# Nepotism

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# 5 General Discussion and Conclusions

I started this thesis by describing a case of nepotism, in which a merited individual was denied a job promotion so that another less merited person who is related by kinship to a prominent person in the organization could take up the position (Chapter 1). This example represents a case of nepotism that most people understand, and an example of nepotism as usually described in dictionaries. Although there are several studies on the detrimental impact of nepotism, there is no consensus among researchers about the definition of the concept "nepotism". Some researchers construe all forms of kin favoritism as nepotism (Allesina, 2011; Arasli et al., 2006; Sundell, 2014), while others only regard kin favoritism as nepotism when the merit for reward of the nepotism beneficiary is questionable (e.g., getting promoted without adequate qualification; Darioly & Riggio, 2014).

Such lack of consensus appears to be in line with Bellow's (2003) description of nepotism as an elastic concept. What appears nepotistic to one person may not be nepotistic in the eyes of another person. Instead of continuing the debate about what should or should not be regarded as nepotism, the eleven studies in the present thesis focused on:

1. What is nepotism in the eyes of lay-people?
2. What are the consequences of perceived nepotism in organizational and political contexts?
3. Why, despite the negative connotations attached to it, does nepotism persist?

In this final chapter, I summarize the main results of the studies in a structure that answers these three key questions. I will subsequently end this thesis by providing a general conclusion and discussion of some of the limitations of the current studies, as well as suggestions for further research on nepotism and practical suggestions on managing perceived nepotism.

# 5.1 Summary of Results

## What do People see as Nepotism?

What it is that lay-people regard as nepotism was examined in the second and third chapter of this thesis. This is an important question for two reasons. First, the subjective appraisal of a psychological phenomenon matters for people's feelings and behaviors. Second, lay people are the ones who are implicated by how policymakers decide to regulate nepotism in their institutions.

As described in Chapter 1, in my attempt to answer this question, I defined nepotism as a form of in-group favoritism. As such, nepotism is a natural altruistic tendency towards one's family (Hamilton, 1964), which serves both instrumental and identity functions for the family members (Scheepers et al., 2006), and can be practiced without violating principles of meritocracy. For instance, parents could invest heavily in their children's education to ensure their competitive edge over other people. If these children then become highly qualified individuals, nepotism is perfectly aligned with the meritocracy principle. However, people naturally expect members of a social group (in this case a family) to be biased in favor of their own group (Everett et al., 2015). As such, a mere awareness of a kinship bond between a prominent person (e.g., a father) and an employee (e.g., a son) within an organization is enough for people to suspect a bias in the hiring of the son, even when the son is the most qualified individual for the job. In line with this reasoning, both in business organizations (Chapter 2) and politics (Chapter 3) I found that people construe nepotism as the hiring or promotion of family members to advantaged positions, regardless of competence or qualification.

There are at least two possible reasons for why people do not take competence into consideration when attributing kin-hiring to nepotism. First, from a discounting point of view (Kelley & Michela, 1980), it may be difficult for people to estimate the competence of a potential nepotism beneficiary, unless they already know the person well. Information about kinship is much simpler to process and apply. So, when 'simple' (kinship) and 'difficult' (competence) information are presented simultaneously, the more difficult information simply gets discounted in favor for the simpler explanation.

A second explanation is provided by Studies 3 and 4 in Chapter 2 of the present thesis. These two studies consistently showed a main effect of competence, but not kinship, on participants' perception of distributive fairness. This means that whether a target person had family ties to a prominent person in their organization did not matter. If the target was competent, they evaluated the hiring of the target with kinship ties in the organization to be as distributively fair as the hiring of a competent employee without kinship ties. However, the situation is reversed with respect to judgements of procedural fairness. While the main effect of kinship on procedural fairness was significant, this was not the case for the main effect of competence. This means that whether or not a target was competent did not matter, participants still perceived the hiring of a target as procedurally unfair as long as this person is a family to a prominent person in their organization. This suggests that people *do* take into account information about competence when evaluating a potential case of nepotism, in which they were able to judge the merit (i.e., distributive fairness) on the hiring of kin. However, participants were simultaneously suspicious that such hiring involved a violation of fair hiring procedures. Thus, the reason that people do not take competence into consideration may not be because they discount competence information, but because they view kinship as a more relevant source of information that is in line with their expectation that certain biases take place in the hiring of kin.

### *Nepotism versus Cronyism*

Nepotism is often equated with the related concept of cronyism (Khatri et al., 2006; Khatri & Tsang, 2003). However, I proposed that there are significant differences between the two constructs. Nepotism can be explained by the principle of kin altruism for which direct reciprocity is not required, whereas direct reciprocity is essential to cronyism. To benefit from cronyism, people need to invest in the right social relationships and to mutually give-and-take in those relationships. For beneficiaries, cronyism requires an element of social competence as well, to meet the needs of the benefactors. For benefactors, favoring those who benefit them is a sign that they are good reciprocators worthy of social investment.

As an example of the operation of reciprocity in cronyism, imagine that person A is a professor and person B is a talented master student who is eager to pursue a career in science and is highly interested in A's area of expertise. B also realizes that A's power and influence could be helpful

for obtaining a PhD position, so he voluntarily offers himself to A as research assistant. A is a busy scientist, and having B around enables her to focus on the more important parts of her work. Having seen B's competence, A decides to offer B a PhD position. In this scenario, B made an investment by voluntarily assisting A. A, in turn, reciprocated by offering B a desired position.

As illustrated by this example, people may view cronyism as a form of social capital investment that can be strategically used by individuals to climb the career ladder, regardless of kinship. Cronyism is thus likely something that people view as more controllable, something that can be developed. This might imply that people find cronyism more acceptable than nepotism. In line with this idea, the results of Study 4 of Chapter 2 showed that people find nepotism procedurally more unfair than cronyism. It can thus be concluded that people evaluate cronyism more benignly because it involves a merit component.

## Why is the Perception of Nepotism Important?

The examination of perceived nepotism is important for several reasons. First, the hiring of kin may not necessarily be nepotism. For example, a family member may be hired through a blind hiring procedure, which prevented bias. However, since kinship per se is enough to make people infer nepotism, other employees may later still suspect bias in the hiring process. In terms of how employees respond to nepotism, what matters is their *perception* of nepotism, not whether actual discrimination in favor of a family member has taken place.

Previous research has illustrated some of the deleterious psychological outcomes of perceived nepotism among organizational members (Arasli et al., 2006; Büte, 2011; Keles et al., 2011; Pelit et al., 2015). However, these studies have been lacking explanandum concerning *why* perceived nepotism produces such outcomes. The present thesis aimed to fill this gap. It suggests that such deleterious outcomes may arise because nepotism undermines people's belief that they are treated in procedurally fair-ways by their organization. Indeed, according to the group-value model of procedural justice (Blader & Tyler, 2009; Lind, 2001; Lind & Tyler, 1988; Tyler, 1989; Tyler & Blader, 2003; Tyler & Lind, 1992; van den Bos et al., 1997), when people feel that they are being treated in procedurally unfair ways by their organization, they may have lower job satisfaction, organizational commitment, and organizational trust, as well

as increased job stress, organizational silence, and organizational alienation (Blader & Tyler, 2009; Elovainio et al., 2004; Lambert et al., 2007; Loi et al., 2006; Tidwell, 2005; Ybema & van den Bos, 2010). Combining these findings with our work on nepotism explains why perceived nepotism may have such a negative impact on members of organizations, even on those who are not directly affected by nepotism itself.

As shown in the fifth study of Chapter 2, perceived nepotism can also impact potential job seekers' attitudes and behaviors toward organizations. This chapter shows that, among potential job seekers, perceived nepotism at an organization was associated with a negative expectation about the organization's corporate climate, as expressed in a presumed lack of organizational citizenship behaviors, trust, and transparency, and in more counterproductive work behaviors. There was also a tendency among potential job-seekers to refrain from applying for a job at a nepotistic institution, despite the fact that this organization was very prestigious. This tendency was exhibited regardless of job seekers' perceived own qualifications for the position. Thus, in line with Gilliland (1993) model of justice in selection systems, perceived nepotism may prevent an organization from attracting highly qualified job candidates.

The present thesis also shows that the detrimental impact of perceived nepotism is not limited to organizational contexts but also applies to the political arena. Particularly, four studies described in Chapter 3 consistently show that the mere prominence of family ties in politics is enough to make people believe that nepotism plays an intricate part in their nation's politics. Perceived nepotism made people more inclined to question their political authorities' trustworthiness by exhibiting more cynicism toward them. In line with the group value model of procedural justice (Tyler & Lind, 1992), such cynicism (or lack of expected trustworthiness among politicians) consequently led people to believe that they were being treated in procedurally unfair ways by their authorities, which consequently led to a decreased inclination to become politically active and an increased inclination to engage in political protest.

## Why does Nepotism Persist?

Nepotism tends to be described in a negative light in many lay-people's eyes, as well as in the scientific literature. This final chapter too, is primarily focused on the negative side of nepotism. However, the

prominence of family ties in contemporary businesses and politics suggests that there may be some positive elements to nepotism that elicits support from people.

On the side of those who engage in nepotism, nepotism is clearly beneficial. Parental nepotism, such as securing a job for one's offspring, is essentially a modern way of enhancing the inclusive fitness of one's offspring (Hamilton, 1964). It also serves instrumental (e.g., provides a family with the resources they need) and identity (e.g., family pride and esteem) functions for one's family (Scheepers et al., 2006). Thus, nepotism may persist because those who practice it gain various benefits from it for their family.

In my examination of the benign side of nepotism in Chapter 4, I departed from previous research that described people's tendency to dislike beneficiaries of nepotism and to see them as incompetent (Darioly & Riggio, 2014; Padgett & Morris, 2005). By using leadership transference theory (Ritter & Lord, 2007), I argued that it is actually possible for people to evaluate beneficiaries of nepotism in a positive light. For example, people expect the offspring of a previously-known effective leader to bear similar effective leadership qualities to that leader. As a consequence, they expect the offspring to become as effective as the effective leader. Moreover, based on psychological essentialism literature (Haslam et al., 2000; Medin & Ortoni, 1989), I proposed the *belief in the merit of nepotism* as an individual differences construct that distinguishes between people who are more or less likely to support nepotism in leadership. Specifically, I argued that, because strong believers in the merit of nepotism are more likely to possess a "like father, like son" mindset, they are more likely to support acts of nepotism by people who they consider to be effective leaders.

In line with this argument, I found evidence that strong believers in the merit of nepotism tended to expect the offspring of a previously known leader to become an ineffective leader only when the leader himself was seen as ineffective (Chapter 4). The case was reversed, however, in the case of an effective leader. In this case, not only was the offspring of an effective leader more liked, but strong believers in the merit of nepotism also expected the offspring to be as effective as the leader. Moreover, whereas people expected the offspring of an ineffective leader to engage in toxic or dysfunctional leadership, such expectations were absent in the case of the offspring of an effective leader. It appears that, although people

tend to view nepotism negatively, those who believe in the merit of nepotism use kinship ties as a heuristic to evaluate and infer the characteristics of potential leaders. Considering that people want to have leaders that are beneficial for their well-being, it makes sense for them to support nepotism if they believe that it is potentially beneficial to them. This finding explains why political dynasties can be common in democratic societies throughout the world.

## 5.2 Limitations and Suggestions for Further Research

Like any research project, this thesis is not perfect. First, although nepotism is a natural and universal phenomenon, its manifestation may vary across different cultures (Wated & Sanchez, 2012). For instance, the terms *wasta* (Arab) or *guanxi* (Chinese) are often considered comparable to nepotism, but these terms are also used to describe cronyism, ethnocentrism, or a kind of stratified mix of nepotism and cronyism (Chen et al., 2004; Guo, 2001; Kilani et al., 2015; Mohamed & Mohamad, 2011). The present thesis has shown how people perceive nepotism and cronyism differently, but it would be interesting to see if such results replicate in societies that have their own unique terminology. For instance, would Arab participants identify and evaluate kinship-based *wasta* differently to ethnic-based or friendship-based *wasta*? If this is the case, then it might be fruitful for policy makers in these societies to treat and intervene the types of *wasta* or *guanxi* differently, as suggested by the findings of the present thesis.

Second, some of the conclusions in the present thesis are drawn on the basis of vignette designs. The present thesis was able to test some of the proposed hypotheses in realistic settings, such as those concerning what people perceive as nepotism as well as the perceived consequences of nepotism in organizations (Chapter 2) and politics (Chapter 3). However, I have not been able to test the "like father, like son" hypotheses in a more realistic setting. An ideal circumstance to test these hypotheses might be that of an existing leadership succession, for example in family business. They can also be realistically examined during political elections that involve candidates of previously known political leaders.

Third, the present analysis showed what it is that lay people construe as nepotism and also suggests that there are contextual factors that

determine when and why people view nepotism as desirable or undesirable. Whereas the majority of empirical research has been devoted to describing the circumstances under which nepotism is deemed undesirable, this thesis documented one circumstance in which people can find nepotism in leadership as desirable. However, it is very likely that other contextual factors play a role here as well. Nepotism may have some positive consequences which leads people to support it. For instance, it has been argued that nepotistic hiring requires a shorter learning-curve for new recruits to adapt to their new organization (Vinton, 1998). It has also been argued that key ingredients of successful organizations, such as generalized social exchange, trust, and reciprocity, are often pre-built among a family (Jaskiewicz et al., 2013). Moreover, there can be circumstances where kin hiring is hard to avoid. For instance, academic couples comprised 36 percent of the American professoriate in 2008 (Schiebinger et al., 2008). It can be very hard for these academics moving to a new university without taking their spouse with them. Family members working within the same organization is also often unavoidable in sparsely populated places (Holm et al., 2018). Future research should investigate how organizations may benefit from these positive elements or these situations without risking the negative consequences of nepotism.

## 5.3 Practical Suggestions

As Kurt Lewin once said, "there is nothing so practical as a good theory" (Lewin, 1943, p. 118). Therefore, I would like to end this thesis by providing some practical suggestions before stating the final conclusions of this thesis.

First, the present thesis provides evidence about the primacy of procedural fairness as a reason for people to object to nepotism. An intuitive way for organizations to manage nepotism is thus by endorsing clear and transparent hiring or promotion procedures to ensure fairness to all members of their organizations. Since it does not take an *actual* bias in favor of family members for people to believe that nepotism is taking place, it should be noted that such fair procedures should also be clearly and openly communicated to organizational members.

A fair and transparent hiring or promotion procedure could be developed by referencing to Leventhal (1980) seven structural components and seven principles of procedural justice. For instance, by

clearly communicating a procedure in which the *selection agents* are independent (e.g., through blind hiring), organizational members may see that their organization adheres to the *bias-suppression* rule of procedural justice. Clear communication about a mechanism to *appeal* a potentially nepotistic decision provides organizational members with a sense of ability to rectify the decisions that have been made (*correctability rule* of procedural justice). Organizations, such as family businesses, could also set-up maximum quota to limit the numbers of employees who are bound by kinship, or set a minimum number for non-family members in their executive positions. This may appear discriminatory, but it is in line with the *representativeness rule* of procedural justice, which is also the basis for many affirmative actions (e.g., special university admission for underrepresented groups). Such adherence to the representativeness rules can also alleviate the problem associated with high kin-density and perceived nepotism in organizations (Spranger et al., 2012).

One of the challenges for family owned businesses is to successfully manage the succession from one generation of leaders to the next (Dalpiaz et al., 2014; Vera & Dean, 2005). Employees of a family business may question whether the successor could match the effectiveness of their previous leader. Based on the present thesis, one approach to alleviate doubts about successors' qualifications is by highlighting similarities between the successor and the previous leader. This approach may create a sense of "like father/mother like son/daughter" kind of mindset, which may provide them with a sense of security and positive expectation that they will be treated as well as their previous leader treated them.

## 5.4 Conclusion

Finally, in closing the thesis, I would like to summarize some key conclusions of the present thesis. First, whether in organizations or politics, people see nepotism as any appointment, promotion, or otherwise favorable treatment of family members, regardless of whether the beneficiaries possess the merit of qualifications for such treatment. Second, people view nepotism as different from cronyism in the sense that cronyism appears to be more benign and more merit-based than nepotism. Third, whether the context is business organizations or the political arena, perceived nepotism can be deleterious for employees or voters. In the context of business organizations, it may lead to a negative organizational

climate. In politics it can lead to increased cynicism among voters and a reduced desire to be politically active. Fourth, people use known traits or qualifications of benefactors to infer the traits or qualifications of beneficiaries, and this may result in support for nepotism, particularly among people who believe in the merit of nepotism.