but there was an indirect effect via Appraisal 1,  $B = .19$ ,  $SE = .09$ , 95% CI = .01 to .39, whereas the indirect effect via Appraisal 2 was not significant,  $B = .47$ ,  $SE = .41$ , 95% CI = -.34 to 1.28 vs  $B = .22$ ,  $SE = .15$ , 95% CI = -.08 to .54. These findings confirm that unqualified nepots' lower level of performance

at the time of entering the force contributed to lower levels of psychological well-being at Time 2.

Finally, I also examined whether variations in autonomy and control contributed to differences in well-being between Time 1 and 2. The results indicated that there was a significant direct effect of  $D_1$ ,  $B = 1.89$ ,  $SE = .83$ , 95% CI = .25 to 3.53, but the indirect effect of  $D_1$  via autonomy and control was not significant,  $B = .07$ ,  $SE = .14$ , 95% CI =  $-.09$  to  $.51$ . In keeping with the results reported earlier, neither the direct effect of  $D_2$ , nor the indirect effect of  $D_2$  via autonomy and control was significant,  $B = 1.58$ ,  $SE = .87$ , 95% CI =  $-.15$  to  $3.30$  and  $B = .06$ ,  $SE = .16$ , 95% CI =  $-.18$  to  $.48$ , respectively. This indicates that autonomy and control did not mediate the changes in psychological well-being experienced that qualified nepotistic ratings experienced during the study period.

#### **3.3.2.2.2. Commissioned officers**

A series of analysis of variance were conducted to compare the responses of qualified nepotistic officers and non-nepotistic officers. The results revealed no statistical differences between the two groups for any of the outcome variables.

#### **3.3.3. Discussion**

The results of Study 3 supported the prediction that qualifications are critical to understand the consequences of nepotism for the individual and

organisations as a whole. Focusing on a large public service organisation in the Caribbean, the present study highlighted detrimental effects of hiring nepotistic personnel, who are unqualified for the job. In particular, compared to non-nepotistic personnel, unqualified nepotistic personnel displayed lower levels of psychological well-being and they performed worse on the job as indicated by lower appraisal scores. What is more, the performance of unqualified nepotistic personnel also appeared to decline over time, which was not the case for any of the other participant groups studied.

A very different picture emerged for qualified nepotistic personnel. Unlike any of the other groups studied, qualified nepotistic personnel displayed an increase in psychological well-being over their assessment period. A similarly positive picture emerged in the context of performance: qualified nepotistic ratings not only performed equally well as non-nepotistic ratings when entering the force; they also showed the steepest increase in performance, outperforming the other groups of participants in their most recent appraisal scores.

Further analysis suggested that qualified nepotistic personnel's performance gains are in part linked to perceptions of greater autonomy and control. In particular, compared to non-nepotistic and unqualified nepotistic personnel, qualified nepotistic ratings felt they had more autonomy and control in their work, and this boost in perceived autonomy and control was linked to better performance (Deci & Ryan, 1985). These results suggest that qualified nepotistic

personnel are more likely to advance in influential roles because they feel more in control at work. Unqualified nepotistic personnel, on the other hand, did not benefit from increased perceptions of autonomy and control, and they performed significantly worse in their most recent appraisals. This is interesting because, after all, they lacked qualification unknown to most others in the force.

Entrance status based on level of qualification also impacted individuals' perceptions of organisational practices. Unqualified nepotistic personnel held a less critical stance regarding training and recruitment practices than qualified nepotistic or non-nepotistic personnel. They felt that merit was less important in recruitment than all other participants. Interestingly, qualified nepotistic personnel and non-nepotistic personnel shared similar views of organisations practices. For them, merit was more important than family connections in the hiring process. Thus, although qualified nepotistic personnel did not act as agents of change, they nevertheless endorsed meritocratic principles to a greater extent than unqualified nepotistic personnel, who seemed more complacent and less critical of nepotistic practices in the force.

Unexpectedly, no reliable differences were found in terms of organisational commitment, job satisfaction, role conflict, and relationships with superior and colleagues. Qualified and unqualified nepotistic personnel did not seem to differ from their non-nepotistic counterparts in these domains. The resulting null effects are difficult to interpret and should not be taken as evidence that nepotism and



qualifications do not affect personnel on these outcomes; the effects may be smaller or the measures might have been less reliable thereby hampering the power of the statistical tests. It may be the case that the groups do not differ, but further research is required to replicate and extend the present findings.

### **3.4. Study 4**

In a final study, I aim to establish whether the actual consequences of hiring qualified and unqualified nepots (uncovered in Study 3) align with people's perceptions of nepotistic hirings. It is important to understand both the actual and perceived consequences of nepotism in order to gain a more complete perspective of this important phenomenon. As in Study 3, in the present study I focus on employees' commitment and well-being as well as the amount of autonomy and control employees experience within their respective workplaces as outcome variables.

As outlined in Chapter 1, perceptions of nepotism are typically negative, although as I have shown in Chapter 2 there are also important cultural differences. Studies of managers' perceptions also indicate that perceptions of nepotism are complex and people realise that there are both positive and negative dimensions to nepotism (Abdalla et al., 1998).

To the best of my knowledge, only one study has examined people's perceptions of nepotism in conjunction with different levels of qualification. In

particular, using a simulated hiring scenario, Darioly and Riggio (2014) asked respondents to evaluate the consequences of hiring a leader with and without family ties, and with and without relevant qualifications, respectively. The present study uses a similar approach using a simulated hiring scenario. However, unlike Darioly and Riggio (2014), in present study I focus on the perceived consequences for all employees, not only for leaders. This is a critical distinction because people's reactions to nepotism may be exacerbated in case of a leader. Furthermore, Darioly and Riggio's (2014) study focused on people's perceptions in terms of the competence of the leader and the leader's perceived career progression. In contrast, in the present study, and drawing on the findings of Study 3, I focus on the perceived consequences for employees' commitment, well-being, and autonomy and control, respectively.

### **3.4.1. Methods**

#### **3.4.1.1. Participants and design**

Three hundred and seventy-one undergraduate students were initially recruited to participate in this study. Five participants were excluded as they did not complete the survey to the end or failed pre-planned attention checks, leaving a final sample of 286 undergraduates (224 females,  $M_{age} = 30.62$ ,  $SD_{age} = 9.96$ ) who took part in this online study in exchange for course credits. The study

employed a 2 (nepotism: nepotistic vs. non-nepotistic) x 2 (qualification: qualified vs. unqualified) experimental between-subjects design.

#### **3.4.1.2. Procedure and materials**

Participants were invited to take part in a study of how people perceive different workplaces. At first, all participants read a description of a company, Firm X, which specialises on bakery products:

Firm X started in 1860 as a family business. Mrs X who loved to bake decided she would make cakes and cookies to sell to her neighbours to raise her household income. Mrs X baked goods were a hot favourite in her neighbourhood and the demands quickly rose. With increasing demands Mrs X opened up a bakery specialising in cakes and cookies in the local town. She started this bakery with her daughter and some initial financial investments from friends and family members. Firm X has expanded into a multinational enterprise and is now manufacturing baking products for supermarkets across the UK and Europe. Recently, the company secured a contract to sell their products in Brazil. The production is largely kept in-house with 250 core staff working at three production sites and twelve distribution centres. Firm X is a private limited company but has ambitions to enter the stock market to release capital and spur further growth.

In what followed, participants continued to read one of two versions of a vignette that implied that hiring and promotion practices in the firm were either nepotistic or non-nepotistic (shown in brackets).

In keeping with its family heritage (/global outlook), the company is still (/no longer) run by members of Family X. Furthermore, newcomers to the company often have (/do not have) existing family connections with the company. Jobs are advertised to the wider public, but the company encourages (/and the company discourages) the hiring of relatives of existing staff members.

Following this scenario, participants responded to two questions that served as manipulation check: *'How common is it that employees have family connections in this organisation?'* and *'To what extent does the company encourage the hiring of relatives of employees?'*. The response scale ranged from 1 (*not at all common; not at all*) to 7 (*very common; very much*).

Finally, participants read one of two versions of a vignette that implied that qualifications were either important in hiring and promotion decisions or that qualifications did not impact hiring and promotions (shown in brackets).

Hiring and promotion decisions are very transparent (/not very transparent).  
The company always seeks to ensure (/does not seek to ensure) that candidates for hiring and promotion are suitably qualified and have the

demonstrable skills and expertise to carry out their work effectively.

Examples of qualifications include educational degrees, professional accreditations, training certificates, and previous or current employment.

Qualifications are checked carefully (/sometimes ignored) in hiring and promotion decisions. As a result, only qualified individuals are hired or promoted (/unqualified individuals are sometimes hired and promoted) to take on responsibilities within the company.

The vignette was followed by two manipulation checks items: *'How likely is it that employees are hired or promoted, who do not have the right qualification level?'*, *'How likely is it that staff are taking on responsibilities without having the right qualification?'*. The response scale ranged from 1 (*not at all likely*) to 7 (*very likely*). Participants then responded to 21 items measuring participants' perceptions of what it is like to work in Firm X, which served as outcome measure. In particular, participants indicated their perceptions of (a) employees' identification with Firm X (three items; e.g., *'Employees identify with Firm X'*), (b) employees' well-being (two items; e.g., *'If they had the choice, employees would choose to work for Firm X'*), (c) employees' commitment to Firm X (two items; e.g., *'Employees are strongly committed to Firm X'*), (d) employees' trust (two items; e.g., *'Employees have full trust in Firm X'*), (e) employees' job satisfaction (three items; e.g., *'Employees in Firm X feel the things they do at work are*

worthwhile'), (f) employees' ability to solve problems (three items; e.g., 'Employees in Firm X are dealing with problems well'), and (g) employees' autonomy and control (four items based on Jackson et al., 1993; e.g., 'Employees in Firm X feel that they can determine the methods and procedures used in their work'). All response scales ranged from 1 (*strongly disagree*) to 7 (*strongly agree*). At the end, participants were debriefed on the purpose of the study and thanked for their time.

### **3.4.2. Results**

#### **3.4.2.1. Data preparation**

I created singled indices for the manipulation checks by collapsing two items measuring perceived prevalence of nepotism ( $r = .88$ ,  $M = 4.08$ ,  $SD = 2.48$ ) and importance of qualification ( $r = .87$ ,  $M = 3.61$ ,  $SD = 2.27$ ), respectively. Next, I submitted the 21 items measuring employees' perceptions to a principal component analysis using a parallel analysis method (Horn, 1965), which revealed two underlying factors that jointly explained 70.52% of the variance in the outcome measures: one factor that loaded on the four items measuring autonomy and control, and one factor that loaded on the remaining 17 items measuring various aspects of employee commitment and well-being. Thus, I proceeded to create two composites outcome by collapsing the four items

measuring autonomy and control ( $\alpha = .90$ ,  $M = 3.84$ ,  $SD = 1.30$ ), and the 17 items measuring commitment and well-being ( $\alpha = .97$ ,  $M = 4.59$ ,  $SD = 1.26$ ).

### 3.4.2.2. Manipulation check

Participants reading the nepotistic firm vignette thought that hiring and promotion procedures were more nepotistic than participants reading the non-nepotistic scenario (nepotistic:  $M = 6.37$ ,  $SD = .77$ ; non-nepotistic:  $M = 1.77$ ,  $SD = 1.04$ ),  $t(284) = 42.60$ ,  $p < .001$ . Similarly, participants' perceptions of the importance of qualifications for hiring and promotion practices differed between experimental conditions (qualified:  $M = 5.51$ ,  $SD = 1.29$ ; non-qualified:  $M = 1.65$ ,  $SD = 1.10$ ),  $t(284) = 27.16$ ,  $p < .001$ . This suggests that the experimental manipulations were successful.

### 3.4.2.3. Main analysis

**Commitment and well-being.** I submitted the composite commitment and well-being scores to a 2 (nepotism: nepotistic vs. non-nepotistic) x 2 (qualification: qualified vs. unqualified) analysis of variance, which revealed a significant main effect of nepotism,  $F(1, 282) = 119.12$ ,  $p < .001$ ,  $\eta_p^2 = .297$ . Employees in the nepotistic firm were perceived to be more committed and thought to experience greater well-being ( $M = 5.25$ ,  $SD = .97$ ) than employees in the non-nepotistic firm ( $M = 3.92$ ,  $SD = 1.16$ ). There was also a statistically significant main effect of

qualification,  $F(1, 282) = 16.99, p < .001, \eta_p^2 = .057$ . Employees in the firm valuing qualifications were thought to be more committed and to experience greater well-being ( $M = 4.35, SD = 1.34$ ) than employees in the firm that did not value qualification ( $M = 4.84, SD = 1.12$ ). There was no statistical significant interaction between nepotism and qualification,  $F(1,282) = 1.94, p = .165, \eta_p^2 = .007$ . As shown in Table 3.4 post-hoc comparisons indicate that nepotistic environments were thought to lead to more positive outcomes for employees, even when the firm ignored qualifications in promotion and hiring decisions. Furthermore, post-hoc comparisons suggested that qualifications were only perceived to be important for non-nepotistic work environments, but not for nepotistic work-environments (although the difference between the two work environments did not reach statistical significance).

Table 3.4

*Perceived employee commitment and well-being in experimental conditions*

Measures	<i>M</i>	<i>SD</i>	<i>N</i>
Non-nepotistic; not qualified	3.58 <sup>a</sup>	1.18	71
Non-nepotistic; qualified	4.25 <sup>b</sup>	1.05	71
Nepotistic; not qualified	5.09 <sup>c</sup>	1.04	74
Nepotistic; qualified	5.43 <sup>c</sup>	0.87	70

*NB:* Means not sharing a common subscript within columns are significantly different ( $p < .05$ ) based on a Tukey post-hoc test.



**Autonomy and control.** Turning to the second outcome variable, I submitted the composite autonomy and control scores to the same analysis of variance performed on the first outcome variable. The analysis revealed a significant main effect of nepotism,  $F(1, 282) = 26.22, p < .001, \eta_p^2 = .085$ . Employees in the nepotistic firm were perceived to have more autonomy and control ( $M = 4.22, SD = 1.18$ ) than employees in the non-nepotistic ( $M = 3.46, SD = 1.30$ ). Neither the main effect of qualification nor the interaction between qualification and nepotism was significant,  $F_s < 1$ . Post-hoc comparisons confirmed that qualifications were perceived to be inconsequential for employee's autonomy and control regardless of whether the work environment was nepotistic or not (see Table 3.5).

Table 3.5

*Perceived employee autonomy and control in experimental conditions*

Measures	<i>M</i>	<i>SD</i>	<i>N</i>
Non-Nepotistic; not qualified	3.48 <sub>a</sub>	1.28	71
Non-nepotistic; qualified	3.45 <sub>a</sub>	1.32	71
Nepotistic; not qualified	4.28 <sub>b</sub>	1.18	74
Nepotistic; qualified	4.15 <sub>b</sub>	1.21	70

*NB:* Means not sharing a common subscript within columns are significantly different ( $p < .05$ ) based on a Tukey post-hoc test.

### 3.4.3. Discussion

Study 4 revealed employees from a nepotistic firm were perceived to be more committed and thought to experience greater well-being and greater autonomy and control than employees in a non-nepotistic firm. Qualifications were only perceived to play a role for employees' commitment and well-being, but not for employees' autonomy and control. In addition, there was some indication that participants discarded qualifications altogether in their perceptions of the nepotistic firms; only for the non-nepotistic firm participants differentiated between work environments that valued (vs. did not value) qualifications.

The present findings did not align to with previous expectations it underscore the notion that people may be inclined to underestimate the importance of qualifications for nepotistic hirings and promotions. The finding that the consequences of nepotism were perceived to be positive is curious and contrasts with a sizable literature, which suggests that people's perceptions of nepotism tend to be negative in Anglo-American cultural settings (where the present study was conducted). However, as discussed in Chapter 1, the notion that nepotism can be beneficial is by no means unfounded. Chrisman, Chua and Litz (2004) proposed nepotistic family run firms are more likely to have higher levels of altruism than non-family firms; as such employees are more likely to feel supported, experience higher levels of autonomy and motivation to accomplish their task, and more likely to share common goals and

values with the firm (Schulze et al. 2001), which leads them to perform more efficiently and have higher levels of optimism leading to better psychological well-being (Taylor & Brown, 1988). Employees with the nepotistic firms may identify more strongly with the firm so they have a sense of shared social identity which leads the employee to support the goals of the firm, which in turn supports the employees' sense of being part of a group. This is consistent with the findings of Haslam et al. (2009) arguing that social identification with a workgroup can lead to long term positive outcomes for employees' well-being and general morale because of the support factor offered by the firm to its employees.

It is curious that participants in the present study tended to perceive qualifications as somewhat less consequential, especially bearing in mind the fact that the study was conducted with university students (in active pursuit of a qualification). This suggests that at least in the present sample, people's perceptions do not align with empirical finding showing that competent individuals experience greater levels of autonomy, control and intrinsic motivation; all of which leads to better psychological well-being (e.g., Fisher, 1978; Ryan, 1982). Studies also show that employees who perceive their firm to have an unbiased evaluation process in relation to promotion and bonuses have higher levels of employee satisfaction and commitment to the organisation (Koestenbaum, Block & Kostenbaum, 2001; Moorman, Niehoff & Organ, 1993).

### 3.5. Coda

The present research extends a small body of empirical research on the actual and perceived consequences of nepotism for individuals and organisations, and how those consequences may (or may not) differ as a function on qualifications. Focusing on the actual consequences of nepotism, it appears that when recruits are nepotistic and suitably qualified, having family ties can be beneficial. Qualified nepots can flourish in their jobs, experiencing more autonomy and control, enhanced well-being, and higher levels of performance. Thus, even though they may have had the opportunity to join the organisations in part through nepotistic kinship networks, qualified nepots can prove themselves to be of value to the organisation. In contrast, the present research highlights the negative effects of nepotistic hiring without a suitable level of qualification. Individuals who enter organisations on the basis of kinship networks without qualification may underperform and may also experience greater psychological distress. Nepotistic hiring might have done them (and the organisation) a dis-favour after all.

When looking at people's perceptions of nepotism, a different picture emerges. It would appear that people have a limited understanding of the importance of qualification in determining positive and negative consequences of nepotism; at least in the sample studied. While it remains to be seen whether these findings translate to other contexts and cultural settings, the present

findings suggest that individuals involved in hiring and promotion decisions would benefit from further education and training regarding the consequences of nepotism and qualifications.

## **Chapter 4**

### **4.1. Chapter summary**

Nepotism is generally stereotyped as a dysfunctional, ineffective, unfair, and unethical process of hiring a relative (e.g. Arasli & Tumer 2008; Abdalla et al 1998). This train of thought may lead people to believe that any practice associated with nepotism has a negative effect on employees' performance and reduces organisational effectiveness (e.g. Riggio & Saggi 2015). The aim of the present research was to dispel some of the myth around nepotism and expand our understanding of variables that predict the endorsement of nepotism, as well as delineating the actual and perceived consequences of nepotism.

This discussion chapter provides a summary of findings for each empirical study. I then move on to look at the contributions to the literature before discussing some practical implications of the present research for individuals and organisations. I then proceed to look at limitations before concluding with a discussion of prospects for future research.

### **4.2. Main findings**

Study 1 was a correlational study conducted in the UK; from this study we learnt there was a relationship between the endorsement of nepotism and SDO. This new finding suggests that the more individuals endorse SDO the more they endorse nepotism. SDO encapsulates a support of inequality and power

differentials. As such, the study provides, for the first time, direct empirical evidence for a link between nepotism endorsement and support for a concentration power in the hands of a selected view.

The aim of Study 2 was to replicate and extend the findings of Study 1. In addition to measuring SDO, the study also included measures of the extent to which people endorsed meritocratic ideologies, were family oriented, and whether people saw nepotism as an opportunity for self-advancement. In addition, the study also included measures of people's perceptions of nepotism – whether nepotism was perceived to be efficacious, consistent with (prescriptive and descriptive) social norms, and fair. Finally, and importantly, Study 2 was conducted in different cultural settings, sampling participants from countries that differed on the cultural dimensions of power distance and collectivism. The results showed that India – a collectivistic high-power distance country - had the highest incidence of hiring relatives without merit and endorsing nepotism compared to the USA – a individualistic country with low power distance. Trinidad and Greece fell in the middle in terms of participants' exposure to, and endorsement of, nepotism.

Turning to individual-level predictors of nepotism, the findings indicated the more individuals endorsed nepotistic practices, the more they valued family ties, the more they believed nepotism presented an opportunity for self-

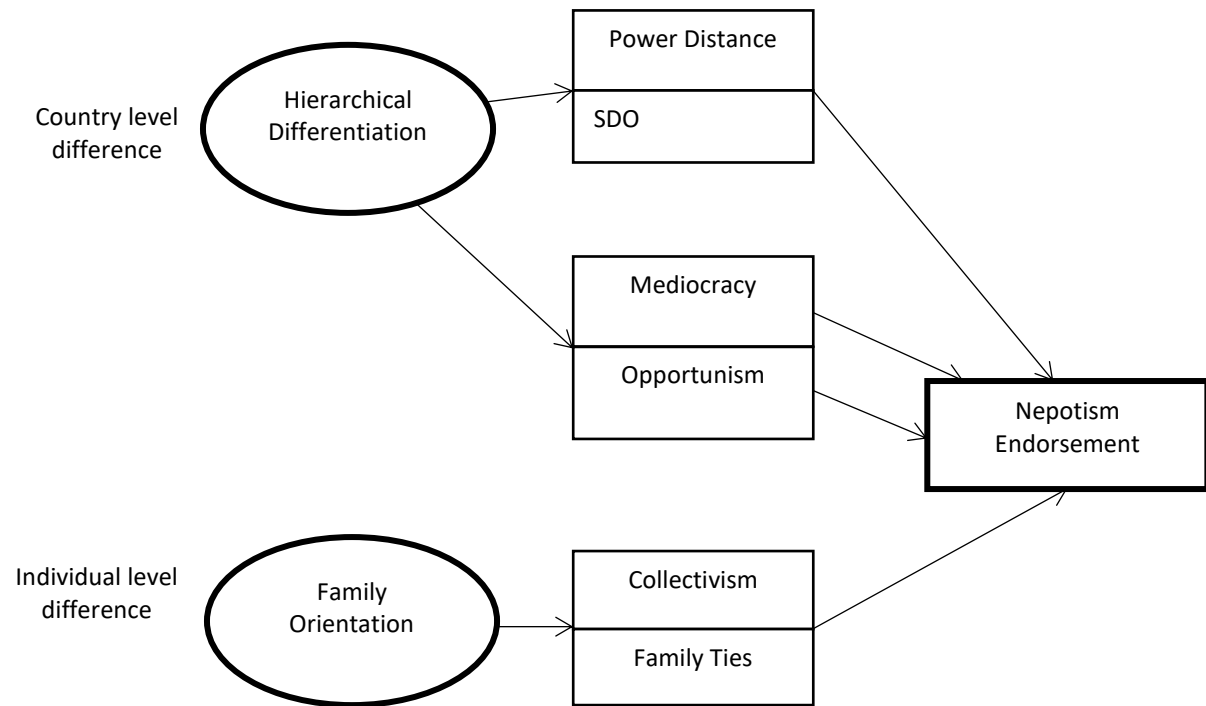
advancement, and the less they endorsed meritocratic ideologies. Once again, SDO also emerged as a significant predictor of nepotism endorsement.

Further analyses revealed that differences in SDO mediated country-level differences in the endorsement of nepotism. Meanwhile, family orientation contributed to explain differences between the USA and India, but it did not contribute to explain differences between the USA and Trinidad.

Previous research conducted in Europe and America suggested nepotism was more common in the private sector than in the public sector (Abdalla et al., 1998; Bellow, 2003; Scoppa, 2009). Data derived from American and India participants concur with these findings; however Greek participants thought nepotism was more common in the public sector than the private sector, whereas Trinidadians did not differentiate between the private and the public sector. Interestingly, country-level differences in the prevalence of nepotism notwithstanding, participants in all countries appeared to overestimate the prevalence of nepotism using their own personal experience as a reference point. Figure 1 below summaries the conceptual model that underpins the present findings for nepotism endorsement in study 1 and 2.



Figure 4.1 Conceptual Model of Nepotism Endorsement



Having found evidence for a number of theoretically-derived predictors of nepotism endorsement, in Chapter 3 I turned my attention to actual (Study 3) and perceived (Study 4) consequences of nepotism, looking at the moderating role of qualifications. Study 3 was conducted within an arm of the Defence Force in the Caribbean. Service personnel provided self-reports of current and former family members enrolled in the service and their level of qualification on entry into the service; this was validated by qualification certificates in the individual service personnel file. This data gathering allowed me to separate respondents into three groups: qualified nepotistic ratings, unqualified nepotistic ratings and non-nepotistic ratings. I then compared the three groups in terms of psychological well-being, performance and various facets of work attitudes and perceptions of organisational practices.

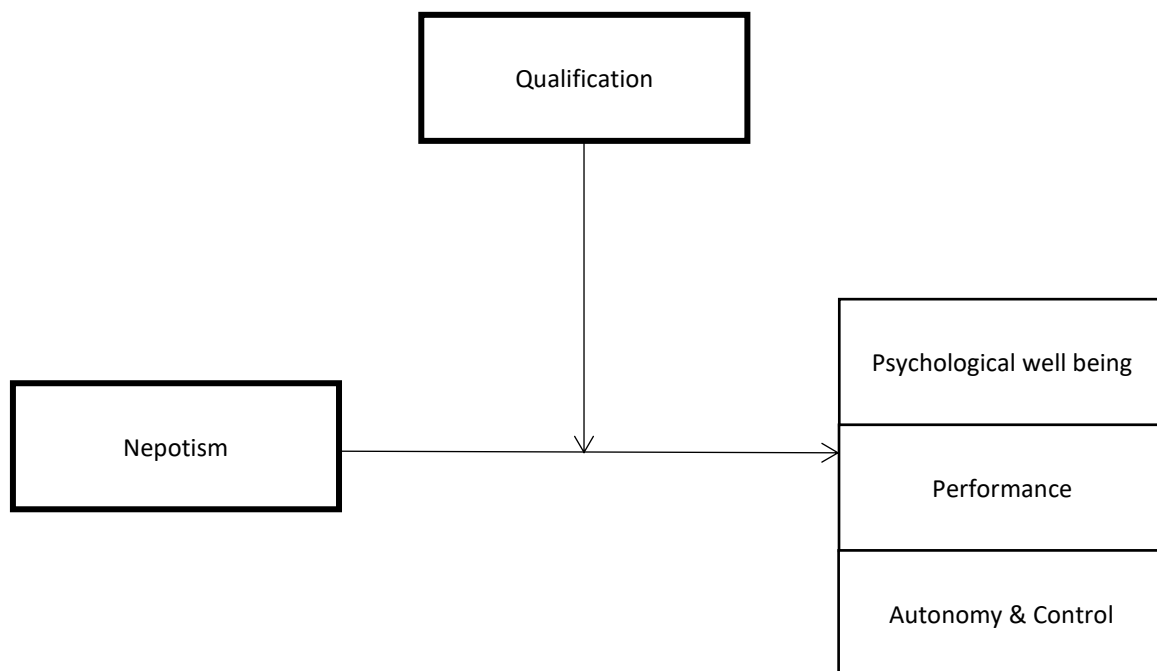
The results showed that, compared to unqualified nepots, qualified nepots benefited from greater psychological well-being over time and they performed better on the job than either non-nepots or unqualified nepots. Qualified nepots also benefited from enhanced perception of autonomy and control when compared to the other groups. Unqualified nepots, on the other hand, displayed poorer levels of psychological well-being and lower levels of performance than non-nepots and qualified nepots.

In a final study, I sought to shed further light onto people's perceptions of the consequences of nepotism, again with a particular focus on qualifications. A key question was whether people – in this case students sampled in the UK – would differentiate between nepotistic work environments that differed in terms of the importance of qualifications for hiring and promotion decisions. To this end, I asked participants to read one of four vignettes depicting either a nepotistic or a non-nepotistic work environment in which qualifications were either important or not important. Participants then rated the vignettes in terms of employees' commitment and well-being along with autonomy and control.

The results showed that participants showed little appreciation of the importance of qualifications for nepotistic employees. Interestingly, employees in nepotistic settings were perceived to be more committed and were thought to experience greater well-being and greater autonomy and control than employees in the non-nepotistic setting, regardless of the importance the firm placed on qualifications. Only for the non-nepotistic firm participants felt qualifications had an impact on employee commitment and well-being, but I found no significant

differences in terms of employees' autonomy and control. All in all, Studies 3 and 4 highlighted important discrepancies in terms of the actual and perceived consequences of nepotism and the moderating role of qualifications. The figure below summarizes the conceptual model of actual and perceived consequences of nepotism, that underpins the findings of studies 3 and 4

Figure 4.2 Conceptual Model of Actual and Perceived Consequences of Nepotism



### 4.3. Contributions to the literature

Whilst some previous studies have examined differences in the prevalence of nepotism in different sectors and geographic regions (e.g., Abdalla et al., 1998; Hayejenh et al., 1994; Scoppa, 2009; Wated & Sanchez, 2015), there is a paucity of empirical studies on factors that contribute to the endorsement of nepotism.

The present research contributes to fill this gap by establishing the importance of power distance and social dominance, family ties, and meritocracy and opportunism as factors that contribute to variations in nepotism endorsement.

This work also introduces a new level of analysis, highlighting the

contributions individual-level variables make in determining people's attitudes towards nepotism. What is more, I found some indication that the same construct that contribute to inter-individual differences in nepotism endorsement also contribute to explain differences between countries.

Power distance was a key construct to understand between-country differences in people's attitudes and perceptions towards nepotism. Drawing on Hofstede's work on cultural differences, the findings of Study 2 were consistent with previous work showing that collectivistic high-power distance countries such as India endorse inequality amongst groups (Basabe & Ros, 2005) and show evidence of nepotism being perpetuated through personal and family networks (e.g., Basabe & Ros, 2005; Guhan & Samuel, 1997; Hooker, 2009). These findings add to this body of research by delineating the role of power distance along with collectivism in promoting nepotism. This is of course not to say that nepotism cannot be found in low power distance countries such as the USA. Indeed, according to Bellow (2003) nepotism seems to be very much part of the fabric of American governments, and there is ample evidence for hierarchical differentiation and inequality amongst American society (Adams & Bell, 2016).

Providing direct evidence for the importance of family ties in promoting nepotism is another important aspect of this thesis. According to Chakrabarty (2009), family is the most important in-group in collectivist culture, and

individuals core beliefs, morals and values focus on duty and obligation towards members in their in-group (Basabe & Ros, 2005). My findings were consistent with, and extend those of Wated and Sanchez (2015) showing that nepotism is endorsed in collectivist cultures.

The empirical findings of Study 2 also brought to light that support for nepotism is closely linked to the rejection of meritocratic ideologies. This is consistent with Song Hing et al. (2011), who indicated in their research that individuals who supported meritocratic practices are more inclined to support fairness and equality, and less likely to endorse nepotistic practices. This also falls in line with Fischer and Smith (2003), who suggested that the more a society is associated with a hierarchical culture the more its citizens are inclined to favour inequality over meritocracy.

Researchers have been primarily concerned with the consequences of nepotism. Whilst perceptions of nepotism appear to be mostly negative, the literature also reveals a disparity between those emphasising positive aspects of nepotism and those emphasising negative aspects. However, thus far, there has been only limited research on factors that can interact with nepotism and that can determine whether the consequences of nepotism are detrimental or beneficial for individuals and organisations.

Study 3 contributed to the literature by establishing that not all nepots are equal and the consequences of nepotism vary depending on whether nepots are

competent/sufficiently qualified for their roles or not. In particular, the results of Study 3 showed that the level of competence/qualification affects nepots' psychological well-being over time, their performance levels and the level of autonomy and control people experience at the workplace. Whilst nepotism paired with a lack of qualification appeared to be uniquely detrimental, nepotism combined with sufficient levels of qualification appeared to have positive consequences for individuals and by extension organisations. Thus, the study underscores the importance of qualifications as a factor that shapes the (actual) consequences of nepotism for individuals and organisations.

Study 4 was carried out against the backdrop of the findings of Study 3, to see how much importance people attach to qualifications in the context of nepotism. Padgett, Padgett and Morris (2014) were the first to empirically investigate the consequences of nepotistic hiring on perceptions of nepots concentrating on performance attributions made about the nepots. Their findings suggest nepots were perceived to be less competent and their performance was attributed to network connections rather than actual ability and effort. In addition, nepots were perceived negatively irrespective of their qualification. This contrasts with the results of Study 4, which indicated that people's perceptions of the consequences of nepotism for the individuals are not only positive, but people also tend to assign little weight to the importance of qualification for nepotistic hiring and promotion. It is possible that these perceptions of the

consequences of nepotism are idiosyncratic to the population studied, whose work experience may be limited overall.

#### **4.4. Practical implications**

At the heart of this thesis was the fundamental belief that the findings can inform HR professional, managers and business owners, who are involved in the recruitment and promotion process and as such as gatekeepers to prevent or permit nepotistic practices. The research can also be applied to help nepots understand the consequences of being hired through nepotistic means. In Western societies nepotism is often viewed as a third world issue when in reality evidence for nepotism can be found around the globe. Practitioners can benefit from the present research by gaining a fuller understanding of the implications of nepotism for recruits, how nepotism may be perceived by others, as well as cultural factors and beliefs that can promote or stifle nepotistic practices.

The findings presented in this thesis serve as a reminder that nepots can face dire consequences in terms of their psychological well-being and decreased levels of autonomy and control in the job when nepotistic hirings coincide with a lack of competence/ qualification. The findings also provide new insights into how people may perceive the consequences of nepotism.

The empirical work presented in this thesis highlights the importance of appointing individuals who are suitably qualified and competent, and

demonstrate that nepotism paired with competence can be beneficial for individuals and organisations. Suitably qualified nepots will have the level of competency required to carry out the job, whilst having background information or knowledge of the day to day workings of the organisation before entering the organisation. This provides the employer with a well-equipped, competent individual who has the capacity, competence and support network to perform well.

This thesis also highlights how nepotism can promote negative outcomes for nepots who lack competence/qualification to function effectively within the remit of their job, resulting in lower performance and poorer psychological well-being. On the other hand, nepotism can also contribute to positive outcomes for those who are competent/qualified and have had a vested interest in the organisation on account of human capital transfer from their relatives who were or still a part of the organisation.

In today's society where holistic well-being is encouraged within the work place, it is vital to know that a lack of competence/qualification can place nepots at a disadvantage to the rest of the workforce. Following the recommendations set out by Laker and Williams (2003) to employ the most qualified person for the position regardless of their connections within the organisation appears to be sound advice for any organisation in order to prevent potential negative consequences.



Findings from Chapter 2 can be applied to promote a better understanding and awareness of why people endorse nepotism. In particular the findings related to cross-cultural differences could be applied to promote good intercultural relations by fostering a better understanding of why nepotism may be more widely endorsed in some cultural settings than in others. What is often perceived by Western societies as unfair, unethical, dysfunctional or ineffective can be better understood in terms of the cultural values and beliefs people hold, the obligations people may have to family and friends, whilst appreciating that nepotism is also practised in Western societies.

Finally, the findings of Study 4 can help us understand how nepotistic practices may be perceived by others, in particular those about to enter the workforce (university students). The findings showed that people's perceptions of the consequences of nepotism was remarkably positive. At the same time, the fact that relatively little value was placed on qualifications is somewhat concerning. This suggests that policy makers and education providers should do more to convey the benefits of acquiring skills and qualifications, focussing on aspects such as individuals' well-being and job satisfaction (above and beyond economic considerations).

#### 4.5. Limitations

Study 1 was conducted with undergraduate students. Samples drawn from student populations may not have been previously exposed to nepotism or nepotistic practices and may therefore be less likely to understand how nepotism works in the real world. The majority of students completing the questionnaire were first year undergraduates (59%), and their views may not necessarily represent the view of the UK population on the whole.

Data for Study 2 was collected from a number of places via various sources. Data gathered from opportunity samples in India, USA, and Trinidad were not necessarily representative of the Indian, American, and Trinidadian population. That said, the samples were diverse and drawn from a sizable cross-section of society in these countries. In contrast, in Greece data was collected almost exclusively from university staff. The views expressed by these participants may not necessarily align with the views of other segments of Greek society. Future research should include more representative samples drawn from a larger number of countries.

An important limitation of Study 3 is that appraisal scores may have been influenced by the presence of family connection, independently of individuals' performance on the job. However, systematic favouritism of nepotistic individuals does not explain the relatively stark discrepancy observed between qualified and unqualified nepots.

It is possible that the results of Study 3 are idiosyncratic to the particular cultural setting and military context studied. The findings should be replicated before the results can be generalised to other settings or contexts. Similar reservations apply to Study 4, which was conducted in the UK with undergraduate students. It would be ideal to replicate the study with a more representative sample of individuals across all ages and with a wider range of work life experiences.

#### **4.6. Future research**

As indicated above, it would be beneficial in the future to add more countries to the cross-cultural study including both collectivist (high power distance) and individualist (low power distance) countries across the globe to test specific predictions derived from the present research. By sampling a wider set of countries that differ in power distance and collectivism (vs. individualism) firmer conclusions can be drawn regarding the cultural dimensions that are conducive to nepotism.

The present research focussed primarily on qualifications as an indicator of competence. Future research should go beyond such a narrow definition of competence to include factors such as knowledge and skills, which are important to carry out a designated job competently, even without formal qualifications. In particular, one may not have the privilege to attend educational institutions but

nevertheless acquire skills and knowledge that make one just as competent. It stands to reason that the findings presented in this thesis can be applied to competence defined more broadly, but empirical research is required to affirm (or reject) this assumption.

Nepotism is a very personal subject to approach and often seen as taboo. In light of this, I would encourage longitudinal studies to be carried out within nepotistic and non-nepotistic firms. By employing a longitudinal approach one can establish a trusted relationship with individuals within the organisations and may be able to obtain a more personal perspective of the consequences of nepotistic practices.

#### **4.7. Conclusion**

The present research adds to our understanding of nepotism by delineating factors associated with the nepotism endorsement, as well as the actual and perceived consequences of nepotism. The work has highlighted the importance of power distance and social dominance as constructs that affect people's attitudes towards, and beliefs related to, nepotism. The work also points to the critical role of competence/qualification in determining whether the consequences of nepotism for the individual and organisations are positive or negative in relation to outcomes such as job performance and psychological well-being.

Unfortunately, people may not appreciate fully the value of qualifications in terms

of promoting well-being and autonomy on the job. This, however, also presents an opportunity and highlights the potential benefits of pursuing this line of research and disseminating the findings contained in this thesis.

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## Appendix A

### System justification scale

Please mark the extent to which you agree or disagree with the following statements 1 (*strongly agree*) to 7 (*strongly disagree*).

1. In general you find society to be fair.
2. In general the British political system operates as it should.
3. British society needs to be radically restructured.
4. Great Britain is the best country in the world to live in.
5. In Britain most government policies serve the greater good.
6. In Britain everyone has a fair shot at wealth and happiness
7. Our society is getting worse every year.
8. Society is set up so that people usually get what they deserve.

### Nepotism Endorsement

Family Connections at the Workplace Below, we would like to ask you questions about the practice of favouring one's own relatives, or the relatives of colleagues or friends, in the context of hiring decisions and promotions in organisations.

Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from 1 (*strongly disagree*) to 7 (*strongly agree*)

How much do you agree or disagree with the practice of ...

1. Favouring relatives of members of an organisation over other individuals who do not have family ties
2. Using one's family connections to employ someone or advance someone's career

## Appendix B

### Prevalence of Nepotism

#### Family Connections at the Workplace

How many people in your circle of family and friends were appointed ...

\_\_\_\_\_ .. either because they had relatives in the organization (1)

\_\_\_\_\_ .. or because relatives knew someone in the organization (2)

\_\_\_\_\_ .. without any family ties (3)

How many people in your circle of family and friends were appointed ...

\_\_\_\_\_ .. only based on family connections (1)

\_\_\_\_\_ .. based on family connections AND merit (2)

\_\_\_\_\_ .. only based on merit (3)



## Family Connections at the Workplace

Consider Trinidad/ USA/India (delete as appropriate) as a whole. What percentage of people are appointed ...

\_\_\_\_\_ .. either because they had relatives in the organization (1)

\_\_\_\_\_ .. or because relatives knew someone in the organization (2)

\_\_\_\_\_ .. without any family ties (3)

Consider Trinidad/ USA/India (delete as appropriate) as a whole. What percentage of people do you think are appointed ...

\_\_\_\_\_ .. only based on family connections (1)

\_\_\_\_\_ .. based on family connections AND merit (2)

\_\_\_\_\_ .. only based on merit (3)

## Perceptions of Nepotism

How appropriate is the practice of favoring one's own relatives, or the relatives of colleagues or friends in the different sectors listed below. Please mark the extent to which you think its inappropriate or appropriate with the following answers 1 (*very inappropriate*) to 7 (*very appropriate*).

1. Public Sector
2. Private sector
3. Armed Forces

How beneficial is the practice of favoring one's own relatives, or the relatives of colleagues or friends in the different sectors listed below. Please mark the extent to which you think its inappropriate or appropriate with the following answers 1 (*very inappropriate*) to 7 (*very appropriate*).

1. Public Sector
2. Private sector
3. Armed Forces

Do you think the practice of favoring one's own relatives, or the relatives of colleagues or friends is.... Please mark the extent to which you think 1(*definitely not*) to 5 (*definitely yes*) to the following statements.

1. Compatible with the principle that everyone should be treated equally.
2. Compatible with the principle that the best and most hardworking people should move ahead.
3. Compatible with the principle that people in need should receive help
4. Compatible with the principle of fairness
5. Endorsed by your friends
6. Endorsed by your family
7. Endorsed by people who are not part of your friends and family.

## Appendix C

### Perception of Organisational Practices

#### Perceived meritocracy

In your view to what extent do you believe *score on selection process* to be important in the decision to enlist someone. Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Not at all important*) to 5 (*Incredibly important*).

In your view to what extent do you believe *competency* to be important in the decision to enlist someone. Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Not at all important*) to 5 (*Incredibly important*).

In your view to what extent do you believe being *highly skilled* (even if no formal education) is important in the decision to enlist someone. Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Not at all important*) to 5 (*Incredibly important*).

#### *Perceived nepotism.*

To what extent do you believe *education level* to be important in the decision to enlist someone. Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Not at all important*) to 5 (*Incredibly important*).

To what extent do you believe *friends and family in the service* to be important in the decision to enlist someone. Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Not at all important*) to 5 (*Incredibly important*).

To what extent do you believe *previous experience* to be important in the decision to enlist someone. Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Not at all important*) to 5 (*Incredibly important*).

#### *Discord with Practice*

How often do you agree with the methods used by the service in the *training process*? Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Always agree*) to 5 (*Always disagree*).

How often do you agree with the methods used by the service in the *recruitment and selection process*? Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Always agree*) to 5 (*Always disagree*).

How often do you agree with the methods used by the service in the *performance/ appraisal process*? Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Always agree*) to 5 (*Always disagree*).

*Transparency of personnel selection.*

*How transparent do you believe your organisation is in terms of recruitment and selection?* Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Very transparent*) to (5 *Not at all transparent*).

*Fairness of performance evaluation*

*'I think my superior evaluated my performance objectively and without prejudice.* Please express to what extent do you agree or disagree with the statements by marking the corresponding choice from (1 *Very objective*) to (5 *very subjective*).