Personnel Psychology and Nepotism: Should We Support Anti-Nepotism Policies?

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Personnel psychologists often hear of the first testing program conducted by the Chinese Civil Service c. 1000 A.D. What we often do not learn, however, is that this approach to meritorious hiring failed and was replaced by the eunuch system for staffing of the imperial service (until about 1422). Both systems were probably attempts to reduce the influence of nepotism, and both appear to have been unsuccessful. Similarly, the requirement of celibacy in the Catholic priesthood was started in response to widespread "passing along" of priestly duties from father to son during the early years of the Christian church. This was only partly successful, as both Renaissance prelates (including popes, as recently as the Borgias of the 15th and 16th centuries) often passed along benefices and offices to their children.

The use of psychological research as a basis for modern organizational decisions may grow from some of the same egalitarian concerns over organizational decisions being based on nepotism. Have we overcome our nepotistic impulses through systematized, science-based practices? Is nepotism really such a bad alternative to merit-based decisions? And why have I-O psychologists done so little to help us answer these fundamental questions of human behavior in organizational practice? As a practical matter, should we support anti-nepotism policies in client organizations?

From another perspective, when newcomers to I-O psychology see a predictor–criterion correlation of .23, it is not uncommon for them to ask why we would choose to use such an imperfect indicator to make selection decisions. One common answer is to ask what alternative to systematic, scientif-

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ic selection they would offer instead. Textbooks and often-quoted articles refer to "random" hiring as the alternative. But, anecdotal evidence suggests that, rather than random hiring, people have long relied on nepotism as an important basis for organizational decisions. Our "comparison other" here is not randomness, but the "elephant in the room"—nepotism.

A literature search came up with no psychological research evidence about the prevalence or effectiveness of nepotism in organizational decision making. Assuming other prevalence evidence is valid, we need to address several questions about the nature, prevalence, and adaptivity of nepotism in organizational decision making. For a start, How do people's responses to apparent nepotism potentially affect organizational outcomes? Is it more functional or adaptive to rely on family relationships as a basis for decisions such as career choice, staffing or group performance? Following from the answers to these questions, we need to ask whether anti-nepotism policies are adaptive.

What Do We Really Know About Nepotism?

In his book *In Praise of Nepotism*, Bellow (2003) makes a strong case for the prevalence of occupational and organizational nepotism throughout history. A more damning issue raised in his book is that "no social scientist has studied this phenomenon" (p.9). It turns out that, although pretty close to true, this is not quite accurate, as there are a few studies investigating apparent nepotism. There is also an organization consisting partly of people trained in social sciences, the Family Firm Institute (http://www.ffi.org/), whose mission includes research into family firms.

Nepotism is defined as "the bestowal of patronage by reason of relationship regardless of merit" (Simon, Clark & Tifft, 1966). Bellow supplements this traditional definition by suggesting a modern definition of nepotism, referring to it as "favoritism based on kinship" (p.11). Nepotism is generally seen as using family influence in order to employ relatives (Jones, 2004). Traditional definitions do not include a distinguishable difference in nepotism as a hiring decision based solely on family ties (kinship) or as a familial career choice that leads to hiring based on merit. Bellow (2003) introduces the idea that a "new nepotism" has emerged, as some offspring deliberately choose the same profession as their parents. So, deliberative choice, rather than impulsive opportunism or familial coercion, may be at work in what observers might perceive to be nepotism.

In terms of others' perceptions, which may be the primary basis for anti-nepotism policies, one could think of nepotism as a flipside to discrimination. Discrimination involves a lack of opportunity, a choice to communicate this sort of inequity, and the others' perceptions regarding one's merit or lack thereof, based on social categories like ethnicity, gender, and so on. Also common between nepotism and discrimination is the issue of coercion versus proactive or self-determined decision making. In the case of nepotism, the coercion may come in the form of pressures from family to partake of a certain career or face censure, rejection, and so on. People who "put up with"

discriminatory practices are victims of similar coercion, but others may choose to make self-determined choices about where they work (or don't work) and what complaint mechanisms they may avail themselves of (or not) if they choose a profession or job where discrimination is prevalent. Thus, nepotism is at least partly the presence of an opportunity that would not be available to those who are "outside" the family.

Here the similarity with discrimination may end (at least for now). Nepotistic circumstances also may involve the transfer of human capital from one generation to the next. One possible example of this comes from two authors of this article—Ed and Jon Levine—who are both PhD I-O psychologists. Although they are father and son, both agree that there was neither coercion nor job opportunity involved in the fact that both are successful members of our profession. Instead, consistent with Bellow's argument, Jon's training in I-O psychology came almost as an accident during his educational experiences. He was not even aware that his father's specialty in psychology is I-O until he was going to college. Why he might have been disposed to move toward our field may be accounted for by any of the mechanisms that lead people toward any profession: natural inclinations, early learning experiences, and ways of viewing the world are all likely explanations. His choice of career, however, was just that, the deliberate and self-determined choice of a young adult.

This leads us to the little research that has looked at nepotism, namely, the perceptions of others about apparent familial relationships in the workplace. Honestly, what many people probably think when they hear of family members prominent in the same career or organization is that there was some sort of preferential treatment at work. As we have already seen, this is not always the case, but, as with discrimination, the perceptions of preference may have an effect on people's responses to the profession or the organization. So we can certainly apply the "perceptions of discrimination" research (Kravitz and Klineberg, 2000) as a point of departure for understanding nepotistic preference and arriving at meaningful responses to policies against "nepotism."

This literature is fairly clear that actual discrimination and people's responses to it are quite different things. If we want to make recommendations about nepotism policies, we would do well, therefore, to separate opportunism and coercion, on one hand, from deliberative choice and "shared values" as bases for nepotism. So, for an initial definition, nepotism is both a career-related choice under circumstances of opportunity that may be more or less self-determined or coercive. It is also the perception of "privilege" that observers may hold.

How Dysfunctional Is Nepotism?

Certainly, popular conceptions, as well as the "perceptions" research (as a rule), take a dim view of preferential treatment on the basis of family membership. Still, it has not been clearly established that this is actually what happens when family members work in the same occupation or organization. Assume for a moment, for example, that the choice to work in the same field is based

on a common set of values that lead family members to work together. This might be highly functional for a number of reasons. For example, because of a shared values set within the occupation, the family members reinforce and support one anothers' involvement in professional development. Their level of commitment to these values may therefore be higher than the average.

Similarly, we have heard of more than one instance in family businesses where children take on leadership roles after their parents retire. In our experience, some of these people feel considerable pressure to "prove" their own "value added" to the firm, with resulting increases in markets, product improvements, and production efficiencies. Coupled with a long-term commitment to the one firm, such individuals provide considerably greater human capital and lower human resource costs than "5-year" CEOs without as great an investment in the firm's growth and development.

Of course, from the perspective of psychology, why wouldn't one expect children of lawyers (for example) to be more knowledgeable about the law earlier in life than children from other professions? This "head start" on professional knowledge and values provides a longer effective professional life for the progeny, with added value to the profession.

These are of course empirical questions that remain to be tested. Likewise, we leave the careful crafting of a nepotism policy that addresses these complexities to those with the sorts of legal training that may help to avoid other problems. These other problems might arise, for example, as a result of considerable cultural differences that may exist in the acceptability and even the necessity (historically) of relying on nepotism. Those who are in a position of power through the offices of family opportunity may close the spigot on those who would do the same at the former's expense.

However, it would be safe to conclude that the universal condemnation of "nepotism" without careful empirical definition and testing is quite premature. And we believe it is to some extent a historical assumption of our profession that egalitarian hiring decisions are "preferred" over other sorts of bases for hiring. In fact, if the human capital explanation is supportable—where children, for example, know more about an occupation or organization than do "outsiders"—then we need to understand how our "egalitarian" selection, compensation, promotion, and development systems are related to family membership. Supporting "anti-nepotism" policies as a blanket matter is probably a poor substitute for empirically based organizational decision making.

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