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Referral hiring in a recruitment situation

The importance of favoritism, fairness and gender.

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Which factors will influence who you choose to recommend in referral hiring? Questions regarding nepotism and referral hiring were examined in the study. Special focus was laid on in group favoritism, perceived fairness and gender. With an experiment participants were faced with a scenario where they were asked to select a replacer for a job spot. In the experiment the participants were faced with a fairness priming, using words (primes) and a control condition. The participant also completed a moral test which was treated as a moderating variable. The conclusion was that the participants chose more friends of the same gender as themselves. The participants also chose to select their friends instead of two unknowns despite the fact that the friend was less suitable for the job. No connections were found between the sex, the fairness manipulation or the concept of fairness. The manipulation had no effect.

Keywords: nepotism, referral hiring, in group favoritism, fairness, gender, discrimination.

It is already established that one of the most important way of finding a job are through networks and personal relations (Behtoui 2008; Meliciani & Radicchia 2010; Mouw 2003; Pellizzari, 2010). With a psychological approach this study raises the topic of informal recruitment and which factors will influence who you choose to recommend in referral hiring. It will examine nepotism, gender effects and individual differences in moral when participants have to consider a scenario that involves recruitment.

When you use a social network to find a job, you may use friends, family, acquaintances, employers or coworkers. These people help you with obtaining job information, job leads and eventually find employment (Trimble & Kmec, 2011). From the beginning, these people where probably not intended to be used as potential job contacts. The question is if this is something to endeavor, what if this leads to poorer recruitment?

It is important to have a good match between a person and the position this person have at work. It is also important that this person feel good at his or her work and is happy (Kahlke & Schmidt, 2010). A persons stays at work for about eight hours per day and because of that it could be very stressful and mentally changeling to be somewhere where she or he do not want to be or do not exactly fit in. A person might not have the capacity to perform because the right qualifications are lacking. This can lead to trades on the current position. In total if a person does not like his or her job this will probably affect other areas of life in a negative way. There could be risks involving referral hiring such as favoritism which can lead to an unfair and poor recruitment. This may lead to the negative consequences above and because of that it is important to study referral hiring.

Previous research on personal contacts have mainly had an economically focus. For instance recruitment costs a lot of money and if a recruitment goes wrong another one has to take place and this could be very expensive. It also cost a lot of money with a mismatch because this for example will reduce productivity. This study aims to fill an important gap of knowledge because it will take a psychological approach and it will use an experiment as a method. Participants will be faced with a scenario where they are asked to pick a replacer for a particular job spot. The participants are asked to choose between friends and unknowns and at the same time it is stated that the friends are less suitable for the job. The question is if people still will select the friend in spite of the fact that the friend is less suitable. A focus in this study will be on the effects of nepotism and if this will cause a more segregated labor market. It has already been

established that a person tends to have more friends of his or her own gender in his or her network throughout the lifespan (Mehta & Strough, 2009). Persons who are in one's network also tend to resemble oneself. This could lead to the gender equality on the labor market will take longer time to achieve and the labor market becomes more confined. When a person use his/hers network to find a job, then that network will mostly contain friends of the same sex. Because of that the probability is high to select a replacer of the same sex as the one who is doing the recommendation. For the same reason the replacer is likely to resemble the recommender and the labor market will be more confined.

Referral hiring

When talking about informal recruitment methods this means you are using personal contacts to recruit. A personal contact could be used to recommend someone to the responsible for hiring. The responsible for hiring could then contact the recommended about an eventual job offer. It can also refer to when a person comes into contact with a job offer using a contact that was not originally intended as a potential job source (Granovetter, 1995).

A topic that is close related to informal recruitment is nepotism and these two topics often work together. Vinton (1998) made a review of the literature on the topic of nepotism. His definition of nepotism, like many other researchers', is the application of employing relatives. Kragh (2012) addresses nepotism as in group solidarity. This study examines not relatives but instead close friends.

A lot of studies have been conducted concerning referral hiring and there is no question regarding the importance of referral hiring. Most studies estimate that at least half of US workers either use or received their jobs through informal channels. Western Europeans tend to find jobs less frequent through informal contacts than U.S. citizens (Marsden & Gorman 2001). Mouw (2003) adds up to 54% of people in 1982 National Longitudinal Studies of Youth (NLSY) database got their job through contacts. In de Graaf and Flap (1988) study from the Netherlands with a sample of only males, every third man used informal contacts to acquire their occupation. In the same study de Graaf and Flap found out that almost 60 percent of U.S. citizens using social contacts to find their job. Kragh (2012) writes that nepotism is widespread in developing countries such as Kenya and Latin America.

Most of these studies have one thing in common. They use already employed people in their sample and ask questions such as “how did you get your current job?”. This could be a limitation because it excludes all the cases that didn’t have a job and focus only on the successful cases. Also this is problematic since it may not reflect the general pictures of referral hiring (Behtoui, 2008). Those already existing examinations differ because they use survey technique and take a retrospectively perspective. Also they measure salary as an indicator of successful recruitment (Marsden & Gorman, 2001; Pellizzari, 2010; Radicchia, 2010). This study uses an experiment as a method to gather data. Benefits of an experiment are that it is possible to have high level of control and to examine causal relationships by manipulating different variables and see what effect they have on recruitment. Here participants may take part in a recruitment scenario. Because of that this study takes a new approach since it focus on psychology, not on economy. The prospective perspective used in this study will help to get a more versatile picture of the use of referral hiring.

Positive and negative effects of using referral hiring

As stated in the beginning sex segregation is a persistent feature across the life span (Mehta & Straugh, 2009). The researchers discuss some explanations for this phenomenon. For instance they conclude that woman tend to have a double burden, working both in the home and outside of the home. Because of this the woman may have smaller social networks. Further, they estimate that traditionally this is not the case for males. They work only outside the home and not in the home. Therefore the males have more spare time. When male wish to engage in spare time activities such as sport, they tend to do this with other men because woman do not have time to engage in the same way. Rose (1985) found support for woman tended to have more women in their network than men and that men tended to have more men in their network than woman. The author claims this may be due to that woman don’t feel that their friendship will be fulfilled using male friends. When women have male friends they expect a relationship filled with more status than intimacy. When a male have a female friend the male gives less status to the woman than he would have given to a male friend. Rose (1985) also found support for the fact that when married, the cross- sex friendship declines. With this fact it is possible to draw some conclusions. This could lead to a more segregated workplace, to too many peers of the same gender and to a

workplace with many people who resemble each other. This is not something to strive for since a workplace that has many people who resemble each other is less innovative than a workplace that's diverse (Hulsheger, Salgado & Anderson 2009). In a meta-analysis they found support for a team containing members with job diversity had a positive relationship with innovation in the overall analysis. Also a lot of studies concerning sex differences in group performance have been made. In a review from 1987, Wood found evidence for that mixed group with both men and woman outperformed same-sex groups. Although Wood states that one should be cautious about drawing conclusions from this result because the number of studies that have been done up to that point is small. Then it's good that a more recent study conducted by Umans, Collin and Tagesson (2008) is in line with previous research. With a more upswing in the gender balance there will be an increase in performance.

Employers want employees to make decisions that are right for the organization, even if that decision isn't the right for the employee's best interest or for the employee's personal contacts best (Howard, 2008). By using informal channels employers might think that the recruitment will be more accurate since the information is coming from a trustworthy employee (Marsden & Gorman, 2001). What if informal contacts are inferior at matching the right individual to the right position? In some studies the results are positive and in some it is negative. The positive side is for example that the employer gets more qualified candidates with a bigger pool. Some employees were able to pick out the right person for the job when using informal hiring as a recruitment method. On the other hand, some employees were not able to pick out the right candidate and some received a lower salary when contacts were used to get the job. Hiring manager said that they used informal methods for hiring because this gave them qualified applicants. Interesting is that hiring manager said that the quality was a greater source of motivation than cost for recruitment made by using social contacts (Mencken & Winfield, 1998). Although one should be careful with drawing too much conclusion from this statement. To say that the focus is on quality sounds better rather than to "try to cut some costs" and may be due to social desirability. Fernandez, Castilla and Moore (2000) did a study on a phone center and they also found positive results. They studied records of a phone center's hiring activities during two years. This phone center worked after the concept of referral bonus (they gave out bonuses to the employees who recommended a person that later became employed). The study found support for the "richer pool" process, meaning the pool of applicant were better when informal methods were

used than a pool of applicant who had been assembled by formal methods. However they didn't find any support for a "better match" hypothesis. Better match hypothesis means that the person is competent to precisely the tasks he or she will perform. One may ask whether it is more important with more applicants to choose from, or if it is the most suitable for the job that are most important. Beaman and Magruder (2012) found mixed results in their study when they examined if the if employees were able to actually pick out the right person. Some individuals were able to recommend the individuals in their network to enhance productivity in the organization, but some employees were not able to pick out the "right" individual from their network. This may mean that some employees can help the employer screen their network for possible candidates and others may not. The reason why employers want to use referral hiring is because this saves time in the recruitment process, but the negative consequences may seem to outweigh the positive (Meliciani & Radicchia, 2010). Meliciani and Radicchia (2010) for example derive support for a mismatch hypothesis. A mismatch hypothesis implies that a mismatch between the workers characteristics and the characteristics of the occupation has been made, and that's not good. In other words, a recruitment has gone wrong with respect to the person's competence for the tasks he / she will perform. This is supported by the fact that those recruited via "family and friends" receive on average lower wages than those recruited by formal channels. One reason could be because often when social contacts are formed, the main purpose is not to provide information about job offers (Granovetter, 1995). This can cause the individual to get a job, via informal contacts, where he or she is not the most productive (Bentolila, Michelacci & Suarez, 2010). Although Mouw (2003) claims that it would be naive to think that contacts don't matter. To be well connected is a gain in the labor market. But he also writes that an overestimation on the effect of social capital in the labor market is likely to happen since the occurrence of friendship is nonrandom. He doesn't find evidence that the use of informal contacts has an effect on either wages or on job satisfaction. But he does find some surprising support though, the time the individual is unemployed is extended when informal contacts are used. These findings are contradictory to other research results. For example Meliciani and Radicchia (2010) find support for unemployment decreases by 15 days when informal contacts are being used.

Because the results are so contradictory, it is likely that many aspects are involved and this influences the outcome. This study will examine how mainly two things can contribute to the

outcome of referral hiring, namely ingroup favoritism and the perception of fairness. Could it be that the participants will select the two other candidates more often than the friend if the concept of justice comes to mind? The purpose of the manipulation in this study is to emphasize an equitable mindset. It is also interesting to examine whether or not the manipulation work, will individual differences of fairness affect the choice. The results can also originate from ingroup favoritism. Could ingroup favoritism have an impact of the preference for friends?

Fairness

Altruistic can be referred to as a behavior that favors a different organism, not closely related, even if this behavior will put one's interest aside. People have formed alliance and cooperation through time and this has led to emotions that promote reciprocal altruistic behavior (Trivers, 1971). Because people engage in reciprocal interactions all cultures have developed a concept about fairness and justice (Haidt & Graham, 2007). These two researchers have formed a thesis containing five foundations concerning moral psychological systems. Fairness/ reciprocity are one of five foundations that cause moral institutions in different cultures. Another foundation is ingroup/loyalty. The long history of humans living together in groups has led to special social-cognitive abilities. This combined with emotions have led to recognizing, trusting and cooperation for ingroup members. The other three foundations are harm/care, authority/respect and purity/sanctity but those are not of interest for this thesis.

Studies examine fairness in different recruitment situations have been made. The applicants were asked to evaluate the fairness of different selection decisions. Seen from the candidate's side Hausknecht, Day and Thomas (2004) found in a meta-analysis that nontraditional methods such as personal contacts were considered to be less favorably and traditional selection methods such as interviews and work samples had the most positive evaluations. This is important to examine since the applicants reaction is vital. Candidates who have beneficial and justice beliefs about who gets the job are more willing to accept the job offer and to speak well of the employer to others. Almost the same results were found by (Andersson & Witvliet, 2008). In their study they compared results from the Netherlands with previously published samples from the United States, France, Spain, Portugal, and Singapore. Again the candidates favored traditional methods and were not very keen on methods such as personal

contact. When choosing the most approving methods of recruitment, personal contacts came in the ninth place out of ten. In the last place came graphology. Conclusively Madera (2012) made a study on the perception of fairness using social network. Again Madera's participants experienced more fairness to an organization that did not use social networking websites as a selection tool.

Ingroup favoritism

As stated above the history has led to cooperation and alliance with the ingroup (Trivers, 1971). Could it be that this may lead to the preference for friends? Will a nepotism effect occur although the participants know that the friend is less suitable than the two unknown candidates? Maybe this will be the case if the participants sees their friends as the ingroup members and the two unknown candidates as the outgroup members. Or could it be that the moral of the participants will influence the choices? The belief of a fair way to make the choice and the belief about the preference for friend may go against each other.

Ingroup refers to the groups individuals belongs to and outgroup refers to the group the individual not belongs to according to the individual self-concept (Passer et al., 2009). Ingroup favoritism refers to the tendency to promote the ingroup over the outgroup (Turner, Brown & Tajfel 1979). To support the statement that the ingroup promote the ingroup over the outgroup. Turner et al., (1979) conducted a study in which children were asked to distribute monetary rewards. They found support for the individual's self-interest was linked to ingroup profit. They also found that the ingroup was less fair and more discriminated toward the outgroup than they were toward the ingroup. Some similar results occurred in Ahmed (2007) study. He concluded that discrimination occurs toward the outgroup, but the reason is ingroup love and not outgroup hate. In his study participants were asked to divide SEK 500 between two other participants. One was an ingroup member and the other one was an outgroup member. The main part of the participants chose to give most of the money to the ingroup member. Ingroup members are usually treated with unselfish helpfulness and priority according to the morals of social distance and mutuality (Kragh, 2012). But according to the traditional way of recruitment, thus formal methods, a person should have the same chance of getting the job regardless if it is a member of the ingroup or the outgroup. When informal methods are being used people could have a hard time being objective because the most natural thing to do is to select an ingroup member. People

like being a part of the group and do not want to be excluded. This could lead to the tendency to prefer cooperation and the likeliness to recommend a friend instead of a stranger.

It could also be the case that the participants will see the gender as a special subgroup. Perhaps the participants will treat the same gender as oneself as the ingroup and the other sex as the outgroup? Gender discrimination can be defined as an examination in which sex is the distinguishing feature among individuals, thus besides sex the individuals are equivalent (Kalin & Hodgins, 1984). The likeliness that discrimination will occur seems to depend on how strong congruence it is between the gender of the applicant and the gender label the requested work has. Therefore concerns have been raised regarding women's chance of finding a job through the use of informal network (Marsden & Gorman, 2001). The idea is that woman's network largely does not contain contacts that have valuable information on job offers. Pellizzari (2010) derives support that subgroups such as woman and young individuals are less likely to find a job through informal contacts and Loury (2006) shows that women have less access to high salary offers. Loury (2006) also says that female friends are probably less good for job offers than younger men are. Since heterogeneity occurs some organizations are maybe better off using formal methods (Kugler, 2003). Using informal methods can lead to segmentation in the labor market not only between woman and men but also for immigrants. In Behtoui (2008) study it is declared that immigrants are less prone to finding their jobs by informal contacts.

As stated above, concerns have been addressed toward woman's chance of finding a job through the use of informal network. Therefore Carlsson (2011) conducted a study on gender discrimination at hiring in the Swedish labor market. He did not find support for that discrimination existed in a recruitment situation. He concludes that the gender segregation in Sweden cannot be explained by discrimination in employment. The method Carlsson used in his study was a field experiment and he used formal recruitment methods and therefore the results are not quite comparable. Although the results are surprising there may still be some discrimination in informal recruitment. Therefore it would be interesting to examine if Carlsson's results can be transferred when informal recruitment is being used as a recruitment method. This study will measure whether discrimination exists against women but in this study informal recruitment methods will be used. If a man is being chosen in front of a woman solely because of his sex, then a gender discrimination has occurred. Will there be a structural segmentation effect because of nepotism? Meaning in the society there could be discrimination made by informal

norms and when a group becomes discriminated, for example woman or handicapped, they become subordinated to another group and a structural segmentation effect on community level has been formed. If informal recruitment is being used in recruitment scenario this may cause an increased segmentation effect in the workplace. It is also interesting to examine if there will be a direct discrimination. Perhaps there will be an ingroup favoritism for one's own sex.

Aims and Hypotheses

The aim of this study was to examine decision making in a recruitment situation where referral hiring was used. This study investigates how both ingroup favoritism and perceived fairness inflicts the choice. This study differs from many other studies since it focuses on the psychology effects and not the economic gains when using referral hiring. Other studies have asked the participants how they got their jobs; this study will take a prospective approach and instead make an experiment.

This study aimed of examining if a nepotism effect existed in a recruitment situation. The participants were faced with a scenario where the participants were asked to choose a candidate for a job opening. They were asked to make a choice between a friend and two unknown candidates (the two unknown were more suited for the job). The hypotheses in this study were that (A) in overall the participants would select their friend although knowing that the friend is less suitable for the job. When examine the effect of the fairness priming (B) the experiment group would tend to select the unknowns more frequently than the control group would. (C) The participants who scored high in the "ingroup" scale of ethics would tend to select their friends rather than the unknowns. But if the participants instead scored high in the "fairness" scale he/she would tend to select the unknown person.

Another interest in this study was the gender question. The fourth (D) hypothesis therefore was that woman would be faced with a direct discrimination in a recruitment situation. In overall the thesis was that men would be selected more often than woman would, irregardless of the subject's gender. When choosing between Anna and Eric, Eric would be elected the most time. The idea was also that a gender ingroup favoritism would occur meaning that men will tend to choose Eric over Anna and that the female participants would choose Anna over Eric (E). As a final question (F) the study aimed of examining if the participants would tend to have more friends of the same gender as oneself.

Method

Participants

The main population in the study was people who had job experience. Therefore people were selected appeared to be at least 25 years old and older. The participants were selected from different areas of Sweden. Most of them were from five medium to large cities. The data collection took place in public libraries, universities and from two workplaces. One was involved in programming and one involved in social entrepreneurship. It was important that the participants had some prior understanding of how the labor market works in order to be able to make properly informed choices. One hundred sixty people participated and 50 % of those were women. Age were $M=26.15$, $SD= 9.7$ with a range of 18-67 years. Thirty-nine point four of the participants were students without any job, 29.4% were students and part time employed, 28.8% were employed, 1.9% was unemployed and 0.6 were retired. Ninety percent had job experience (measured by asking if the participants had worked for at least two months' time with a level of not less than 25% of full-time work). All the participants were asked if they were willing to participate in an experiment. They were informed that the entire experiment was anonymous, that it was voluntary to participate and they could at any time choose to discontinue. The participant received candy as compensation for their participation.

Material

Gender of friends

In the first section of the questionnaire participants were asked to fill in five names of their friends. With friends we meant persons that the participants knew and the friends were not allowed to be close family members. A ranking of the friend was done, wherein the first friend should be the best friend. In the coding process the names were coded according to gender. This aimed of examining if a gender favoritism effect existed. Did male participants have more male friends and did female have more female friends?

Recommending a candidate

After filling out the friends questions the participants had to imagine a scenario. In the scenario they have had an excellent job for a long time but they have now decided to quit because they had

been offered a new job. Then the participants were asked to help the old manager find a replacer. The participants could either select the friend reported in the earlier section, or choose between two other persons. The two unknown persons were “Anna” and “Eric”. Both Anna and Eric were more qualified than the friend was. Alternately Anna had more job experience and Eric had a higher education level. Whether it was Anna or Eric who had most work experience or the higher education level was counter balanced. The participants were to imagine that they could just select one person. Neither of the candidates for the replacement would ever find out that the participants were asked to choose from three candidates. It was stated that these three candidates did not even know that the vacancy existed. This was explained because the participants would not feel forced to choose the friend.

After imagining the scenario the actually choice were made. The participants were given five boxes. The text in box one said: “Who do you recommend for the job?” Each boxes contained three choices. The participant could select either the friend, Anna or Eric. This first box contained the first and best friend and the fifth box contained the fifth friend. Alternately Eric was first in the list of choices and alternately Anna was first in the list. The question was then repeated for the remaining four friends previously reported.

Bringing the concept of fairness to mind

There were various primes (keywords) linked to the organization so that the participant could imagine the workplace the participant would recruit to. Participants in the control condition were provided with three mottos which had been made as neutral as possible. In the other half there were instead five mottos. In the control group key phrases were: “we strive for high quality in our work”, “we think it is important that everyone feel comfortable in the workplace” and “we care about a good working environment and invest a lot in wellness”. In the experimental condition primes were added: “we strive to be highly professional, objective and impartial in all we do” and “we prioritize honesty, fairness and justice, which should permeate the entire organization”. The idea was that these two primes would activate a concept of honesty and fairness among the participants. The participants were randomized to receive either the neutral motto which only contained three key phrases or the version which contained five mottos.

Individual differences in fairness and ingroup

A morality test was used to measure individual differences. The test used in this study was: “Moral Foundations Questionnaire” by Jonathan Haidt 2008. The test was originally conducted to examine why morality varies across cultures but yet have so many resemblances. The test had 30 test items and two “catch” items. The test contained two parts. The first part dealt with “When determining whether something is right or wrong, how relevant are the following things for your thinking”. The participants were asked to answer using the following response options: not at all relevant, not very relevant, slightly relevant, somewhat relevant, very relevant, and extremely relevant. The second part asked the participants “Please read the following statements and indicate to what extent you agree with these”. The extreme points on the six point response scale were “strongly disagree” and “strongly agree”. Both parts contained five different foundations; Harm, Fairness, Ingroup, Authority and Purity. In this study only the foundations “Fairness” and “Ingroup” were relevant to the research questions. The remaining items were treated as filler items. In the first part of the test (differences between part one and part two are described above), Fairness had the following items: “Treated”- Whether or not some people were treated differently than others, “Unfairly”- Whether or not someone acted unfairly and “Rights”- Whether or not someone was denied his or her rights. Ingroup had the following items: “Lovecountry”- Whether or not someone’s action showed love for his or her country, “Betray”- Whether or not someone did something to betray his or her group and “Loyalty”- Whether or not someone showed a lack of loyalty. In the second part Fairness consisted of the following items: “Fairly”- When the government makes laws, the number one principle should be ensuring that everyone is treated fairly, “Justice”- Justice is the most important requirement for a society and “Rich”- I think it’s morally wrong that rich children inherit a lot of money while poor children inherit nothing. Ingroup consisted of the following items in the second part: “History”- I am proud of my country’s history, “Family”- People should be loyal to their family members, even when they have done something wrong and “Team”- It is more important to be a team player than to express oneself. In the current study the Cronbach alpha coefficient was .68 for the fairness scale. When item 6, “I think it is morally wrong that rich children inherit a lot of money while poor children inherit nothing”, was removed from the scale the Cronbach alpha coefficient was .73. The analysis was done without item 6 since value above .7 are considered acceptable. For the ingroup scale Cronbach alpha coefficient was .51.

Procedure

The questionnaire was introduced as an examination of friends and the main subject was occupational psychology. Nothing was said about “selection”, “recruitment” or “fairness” in order not to affect the participant’s upcoming answers.

After the participants got the questionnaire they received verbal instructions by the experimenter. The participants were asked to complete the questionnaire individually and in silence. In total the questionnaire took between 15- 20 minutes to complete. The study was conducted in different environments, such as libraries, study rooms and workplaces. Participants were informed that the test was voluntary, that no answers could be linked back to them and that they at any time could choose to end the test. After the completion of the questionnaire the participants were thanked and debriefed about the purpose of the study and that they could contact the experimenter for further questions. About 7 % of the participants guessed roughly the purpose of the study but none of the participants could completely guess the actual purpose.

Result

Examine nepotism and individual differences

The question was if the participants in overall would choose their friend in front of an unknown candidate despite the fact that the friend was less suitable for the job. A one sample t test was conducted to examine if people selected their friend more than one time. The most logical thing (from an fairness perspective) to do would be to select one of the two unknowns because they were both more suited for the job than the friend was. Test value 0 was used because everything above 0 would mean that the subject choose one or more friends. The t test reached significant results $M= 2.66$, $SD= 1.83$, $t(159) = 18.45$, $p=.01$.

Because participants selected their friend, an analysis was conducted to examine what could have affected the choice. The originally thought was to examine ingroup effects but because the reliability of the scale was too low $\alpha = .51$ the scale couldn’t be used in the analysis. Therefore only the “fairness” scale was integrated in the analysis. If the participant scores high in the fairness scale than she/he would tend to select the unknown. To explorer the impact of fairness a new variable was created. The fairness score were divided by the median which created a high and a low group. Sex was integrated in the analysis as a third element. The idea was that the sex of the participant would not affect the choice when choosing between a friend and the two unknowns. A three- way between- group analysis of variance was conducted to explorer the

impact of 2 participants sex (man vs. female) x 2 experiment group (fairness vs. control) x 2 fairness scale (high vs. low) of the number of times a friend was selected. There was no statistically significant interaction effect. The interaction effect between sex and manipulation/control group were $F(1, 152) = 2.07, p = .15, \eta^2 = .01$ the interaction effect between sex and the fairness score were $F(1, 152) = .07, p = .80, \eta^2 = .01$ and finally the three-way interaction effect were $F(1, 152) = 1.38, p = .24, \eta^2 = .01$. There was no statistically significant main effect of either sex $F(1, 156) = .37, p = .55, \eta^2 = .01$, manipulation/control group $F(1, 156) = 1.02, p = .3, \eta^2 = .01$ or the fairness score $F(1, 156) = .17, p = .69, \eta^2 = .01$.

Examine gender effects

Another interest in this study was to examine discrimination in a recruitment study. In overall the thesis was that men would be selected more often than woman would, regardless if the subject was a man or a woman. When choosing between Anna and Eric, Eric would be elected the most time. The idea was also that a gender ingroup favoritism would occur meaning that male participants would tend to choose Eric over Anna and that the female participants would choose Anna over Eric. Again, it was of interest to examine if the manipulation could affect the choice. As a final question the study aimed of examining if the participants would tend to have more friends of the same gender as oneself.

First descriptive statistics were conducted to examine how many friends were of the same gender as the participant chose to present $N = 156, M = 4.17, SD = 1.1$. The results showed that the participants chose to present more friends with the same gender as themselves. Then descriptive statistics were conducted to examine how many times Anna $N = 158, M = 1.29, SD = 1.70$ and Eric $N = 158, M = 1.01, SD = 1.60$ were selected in total with a range from 0-5. The results showed that Eric was chosen fewer times than Anna was in total.

A two- way between- groups analysis of variance was conducted to explore the impact of 2 participant's sex (man vs. female) x 2 experiment group (fairness vs. control) of number of times Eric and Anna were selected. A differential variable was made between the total of times Eric was selected and the total of times Anna was selected. A negative value means that Anna was selected more times than Eric. The interaction effect between sex and manipulation/control group was not statistically significant, $F(1, 156) = 1.02, p = 0.32, \eta^2 = .01$. There was no

statistically significant main effect of either sex $F(1, 156) = 1.68, p = .20, \eta^2 = .01$ or manipulation/control group $F(1, 156) = .24, p = .63, \eta^2 = .01$.

Discussion

With a psychological approach this study raised the topic of informal recruitment and which factors will influence who you choose to recommend, in referral hiring. The study raised questions regarding nepotism, gender effects and individual differences in moral when participants had to consider a scenario that involved recruitment. The results of this study had some significant results and some non-significant results.

First, the results of the study clearly indicate that the participants selected their friends in front of the two unknown persons in spite of the fact that the friends were less suitable for the job (hypothesis A). Secondly, the result showed that participants' chose to present more friends with the same gender as themselves (hypothesis F).

When examine how many times the friend was chosen there were no connection with either the sex of the participants and the manipulation, the sex of the participant and the fairness scale. Together no links were found between the participant's sex, the manipulation and the fairness scale. This indicates that it did not matter whether the participant was a male or a female when choosing between a friend and an unknown. Also it did not matter whether or not the participant was recalled with a fair mindset. The experiment group did not select the unknowns more times than the control group did (hypothesis B). Finally the way the participants scored in the fairness scale of ethics did not influence the choice between selecting the friend or the unknown (hypothesis C).

The study also aimed of examining gender effects. The study found no indications that woman became discriminated in a recruitment situation (hypothesis D). There was no connection between participants sex when choosing between Anna and Eric and the choice was not affected by how the participants scored in the fairness scale (hypothesis E).

Similarities and differences between the current study and previous research

This result supports the previous research done by (Kragh, 2012). The author describes nepotism as ingroup solidarity. In this study the participants chose to promote their friends to a greater extent than the unknowns. If the friends are seen as the ingroup members and the two unknowns

as outgroup members then it is natural to choose the friends instead of the two unknown despite that the two unknowns are less suitable for the job. This is roughly what Turner et al., (1979) says. They state that the members of an ingroup promote others in the same ingroup. The tendencies to boost the friends seem to overshadow the fact that it is fairer to choose the unknown.

This is very interesting since research from Hausknecht, Day and Thomas (2004) concludes in their meta-analysis on nontraditional methods vs. traditional methods (personal contacts vs. interviews and work samples) that nontraditional methods were considered to be less favorably than traditional methods. For example you think it is important to have fair and transparent recruitment processes (at a measurement plan) but in this particular case you choose to recommend a friend anyway.

This may be due to several reasons. History has led to cooperation within the ingroup (Trivers, 1971). Could the favoritism towards friends be due to the fact that the participants did not want to be excluded from the group? If so, will this overshadow the fact that it is fairer to select the unknowns? The scenario says that the unknowns are more suitable for the job, than the most logical and correct thing would be to select the two unknowns. Especially since Hausknecht et al., (2004) found support for traditionally methods used in recruitment had the most positive evaluations. If this is the case that the favoritism shown to friends exceeds the fairness then it is not strange that the study did not get any significant results when analyzing the fairness scale. However, it is not easy to draw these conclusions since the scenario being described in this study says that “no one will find out that you had three persons to choose from. The three persons do not even know that the vacancy exists”. This was written to avoid that the participant chose the friend given the idea of ingroup favoritism. Another reason could be that the participant did not apply the fairness norm in this situation. There could be a difference between the participants regarding fairness but this distinction is not shown in the study because the manipulation could be too abstract presented. Maybe the participants needed to be reminded even more of the connection to realize fairness could be relevant in this study. More research is needed to answer these questions.

The analysis showed that most of the participants chose to write friends with the same gender as themselves. This may affect the impact on the gender segregation on the labor market. Since the analysis shows that the participants to a greater degree selects their friends in front of

the unknowns and the friends are the same gender as the participants the gender, equality on the labor market will take longer time to achieve. This is in line with previous research; Mehta and Strough (2009) have found support for that a person tends to have more friends of his or her gender. Behtoui (2008), Meliciani and Radicchia (2010), Mouw (2003) and Pellizzari (2010) found support for one of the most important ways of finding a job are through personal relations, such as friends. This combined is beneficial for men since in 2012 employed woman in Sweden age 15-74 were 63 % and the equivalent figure for men was 68% (Svenskt näringsliv, 2012).

When the choice was between Eric and Anna, Anna was not discriminated. It supports the previous field experiment conducted by Carlsson, (2011). This can be an effect of social desirability; the participants might felt that it was not socially acceptable to discriminate women. Similar reasons that Anna was not discriminated may depend on reactance, namely the participants responds in the opposite way than expected. Participants may suspect that they are under observation and would therefore avoid discriminating. Or it could just be the case that the participants didn't want to treat Eric any different from Anna.

The analysis indicated that the manipulation did not have any effect when the participants were asked to pick out a replacer. The result may not necessarily mean that there is no difference between people regardless of the instruction that has been given to them. The manipulation might not take because it was too weak. In the scenario the control group was provided with three mottos and the experiment group was provided with five mottos. In the study the two extra mottos for the experiment group came after the first three mottos. Perhaps it would have been better if the manipulation came first in the paragraphs to get a better impact.

Limitations and future research

Other sources of error why some of the studies hypotheses did not receive significant results may be due to too much text when reading the participants read the scenario. The participants may have felt that they didn't have the energy to read the full text since it was almost a full A4 page. The surroundings were not optimal and because of that they may just have skimmed through the text and thus missed important information. If this was the case it may have been better to present the information regarding the friend was a weaker candidate earlier in the text. Perhaps it also could have been more distinct that the two unknowns were better suited for the job than the friend. It would be interesting to redo this study but have a more powerful manipulation. Perhaps

it would be better to have a more indirect approach. Instead of having three or five mottos, the participants in the experiment group could do some kind of word test where the concept of fairness comes to mind. It would also be interesting to examine how much education and work experience really matters if an organization uses informal recruitment methods. Could it be the case that the friend still would get selected if it in the text was stated that the friend was unemployed but lacked both education and work experience. To what degree could the participants consider recommending the friend? How much worse can the friend be and still get selected? If this goes too far it may lead to people choose not to educate themselves to the same extent because who you know is more important than education and experience.

Conclusions

To draw some conclusions, perhaps organizations should consider being more careful when deciding whether to choose informal recruitment or formal recruitment. It may just be the case that employees do not always do what is the best for the organizations interest.

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Appendix



Undersökning om vänner

I den här undersökningen kommer du att ta ställning till scenarier där du föreställer dig fem av dina kompisar. Med kompisar menar vi personer du känner, men inte nära familjemedlemmar. Det ska exempelvis inte vara syskon, förälder, barn, sambo, partner eller liknande utan just nära vänner.

Det är mycket viktigt att du först bestämmer dig för vilka kompisar det gäller eftersom du på nästa sida kommer att bli ombedd att tänka på dem i olika situationer. Först vill vi därför att du rangordnar fem kompisar utifrån hur bra vänner ni är. Börja med din allra bästa kompis (kompis nummer 1), sedan din näst bästa (kompis nummer 2) o.s.v. Det kanske blir så att kompis nummer 5 inte är en särskilt nära vän men detta spelar ingen roll så länge rangordningen stämmer.

Skriv **förnamnen** på kompisarna nedan. Detta är jätteviktigt eftersom det annars finns risk att du ändrar dig eller glömmer din rangordning under undersökningens gång. Vi vill därför att du går tillbaka och dubbelkollar din rangordning innan du svarar på ny fråga.

1. Namn på kompis nummer 1: _____
2. Namn på kompis nummer 2: _____
3. Namn på kompis nummer 3: _____
4. Namn på kompis nummer 4: _____
5. Namn på kompis nummer 5: _____

Föreställ dig följande:

Du har under en längre tid haft ett utmärkt jobb på en arbetsplats där du verkligen har trivts både med arbetsuppgifterna och med kollegorna. Vilken typ av arbetsplats det är illustreras av organisationens ledord:

- ✓ Vi eftersträvar hög kvalitet i vårt arbete
- ✓ Vi tycker det är viktigt att alla trivs på arbetsplatsen
- ✓ Vi värnar om en god arbetsmiljö och satsar mycket på friskvård
- ✓ Vi eftersträvar att vara ytterst professionella, sakliga och objektiva i allt vi gör
- ✓ Vi prioriterar hederlighet, ärlighet och rättvisa, vilket ska genomsyra hela organisationen

Även om du verkligen har varit nöjd med din tidigare tjänst, har nu ett nytt jobb dykt upp och du har bestämt dig för att prova på något nytt. Din gamla chef ber dig nu att rekommendera en ny person till din gamla tjänst. Du är övertygad om att chefen kommer att välja personen som du rekommenderar.

Du vet att tre personer som alla är kvalificerade och lämpliga för jobbet skulle vara intresserade.

Två av personerna (Anna och Erik) känner du inte personligen. De är lika kvalificerade för tjänsten. Anna har något längre arbetslivserfarenhet än Erik samtidigt som Erik har något mer utbildning än Anna. Totalt sett är de två personerna lika kvalificerade för tjänsten. Båda är dessutom yrkesmässigt kompetenta och fungerar bra socialt.

Den tredje personen som är lämplig för jobbet är den kompis som du rangordnade som nummer 1 på din lista över dina närmaste vänner. Kompisen har något mindre utbildning samt något kortare arbetslivserfarenhet än de andra två kandidaterna.

Du kan bara rekommendera **en** person för jobbet. Ingen kommer att få reda på att du hade tre personer att välja mellan. De tre personerna vet ju inte ens om att den lediga tjänsten existerar.

Vem rekommenderar du för jobbet? Sätt kryss nedan.

Kompis nummer 1	[]
Anna	[]
Erik	[]

Nu vill vi att du tar ställning till samma scenario fast för dina andra kompisar

**Föreställ dig nu att valet istället gäller kompisen du rangordnade som nummer 2.
Vem väljer du?**

Kompis nummer 2	[]
Anna	[]
Erik	[]

**Föreställ dig nu att valet istället gäller kompisen du rangordnade som nummer 3.
Vem väljer du?**

Kompis nummer 3	[]
Anna	[]
Erik	[]

**Föreställ dig nu att valet istället gäller kompisen du rangordnade som nummer 4.
Vem väljer du?**

Kompis nummer 4	[]
Anna	[]
Erik	[]

**Föreställ dig nu att valet istället gäller kompisen du rangordnade som nummer 5.
Vem väljer du?**

Kompis nummer 5	[]
Anna	[]
Erik	[]

Vänligen fyll i några enkla uppgifter om dig själv nedan

Ålder: _____

Kön: Man []

Kvinna []

Vilken är din nuvarande sysselsättning?

Arbete []

Studier []

Studier samt deltidarbete []

Arbetslös []

Har du någon gång haft ett arbete? Arbetet måste ha inneburit minst 25% av heltid och varat under minst 2 månaders tid.

Ja []

Nej []

Har du varit med om en liknande situation där du har fått möjlighet att rekommendera en vän för en tjänst?

Ja []

Nej []

I så fall, vänligen beskriv kortfattat i vilket sammanhang.

Nu skulle vi vilja veta hur du föreställde dig scenariot där du rekommenderade en person för tjänsten på din gamla arbetsplats.

Vilken typ av jobb föreställde du dig i uppgiften?

Beskriv kortfattat hur du föreställde dig Anna i scenariot (t.ex. ålder, utseende, etc.)

Beskriv kortfattat hur du föreställde dig Erik i scenariot (t.ex. ålder, utseende, etc.)

Du ska nu få fylla i ett kort skattningstest som handlar om moral.

Del 1. När du avgör om något är rätt eller fel, hur pass relevanta är följande saker för ditt tänkande? Vänligen skatta följande påståenden utifrån följande skala:

[0] = inte alls relevant (Detta har inget att göra med vad som är rätt/fel)

[1]

[2]

[3]

[4]

[5] = extremt relevant (Detta är en av de mest avgörande faktorerna för vad som är rätt/ fel)

_____ Om någon far illa känslomässigt

_____ Om människor behandlas olika

_____ Om någon visar kärlek gentemot sitt land

_____ Om någon visar bristande respekt för auktoriteter

_____ Om någon bryter mot renlighets- och anständighetsprinciper

_____ Om någon är duktig på matematik

_____ Om någon bryr sig om svaga och utsatta personer

_____ Om någon betar sig orättvist

_____ Om någon sviker sin grupp

_____ Om någon följer samhällets traditioner

_____ Om någon betar sig äckligt

_____ Om någon utför grymma handlingar

_____ Om någon nekas sina rättigheter

_____ Om någon inte betar sig lojalt

_____ Om en handling orsakar kaos eller oreda

_____ Om någon betar sig på ett sätt som gud skulle vilja

Del 2. Vänligen läs nedan påståenden och indikera i vilken utsträckning du instämmer med

dessa:

[0] [1] [2] [3] [4] [5]

**Instämmer
inte alls**

Instämmer helt

_____ Medkänsla för lidande människor är den viktigaste dygden.

_____ När riksdagen stiftar lagar så borde den styrande principen vara att alla människor ska behandlas lika.

_____ Jag är stolt över mitt lands historia.

_____ Respekt för auktoriteter är något som alla barn behöver lära sig.

_____ Människor bör inte göra något som är äckligt även om ingen kommer till skada.

_____ Det är bättre att göra bra saker än dåliga saker.

_____ En av de värsta sakerna som en person kan göra är att skada ett försvarslöst djur.

_____ Rättvisa är den viktigaste byggstenen i samhället.

_____ Människor borde vara lojala gentemot sina familjemedlemmar även när dessa har gjort något fel.

_____ Män och kvinnor har olika roller i samhället.

_____ Jag skulle säga att visa handlingar är felaktiga på grund av att dem är onaturliga.

_____ Det kan aldrig vara rätt att döda en människa.

_____ Jag anser att det är moraliskt fel att rika barn ärver mycket pengar medan fattiga barn inte ärver någonting.

_____ Det är viktigare att vara en lagspelare än att få sina egna intressen uppfyllda.

_____ Om jag vore en soldat och ansåg att mitt befäls order var felaktiga skulle jag lyda ändå eftersom det är min plikt.

_____ Kyskhhet är en viktig och värdefull dygd.

Beskriv hur du uppfattat undersökningens syfte

Tack för ditt viktiga deltagande!