

## **Who's your Daddy? Addressing Nepotism from a Cultural Perspective**

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### **Abstract**

Counterproductive work behaviors (CWBs) have the potential to be extremely costly and thus present a threat to organizational success. This study focused on one particular CWB, nepotism, the practice of giving preferential treatment to undeserving family or friends in the workplace.<sup>6</sup> Despite the potential loss associated with nepotism, research addressing its antecedents has been scarce. Using an adaptation of the theory of planned behavior<sup>2</sup> (TPB) as a theoretical framework, the present study investigated how culture impacts nepotism, and how attitude mediates this relationship. Results suggest that culture plays an important role when making decisions about tolerating nepotism in organizations. This information may be useful for managing a multicultural work force, setting culturally-appropriate policies, and may provide expatriate managers valuable insight.

**Keywords: Nepotism, Culture, Attitude**

## **1. Introduction**

### **1.1 Counterproductive Work Behaviors**

Counterproductive work behaviors (CWBs) are acts that negatively impact employees or the organization to which they are employed.<sup>18</sup> Examples of CWBs include theft, fraud, bribery, and violence, all of which may be extremely costly and thus threaten organizational success. For instance, employee theft reportedly costs American businesses in the retail industry billions of dollars each year.<sup>19</sup>

With CWBs accounting for unsettlingly large losses, the phenomenon has prompted much research. For example, one study examined the relationship between CWB engagement and predictors such as childhood-adolescent misconduct, past criminal convictions, and childhood cognitive ability.<sup>23</sup> The authors hypothesized that childhood-adolescent misconduct and past criminal convictions would be positively correlated with CWB engagement and conversely, that childhood cognitive ability would be negatively correlated with CWB engagement. The authors used an existing set of data from the Dunedin Health Study (carried out in New Zealand) which tracked participants from birth to age 26 with interviews re-occurring every three years. Results revealed that CWB engagement positively correlated with childhood cognitive ability as well as childhood-adolescent misconduct. The authors reported that participants with higher levels of childhood cognitive ability had the tendency to steal money and engage in the unauthorized use of company resources for personal matters. No significant correlation between past criminal convictions and CWB engagement was found.

Although some CWB predictors may be assessed and filtered during employee selection, others may be triggered within the workplace itself.<sup>15</sup> For instance, research exploring the impact of underpayment inequity on employee theft found that employees who had their pay cut engaged in theft at a significantly higher rate than those who did

not.<sup>12</sup> Hence, organizations may consider establishing interventions internally, externally, pre-hire, and post-hire to minimize the impact of CWBs.

## 1.2 Nepotism

Nepotism in the workplace may be defined as preferential treatment given to family members when making managerial decisions regarding employee selection, promotions, and raises.<sup>7</sup> Within a merit-based system, nepotism may be regarded as a CWB when the practice runs against organizational procedures. Nepotism became prominent during the renaissance-era when popes would place their nephews in key clerical positions.<sup>1</sup> Moreover, reportedly 40 percent of the Fortune 500 reportedly operated as family-owned companies or had relatives seated in core positions over generations.<sup>7</sup>

Organizational behavior experts suggest that conflict may arise when the two worlds, business and family (having conflicting goals), collide.<sup>26</sup> The authors proposed that while the family's goal is to help and protect its members, the business' goal is to produce and profit, thus the most obvious conflict would be the hiring of an incompetent nepotee. Perhaps preventatively, many organizations prohibit employees from supervising relatives or working with them intra-departmentally.<sup>1</sup>

Contributing to anti-nepotism arguments, research investigating nepotism's impact on job stress and job satisfaction within the banking industry revealed that nepotism directly increased job stress and indirectly decreased job satisfaction.<sup>6</sup> Switching industries, research investigating the problems impacting law enforcement agencies found that decisions regarding promotions are very much based on personal relationships.<sup>20</sup> Consequently, employees who perceive the preferential treatment as unjust may react by engaging in bribery, withdrawal, or sabotage.<sup>17</sup>

Despite nepotism's potential to create conflict, arguments in favor of nepotism do exist. For example, Ford and McLaughlin<sup>10</sup> articulated that "an ideal nepotism policy is tailored to the size and ownership pattern of the company. Such policies permit the practice in small companies and limit it in larger ones." Furthermore, although nepotism is viewed negatively by U.S. standards, other cultures may tolerate the practice.<sup>16</sup>

## 1.3 Culture

Hofstede<sup>14</sup> defined culture as the "programming of the mind which distinguishes the members of one group or category of people from another." Further, the author proposed the following five cultural dimensions: uncertainty avoidance, masculinity/femininity, short/long-term orientation, power distance, and *individualism/collectivism (I-C)*. Interestingly, some researchers have suggested that I-C may be the most important dimension for exploring cultural differences.<sup>11</sup> I-C refers to whether a culture promotes behaving in ways best for the individual or in ways best for the group and may be structurally understood as two polar ends of a single spectrum. One study explored I-C in relation to academic dishonesty and found that students with higher levels of collectivism participated in academic dishonesty significantly more than students with lower levels.<sup>22</sup> More importantly, the apparent impact of I-C on academic dishonesty may extend to other questionable behaviors as well.

## 2. Theoretical Framework

### 2.1 Theory Of Planned Behavior

The theory of planned behavior (TPB) proposes that attitude, subjective norms, and perceived behavioral control predict behavioral intention which subsequently predicts behavioral engagement.<sup>3</sup> Furthermore, behavioral intention is the degree to which an individual plans on carrying out a behavior, while behavioral engagement refers to actually carrying out the behavior. Therefore, the relationship between behavioral intention and behavioral engagement is akin to the bridge between thought and action. Moreover, attitude refers to the sum of beliefs regarding a behavior, and subjective norms to the societal expectations related to a behavior.<sup>4</sup> Lastly, perceived behavioral control refers to the perceived difficulties related to behavioral engagement.<sup>5</sup>

In its final form, the TPB provides a usable model for investigating behaviors. For instance, one study examined manager's intentions to pursue national vocational qualifications (NVQs), which are assessments of managerial

competency.<sup>21</sup> Results revealed that attitude, subjective norms, and perceived behavioral control significantly impacted managers' intentions to pursue NVQs. The authors reported that the TPB accounted for 31% of the variance in manager's intention to pursue NVQs and that younger managers intended to pursue the assessments at a significantly higher rate than their older counterparts. Therefore, the TPB may serve as an appropriate theoretical framework for investigating behaviors in general and work behaviors in specific.

To predict managerial intentions to tolerate nepotism in organizations, Wated and Sanchez<sup>25</sup> proposed an adapted version of the TPB (Figure 1).

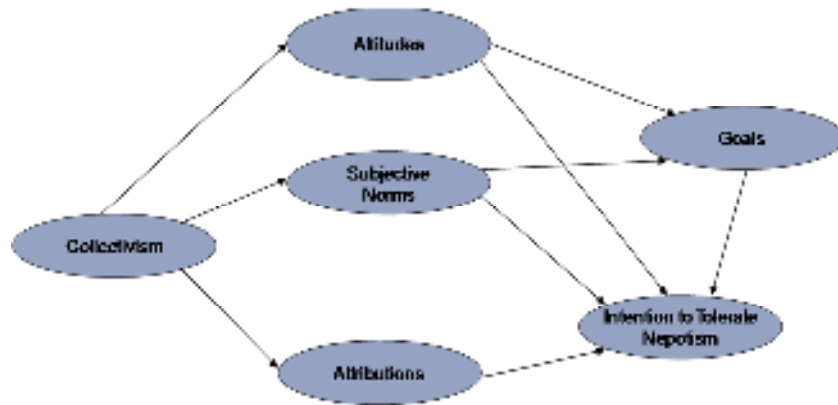


Figure 1. model predicting managers' intention to tolerate toward nepotism.

First, I-C was placed as the platform on which the relationships of the variables arise. Second, perceived behavioral control was replaced with attribution, which refers to whether an observer ascribes an actor's behavior to internal causes (caused by actor) or external causes<sup>13</sup> (caused by environment). Because the model was constructed to measure managerial intention to tolerate nepotistic behaviors engaged in by subordinates, the actor-observer relationship needs to be accounted for and attribution provides such accountability. Lastly, goals were added as a predictor of behavioral intention as organizational goals may impact the behaviors of managers and subordinates alike. The present study used this model to investigate I-C, attitude towards nepotism, and intention to tolerate nepotism only. That is, this study did not test the entire model.

In sum, CWBs present a genuine threat to organizational success. Moreover, compared to other CWBs little is known about the predictors and consequences of nepotism. Therefore, the aim of the current study is to provide a better understanding of nepotism, its relationship to I-C, and how attitude mediates the relationship. It is hypothesized that:

- Hypothesis 1: I-C will be positively related to attitude towards nepotism.
- Hypothesis 2: Attitude towards nepotism will be positively related to intention to tolerate nepotism.
- Hypothesis 3: I-C will be positively related to intention to tolerate nepotism.
- Hypothesis 4: Attitude towards nepotism will mediate the relationship between I-C and intention to tolerate nepotism.

### 3. Methodology

#### 3.1 Participants And Procedures

Participants were recruited from undergraduate psychology courses at a private institution in the Southeastern United States. A link was created, flyers were posted and emails were sent directing students to [surveymonkey.com](http://www.surveymonkey.com) where participants were presented with a cover letter describing the project and the participant's role. Participants were then asked to complete surveys assessing several factors including I-C, attitude towards nepotism, and behavioral intention. Participants were also asked demographic information, but nothing potentially identifying.

There were 91 participants, 26 men and 65 women, whose ages ranged from 18 to 47,  $M = 21.28$ ,  $SD = 4.14$ . Ethnically, Hispanics comprised 34.10% of the sample, African Americans 30.80%, White, non-Hispanics 15.40%, Afro-Caribbean 8.80%, Native Americans 2.20%, Asians 1.1%, and other 7.70%. In terms of employment status, 16.50% of participants reported working full-time, 42.90% reported working part-time, and 40.70% reported not being employed. Furthermore, participants who were employed were also asked to report their occupational level. Of the participants who reported being employed, 37.80% reported possessing entry-level jobs, 16.20% clerical, 24.30% assistant, 10.80% managerial, and 10.80% upper management. Data for the current study was obtained from a larger study exploring nepotism in relation to several predictors including I-C, attitude, and behavioral intention.

### 3.2 Measures

*I-C* was measured using a 20-item scale developed by Wagner<sup>24</sup> with higher composite scores denoting higher levels of collectivism. One item read, “If you want something done right, you’ve got to do it yourself,” presented alongside a Likert-type scale with anchors ranging from 1 = *strongly disagree* to 7 = *strongly agree*. Six items were excluded to increase reliability, Cronbach’s  $\alpha = .89$ .

Research suggests that the TPB is useful for predicting behavior insofar that the items refer to the same degree of specificity and satisfy the principle of compatibility.<sup>9</sup> Hence, TPB measures were developed for the current study using the behavior “favoring a family member when hiring” as a frame of reference. Participants assumed hypothetical managerial roles and items presented different levels of punishment including suspension, demotion, and termination.

*Attitude towards nepotism* was measured using six items with lower composite scores denoting a more positive attitude towards nepotism. One item read “Reprimanding an employee who favored a family member when hiring with a written warning is,” presented alongside a Likert-type scale with anchors ranging from 1 = *bad* to 7 = *good*. Two items were excluded to increase reliability, Cronbach’s  $\alpha = .71$ .

*Behavioral intention* was measured using six items with lower composite scores denoting greater intention to tolerate nepotism. One item read “I intend to reprimand an employee who favored a family member when hiring with an oral warning,” presented alongside a Likert-type scale with anchors ranging from 1 = *strongly disagree* to 7 = *strongly agree*. One item was excluded to increase reliability, Cronbach’s  $\alpha = .86$ .

## 4. Results

Hypothesis 1 was not supported,  $r = -.13$ ,  $p = .224$ , suggesting that *I-C* did not significantly impact attitude towards nepotism. Hypothesis 2 was supported,  $r = .54$ ,  $p < .001$ , suggesting a significant positive relationship between attitude towards nepotism and intention to tolerate nepotism. Hypothesis 3 was also supported, suggesting a significant positive relationship between *I-C* and intention to tolerate nepotism,  $r = -.35$ ,  $p < .001$ . Hypothesis 4 required that results support hypotheses 1, 2, and 3, and thus could not be tested. Table 1 reports means, standard deviations, correlations and reliability coefficients for all variables.

Table 1. descriptive statistics, correlations and reliabilities for all variables

Variable	<i>M</i>	<i>SD</i>	1	2	3
1. Behavioral Intention	3.62	1.25	(.86)		
2. Attitude towards nepotism	3.51	1.30	.54*	(.71)	
3. <i>I-C</i>	3.98	1.20	-.35*	-.13	(.89)

Note:  $N = 91$ . Cronbach’s  $\alpha$  reliability reported above in parentheses.

\* $p < .01$ .

A multiple regression analysis (see Table 2) was conducted post-hoc to measure the compounded impact of I-C and attitude towards nepotism on behavioral intention. Results suggest that I-C ( $\beta = -.29, p = .001$ ) and attitude towards nepotism ( $\beta = .50, p < .001$ ) together, significantly impact behavioral intention,  $F(2, 88) = 25.51, p < .001, R^2 = .37$ .

Table 2. multiple regression analysis to predict intention to tolerate nepotism

Variable	$\beta^a$	$R^2$	Adj. $R^2$
1. Attitude towards nepotism	.50*	.37*	.35*
2. I-C	-.29*		

Note:  $N = 91$ . <sup>a</sup>Standardized regression weight.

\* $p < .001$ .

## 5. Discussion

The study's central hypothesis sought to investigate how behavioral intention is impacted by culture and how attitude mediates this relationship. As expected, hypothesis 2 was supported, lending further support for the TPB. Results also suggest a direct relationship between I-C and the behavioral intention to tolerate nepotism, although the model proposed an indirect one. A regression analysis revealed that I-C and attitude together, significantly predicted the behavioral intention to tolerate nepotism. Similarly, previous research on corruption has also linked I-C to behavioral intention.<sup>8</sup> This warrants a closer look at I-C as a predictor of behavioral intention as the TPB may gain increased predictability with its inclusion. Moreover, the TPB welcomes the possibility of adding newly uncovered predictors to the model.<sup>2</sup>

The predicted mediatory function of attitude could not be tested since I-C did not effectively predict attitude. Thus, the mechanism through which I-C exerts its influence on behavioral intention remains unknown. Future research may consider investigating whether I-C is indeed a direct predictor of behavioral intention or an indirect predictor, exerting its influence through some other medium.

Furthermore, there were several limitations to the study including the use of a convenience sample, which impacts the extent to which the results could be generalized. Moreover, the current study sought to investigate managerial intentions to tolerate nepotism and to its detriment, participants were generally undergraduate students with little or no managerial experience. Future researchers should seek to obtain a more representative sample.

In terms of practical applications, the current findings may be useful for managing a multicultural work force. Specifically, managers seeking to establish employee selection policies may find it useful to consider how likely nepotism is to occur and implement interventions to address any cultural-organizational conflict. While some organizations may want to prohibit nepotism, others may find the practice beneficial and use cultural predictors to seek employees who will perpetuate it. Lastly, this information may provide expatriate managers valuable insight on what to expect upon embarking on international assignments. Managers accustomed to a merit-based system who are sent to work within a culture high on collectivism might arrive unprepared if the culture tends to foster a tolerance towards nepotism.

## 6. Conclusion

The present study sought to investigate the mediating role of attitude in the relationship between I-C and intention to tolerate nepotism in organizations. Although the hypotheses were only partially supported, results revealed that I-C acted as a direct predictor of intention to tolerate nepotism, suggesting that the inclusion of culture may increase the predictability of the TPB. This information may be useful for managing a multicultural workforce, setting appropriate policies, and training expatriate managers for international assignments.

## 7. References

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