

NEPOTISTIC AMBIVALENCE:
CAN NEPOTISM HAVE A POSITIVE IMPACT ON ORGANISATIONS?

by

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Nepotistic Ambivalence: Can Nepotism have a Positive Impact on Organisations?

I declare that the above dissertation is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

I further declare that I submitted the dissertation to originality checking software and that it falls within the accepted requirements for originality.

I further declare that I have not previously submitted this work, or part of it, for examination at Unisa for another qualification or at any other higher education institution.

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8 September 2025

SIGNATURE

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ABSTRACT / SUMMARY

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Abstract

Orientation: Nepotism is traditionally perceived as a harmful organisational practice, yet it remains widespread, especially in family-owned businesses, raising the question of whether it can generate positive outcomes under certain conditions.

Research purpose: This study explored employees' experiences, behaviours, and attitudes toward nepotism, examining how these are shaped by the perceived opportunity to benefit from nepotism.

Motivation for the study: Contradictions in the existing literature suggest nepotism can yield both positive and negative outcomes, but limited empirical research has investigated employees' lived experiences of nepotism in the South African context. This study aimed to address this gap and provide insight into the conditions under which nepotism may be perceived as beneficial or detrimental.

Research design, approach, and method: A qualitative methodology employing hermeneutic phenomenology was used to capture lived experiences and meanings. Semi-structured

interviews were conducted with eight participants from the metals manufacturing sector in Gauteng, South Africa, with data analysed using thematic analysis.

Main findings: Five key themes emerged: (1) perceived favouritism and fairness concerns; (2) effects on team dynamics and morale; (3) competence and performance outcomes; (4) family loyalty and trust; and (5) contextual ambivalence and conditional acceptance. Findings highlight that nepotism is not universally understood as negative; its acceptance depends on factors such as context, perceived fairness, transparency, and competence of family appointees.

Practical or managerial implications: The findings suggest that nepotism, when managed consistently and transparently, can foster loyalty, trust, and continuity. However, poorly managed nepotism erodes fairness perceptions, diminishes morale, and disrupts team cohesion. Leaders and HR practitioners ought to implement clear, fair, and auditable recruitment policies that can assist in mitigating risk, while leveraging potential benefits.

Contributions: The study contributes to organisational psychology by introducing the concept of nepotistic ambivalence—employees’ simultaneous recognition of both the benefits and harms of nepotism. It advances theory by linking these perceptions to equity theory and social exchange theory, and provides practical guidance for managing nepotism in ways that minimise unfairness and enhance organisational outcomes.

Keywords: Nepotism; Favouritism; Preferential employment; Nepotistic ambivalence; Equity Theory; Social Exchange Theory; Metals manufacturing industry; South Africa; ; Recruitment practices

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Isifinyezo

Uhlelo lokwaziswa: Ukukhethana ngobulili kubhekwa njengomkhuba olimazayo ezinhlanganweni, nokho kusenjalo, ikakhulukazi emabhizinisini aphethwe yimindeni, ukuphakamisa umbuzo wokuthi ingabe ingaveza imiphumela emihle ngaphansi kwezimo ezithile.

Inhloso yocwaningo: Lolucwaningo luhlale ulwazi lwabasebenzi, ngokuziphatha okuhlobene, kanye nezimo zengqondo maqondana nokukhetha izihlobo, ukuhlola indlela lezi ezibunjwa ngayo, ithuba elibonakalayo lokuzuka kuzo.

Ukuzuka kocwaningo: Ukungqubuzana okukhona emibhalweni ekhona kuveza ukuthi ukukhetha izihlobo kungaholela emiphumeleni emihle kanye nemibi, kodwa ucwaningo olulinganiselwe emibonweni luye lwahlola okuhlangene nakho kwabasebenzi kokukhetha izihlobo ngokomongo waseNingizimu Afrika. Lolucwaningo lwaluhlose ukuvala lelo gebe nokunikeza ukuqonda ngezimo lapho ukukhetha izihlobo (nepotism) kungabhekwa khona njengento enenzuzo noma eyingozi.

Uhlelo, indlela kanye nobuchule bocwaningo: Kusetshenziswe indlela yocwaningo lwe-qualitative ehlanganisa I-hermeneutic phenomenology ukuze kutholakale okuhlangenwe

ngakho kanye nezincazelo zako. Izingxoxo ezihlelekile kancane zenziwe nabahlanganyeli abayisishagalombili abavela emkhakheni wokukhiqiza insimbi e-Gauteng, eNingizimu Afrika, nge-data ehlaziywe kusetshenziswa izihloko.

Okutholakele: Kuvele izingqikithi ezinhlanu ezibalulekile: (1) ukukhathazeka okubonakalayo kokukhetha kanye nokulunga; (2) imiphumela ekusebenzeni kweqembu kanye nasemoyeni walo; (3) imiphumela yamakhono nokusebenza; (4) ukwethembeka nokwethenjwa emndenini; futhi (5) ukungabaza okuncike esimweni nokwamukelwa okunemibandela. Okutholakele kugqamisa ukuthi ukukhetha izihlobo akuthathwa njengento embi kuzo zonke izindawo; njengoba ukwamukelwa kwakho kuncike ezintweni ezifana nesimo, ukulingana okubonakalayo, ukuba sobala kanye nekhono labantu abaqokwe ngumndeni.

Imiphumela engokoqobo noma yokuphatha: Imiphumela ephakamisa I- nepotism, uma kuphathwa ngendlela engagungquki nesobala ukuthi ingakhuthaza ukwethembeka, ukwethenjwa nokuqhubeka. Nokho, ukukhethana kwabantu ngendlela engalawulwa kahle kuqeda imibono yobulungiswa, kwehlisa umoya wokusebenza futhi kuphazamisa ubunye beqembu. Abaholi kanye nabasebenzi bakwa-HR kufanele basebenze ngokucacile, izinqubomgomo zokuqasha ezinobulungiswa nezihlola ezingasiza ekunciphiseni ubungozi, ngenkathi kusebenziswa izinzuzo ezingaba khona.

Isethulo: Lolucwaningo lunegalelo kwimboni yezengqondo yenhlangano ngokwethula umqondo wokungaqondani kokukhetha abantu – ukuqaphela ngesikhathi sinye kwabasebenzi zombili izinzuzo kanye nokulimala kokukhetha izihlobo. Ithuthukisa I-theory ngokuxhumanisa imibono ne-theory yokulingana kanye ne-theory yokushitshisana kwezenhlalo, iphinde inikeze isiqondiso esisebenzayo sokuphatha ubandlululo ngezindlela ezinciphisa ukungalungi nokuthuthukisa imiphumela yenhlangano.

Amagama angukhiye: Umbono Wokulingana; Ukukhetha uhlangothi; Imboni Yokukhiqizwa Kwezinsimbi; I-Nepotism; Ukungabaza okubangelwa ukukhetha izihlobo; Ukuqashwa okubekwe phambili; Izingqubo zokuqasha; Umbono wokushitshana kwezenhlala; eNingizimu Afrika

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Kakaretšo

Matseno: Thwalo ya leloko ka tlwaelo e tšewa e le tiragalo ye kotsi ka mokgatlong, efela e sa dutše e atile kudu dikgwebong tšeo di laolwago ke lapa, e lego seo se tlišago potšišo ya ge e ba e ka tšweletša dipelo tše dibotse ka tlase ga maemo a itšego.

Maikemišetšo a nyakišišo: Nyakišišo ye e hlahlobile maitemogelo a bašomi a, maitshwaro ao a amanago le, maikutlo ka, go thwalo ya leloko, e hlahloba ka fao tše di bonwago bjalo ka monyetla wo o holaga.

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Tlhamo ya nyakišišo, mokgwa le mokgwa: Mokgwa wa khwalithethifi wo o šomišago tlhathollo ya maitemogelo o šomišitšwe go ngwala maitemogelo le ditlhalošo tše di phetšwego. Dipoledišano tše di sego tša rulaganywa ka botlalo di dirilwe le batšeakarolo ba seswai go tšwa lefapheng la tšweletšo ya ditšhipi ka Gauteng, Afrika Borwa, datha yeo e sekasekilwego ka go šomiša tshekaseko ya sererwa.

Dikhwetše tše kgolo: Go tšweletše direrwa tše hlano tše bohlokwa: (1) go kgetholla le go hloka toka mo go lemogwago; (2) ditlamorago go mafolofolo a sehlopha le maitshwaro; (3) bokgoni le dipelo tša tiragatšo; (4) potego ya lapa le go bota; le (5) go se dumelelane ga diteng le kamogelo ya maemo. Dikhwetšo di laetša gore thwalo ya leloko ga e kwešišwe ka gohle bjalo ka ye mpe; kamogelo ya yona e ya ka mabaka a go swana le seemo, toka ye e lemogwago, go ba pepeneneng le bokgoni bja bao ba thwetšwego ba lapa.

Ditlamorago tše di šomago goba tša taolo: Dikhwetšo di šišinya gore thwalo ya leloko, ge e laolwa ka go se fetoge le ka tsela ye e lego pepeneneng, e ka godiša potego, go bota le go tšwela pele. Le ge go le bjalo, thwalo ya leloko yeo e sa laolwego gabotse e senya dikgopolo tša toka, e fokotša maikutlo le go šitiša kgokagano ya sehlopha. Baetapele le bašomi ba HR ba swanetše go phethagatša melawana ya go thwala batho ye e kwagalago, ye e lokilego le ye e hlahlobjago yeo e ka thušago go fokotša kotsi, mola ba šomiša meholo yeo e ka bago gona.

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Mantšu a bohlokwa: Teori ya Tekatekano; Go rata batho; Intasteri ya tšweletšo ya ditšhipi; Thwalo ya leloko; Go se dumelelane ga thwalo ya leloko; Thwalo kgetho; Mekgwa ya go thwala batho; Teori ya phapantšho ya leago; Afrika Borwa

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Chapter 1: Scientific Overview of The Research

1.1 Introduction

The focus of this study is to explore the different perspectives of nepotism to establish whether it can have a positive impact on organisations, and to ask how this may be achieved. The study examines experiences of nepotism and how these experiences may be impacted by the opportunity to benefit from nepotism. This chapter considers the existing research around nepotism, establishing gaps in the research that lead to contradictory perspectives of nepotism, and which may serve to determine how these gaps may be addressed, so as to ensure that nepotism ultimately has a positive impact on organisations. The chapter commences by presenting the background and motivation for the study. It then discusses the problem statement and aims of the research. This is followed by a statement of the paradigms perspective, the literature review content, and research design. The chapter concludes with the contributions of the study and chapter layout.

1.2 Background to and Motivation for the Study

1.2.1 Background

Nepotism refers to a management philosophy of selecting and promoting people based on family ties (Pelit et al., 2015). It has often been considered a harmful practice, yet there have not been many studies to examine the impact of nepotism on employees (Vinton, 1998; Seker & Karadayi, 2024). In recent times, many companies are moving away from nepotistic recruitment practices, as this is perceived to be inequitable, and therefore both discriminatory and unfair. The practice of nepotism is particularly common in family-owned businesses (Jaskiewicz et al., 2013). In South Africa, family businesses account for 50% of the economic

growth of South Africa (Visser & Chiloane-Tsoka, 2014); although it is estimated that only 12% of family-owned business survive to the third generation and only 3% survive to the fourth generation and beyond (Visser & Chiloane-Tsoka, 2014). The Family Business Association of Southern Africa (FABASA) defines a family business as an enterprise in which the majority of the votes are held by the person who established or acquired the business (or by his or her spouse, parents, children or children's direct heirs); at least one representative of the family is involved in the management or administration of the business, and where the company is listed, the person who established or acquired the business (or his or her family) possesses 25% of the voting rights through his or her share capital, and at least one family member sits on the board (Visser & Chiloane-Tsoka, 2014). It is thus clear that some degree of nepotism proves central to the establishment of family businesses.

Human resource management issues that surface in family businesses strike a balance between nepotism, meritocracy, and managing privilege (Zahra, 2010). Meritocracy refers to a strategy of selecting and promoting people based solely on individual effort, ability, skill and qualification (Castilla & Benard, 2010). Ernst and Young have stated that family businesses show higher profitability in the long run, and are more resilient in a tough economic climate (Hall, 2018). They are also more likely to give charitably to their respective communities and engage in extensive philanthropic activities, less likely to retrench, have a more long-term strategic outlook due to their main motivation, which consists of creating a legacy for generations to come, are less likely to raise debt and are widely deemed financially prudent (Hall, 2018). If this is the case, surely the promotion of hiring family cannot be all bad. Many family-owned businesses are successful, and account for economic growth in South Africa, yet most do not survive the generations (Phikiso & Tengeh, 2017). Several problems associated with family-owned businesses pertains to rivalry, the inability to separate work and family, carrying over conflict within the family into the organisation, and emotionally charged

decision-making (Gulzar & Wang, 2010), demonstrating the negative side of nepotism. Despite this, the importance of family-owned businesses within the South African economy cannot be ignored. Understanding the impact of nepotism within organisations is thus important, where, within the South African context, it proves important to understand how to implement nepotistic recruitment practices, whilst mitigating for associated risk. In a study exploring whether nepotism proves to be good or bad for family firms, it was found that nepotism has some positive and some negative effects on firm performance, revealing contradictions in the research (Firfiray et al., 2018). These apparently contradictory findings inevitably raise the question as to why some organisations that allow and possibly promote nepotism succeed, while others do not. In the Metals Manufacturing Industry in South Africa, many companies started off as family-owned businesses, but have since been bought out. This has contributed to the shift from nepotistic recruitment to a more meritocratic approach. I have over five years' experience in Human Resources Management within the Metals Manufacturing sector, and have found that there are mixed reactions towards nepotism and towards the prohibition or discouragement of it within organisations. In one company, nepotism was encouraged as an incentive for high-performing employees. It was not exclusive to management, but offered to any occupational level, with the criteria being a "high-performing employee". If there was a vacancy within the company, preferential employment was offered to the family members of top performers. This encouraged many employees to work harder, so that they might secure work for their children and/or siblings. Further to this, discipline was generally managed by approaching elders within the family to assist when a member of the family was considered "problematic". To avoid reputational damage and the risk of not being afforded the opportunity to bring more family members into the organisation, the "elders" would usually ensure that a problematic family member either conformed to company policies and procedures, or resigned.

The practice came with several other challenges, but led me to consider that nepotism may have the potential to impact organisations positively, if managed well.

There is contradictory research showing that some businesses benefit from nepotism, while others do not (Jaskiewicz et al., 2013). The question in this regard is, if an organisation allows for nepotism, how can that organisation ensure that they benefit from it, within the confines of the law?

1.2.2 Nepotism, Fairness and Preferential Employment

Nepotism is often considered a form of corruption, as it promotes discrimination based on family relationships alone (Lokaj, 2015). This may lead to unsuitable and unqualified, or ill-qualified individuals being hired and sometimes being placed in senior positions without merit (Lokaj, 2015). In certain developed countries, nepotism is prohibited by way of legislation (Chukwuma et al., 2019). This supports the argument that nepotism is both discriminatory and unfair. Would it be fair to overlook a candidate for a position who meets the requirements of the post, but is also related to someone within an organisation? To exclude that candidate would not be a form of meritocracy, and could also be considered discriminatory. Anti-nepotism policies have been challenged on the basis of leading to gender discrimination, whereby women were excluded from being considered for certain positions due to being married to current employees (Jones & Stout, 2015).

It is common knowledge that nepotism has generally favoured those in senior and top management, who have enough influence to secure a position for their family members (Akuffo & Kivipöld, 2019). It has led to deserving individuals being disregarded for promotion in order to place family members into senior positions (Kawo & Torun, 2020) and inconsistency in the application of reward, punishment and other Human Resource practices (Ombanda, 2018). It is thus not surprising that there is research supporting nepotism as being a negative practice,

which creates distrust amongst co-workers, creates employee dissatisfaction, and leads to less employee commitment (Pearce, 2015). Where there is a lack of transparency and consistency, fairness will be questioned. If nepotism is unfair and anti-nepotism is potentially unfair, is there some degree of nepotism which could be considered fair and when fairness is discussed, is the perception of staff prioritised i.e., fair to who?

It has been argued that, once equity targets have been recorded, further appointments ought to be strictly assessed on merit (Pienaar, 2019). The implication of this is that affirmative action measures ought to be prioritised over merit alone. This is not to say that previously disadvantaged applicants ought to be chosen even if they do not meet the selection criteria of a position. On the contrary, the Employment Equity Act No. 55 of 1998 is clear that affirmative action measures ought to ensure that suitably qualified people from designated groups have equal employment opportunities (Employment Equity Act, 1998). An obligation is placed on employers to develop and afford opportunity to those from previously disadvantaged groups, with the aim of rectifying social injustices caused by historical policies and practices. This means that, where a non-designated candidate is suitably qualified for a position, they ought to be given preference, even if there is a non-designated candidate who is a little stronger in terms of qualifications and/or experience. From a legislative perspective, it is considered fair to prioritise the social obligation to correct past injustices over merit. Pienaar (2019) offers an alternative perspective, by stating that merit is second to affirmative action, but what about an obligation to develop and promote the interest of internal staff? Richard Branson has two popular quotes that he shared on Twitter, which respectively read: “Take care of your employees and they will take care of your business...” (Branson, 2015); and “Train people well enough so they can leave, treat them well enough so they don’t want to” (Branson, 2014).

Many companies promote preferential selection of internal applicants over external applicants for a position (Chan, 1996). This cannot be separated from Employment Equity measures, due

to the fact that, in the South African context, it is mandatory to consider transformation measures during recruitment. It has been found that the promotion of internal selection has a positive impact on employee satisfaction (Muscalu, 2015). In another study it was found that internal recruitment as an incentive compensation system could motivate ambitious, young individuals to stay with an organisation. Performance measures needed to be clear and transparent and they needed to know that there was potential for growth (Bjurgert & Karlsson, 2010).

South African legislation does not prevent the promotion of internal applicants over external applicants. In *George v Liberty Life Association of Africa Ltd* (1996), it was found to be an unfair Labour Practice to hire an external candidate where a suitable candidate was available internally, if company policy regulated the preferential selection of internal candidates (*George v Liberty Life Association of Africa Ltd*, 1996). The Skills Development Act No. 97 of 1998 lists in the Purposes of the Act, “..to increase the levels of investment in education and training in the labour market and to improve the return on that investment: (c) to encourage employers— (i) to use the workplace as an active learning environment; (ii) to provide employees with the opportunities to acquire new skills...” (Skills Development Act, 1998, s.2).

It is thus prescribed that employers upskill their employees, and improve return on that investment. This is achieved by creating opportunity for advancement within the organisation. Internal development and promotion are, in this manner, considered fair. In the same study of internal recruitment as an incentive compensation system, it was found that those employees who prioritised family and everyday life were more concerned with a stable income than promotion (Bjurgert & Karlsson, 2010). Opportunity for advancement appeared to have a more positive impact on younger people, while those with families had other priorities i.e., ensuring that they could provide for their families through a stable income.

1.2.3 Preferential Employment in Relation to the Purpose of Work

It is widely accepted that a fundamental reason why many people work is to support their families (Menges et al., 2017). Of the 58 guiding principles covered in surveys of values across cultures, caring for the family ranks as the second most important priority in life, trailing only behind avoiding sickness (Menges et al., 2017). In a study examining family motivation as a form of prosocial motivation i.e., being motivated to help a particular group of beneficiaries, in this case one's own family, it was found that family motivation gave work meaning, and was sufficient to drive performance, especially where intrinsic motivation proved to be low (Menges et al., 2017). Intrinsic motivation is defined as undertaking an activity for its inherent satisfaction, rather than for some separable consequence (Oudeyer et al., 2016). When intrinsically motivated, a person is moved to act for the fun or challenge entailed rather than because of external products, pressures, or rewards (Oudeyer & Kaplan, 2007). In some industries, including the manufacturing industry, many roles are not designed to enable intrinsic motivation, due to repetitive tasks and lack of autonomy (Menges et al., 2017). This study demonstrated that, especially in environments lacking intrinsic motivation, families matter for job performance to the extent that employees derive motivation from seeing their jobs as benefitting their families (Menges et al., 2017). This was supported by another study, which found family motivation to be the main driving force that first strengthens employee self-efficacy, and then motivates employees to exhibit organisational citizenship behaviours (Umrani et al., 2019). If a primary reason to work is to provide for one's family, and if focusing on providing for one's family provides meaning to one's work, improves motivation and self-efficacy, and drives performance and organisational citizenship behaviours, could the opportunity to secure employment for one's family through high performance positively impact organisations? The research of Menges et al. (2017) and Umrani et al. (2019) on family

motivation seems to suggest that nepotism as an incentive for high performance may have a positive impact on organisations (Menges et al., 2017; Umrani et al., 2019).

From the above, it can be seen that family businesses are critical for the growth of the South African economy, where some level of nepotism is present within family-owned businesses, and where many of these businesses prosper. Further to this, a primary reason why people work is to support their families, and studies on family motivation have shown that family motivation has a positive impact on organisations. In light of this, further research is required on the potential positive impact nepotism may have on organisations. To remove the stigma of nepotism being an unfair labour practice, guiding principles are required to implement nepotism fairly. Just as affirmative action and preferential employment/promotion of internal candidates is considered fair discrimination, it is proposed that preferential employment be extended to family members of high-performing staff. In this manner, nepotism does not favour a specific group or occupational level, but can be used as an incentive to show preference to existing staff. If nepotistic practices are transparent and applied consistently, it is likely that nepotism could be fair, thereby mitigating the risk of its negative impact, and allowing for family motivation to be utilised to drive performance.

1.3 Problem Statement

There are still major gaps and contradictions in understanding the impact nepotism has on employees and their perception of the workplace. Nepotism is often seen as an unfair recruitment practice, which leads to people being appointed in positions for which they are not suitably qualified/experienced. It can be seen as a form of unfair discrimination, which cripples transformation efforts to create more diverse workplaces. Those who benefit from nepotism or who do not perceive nepotism as impacting their own opportunities for growth may hold different views. The problem seems to lie in the belief that favouritism is always unfair;

however, it is common practice for organisations to utilise preferential employment practices for their own employees, advertising positions internally first, and thereafter giving preference to internal staff, on condition that they meet the minimum requirements, or can reasonably be trained to meet the minimum requirements of a position. This practice is believed to have a positive impact on both employees and organisations. If an employee is a consistently high performer, could the knowledge that preferential employment opportunities—subject to training and competency requirements—might be extended to family members serve as an incentive for sustained performance? If the same opportunity is offered to all employees' family members, irrespective of occupational level, would the practice still be seen as unfair, or could it incentivise employees to perform?

The research question can be formulated as follows:

“What are employees' experiences of and behaviours and attitudes towards nepotistic recruitment practices, and how is that experience impacted by the opportunity to benefit from nepotistic recruitment practices?”

1.4 Aims Of The Study

The general and specific aims of the study are as follows:

1.4.1 General Aim

- The general aim of this study is to explore and describe employees' experiences of and behaviours and attitudes towards nepotism in the workplace and to further explore how these experiences may be impacted by the perceived opportunity to benefit from nepotism.

1.4.2 Specific Literature Aims

- To conceptualise the constructs of nepotism, fairness, employee performance, employee motivation, recruitment practices, nepotistically informed recruitment practices and effective recruitment practices from the literature;
- to explore the inter-relatedness between these constructs from extant literature.

1.4.3 Specific Empirical Aims

- To describe people's experiences of, as well as behaviours and attitudes towards nepotism;
- to explore how people's experiences of, as well as behaviours and attitudes towards nepotism are impacted by the perceived opportunity to benefit from nepotism;
- to make recommendations for the field of industrial and organisational psychology and relevant organisations as to whether to allow for nepotism and how to effectively manage nepotism for nepotistic recruitment practices, so as to have a positive impact on organisations, based on findings and conclusions of the study.

1.5 The Paradigm Perspectives

1.5.1 Theoretical Paradigm: Systems Theory

The chosen theoretical paradigm is for the study to be framed from a systems perspective. Systems theory poses that the behaviour of a single autonomous element proves different from its behaviour when the element interacts with other elements (Mele et al., 2010). This study will examine the possibility of nepotism having a positive impact on organisations, while also considering the relevant legislation and social responsibilities within the South African context. Systems theory identifies that the interactions within an organisation cannot be separated from

the larger context of the environment in which the organisation operates (Mele et al., 2010). This study examines the role of equity considerations and the benefits of nepotism and businesses that adopt nepotistic recruitment practices for their organisations. It explores how nepotism impacts the perception of fairness, how that impacts employees, and how this may be altered through a transparent and guided process for the implementation of nepotism.

1.5.2 Empirical Paradigm: Hermeneutic Phenomenology

The empirical paradigm used in this study is hermeneutic phenomenology. Hermeneutics is the theory and practice of interpretation (Paterson & Higgs, 2005). Comprehension plays a central role in the hermeneutical reconstruction of textual meaning, where the translator will start at his/her own understanding, and he/she can only translate what he/she has understood (Cercel et al., 2015). Subjectivity cannot be excluded, because of the role that language plays in the research, which is influenced by history, knowledge, and life experience (Cercel et al., 2015). Hermeneutical phenomenology assumes the findings of research are not pure descriptions, but rather, the interpretation of the researcher (Petty et al., 2012). Hermeneutics is concerned with the human experience, as this is lived, and is focused on highlighting details within experiences with a goal of creating meaning and facilitating understanding (Suddick et al., 2020). Hermeneutic phenomenology involves working with part of the data and the whole data in a cyclical, open, and interrogative manner to understand interviewees, myself, and the phenomenon under study (Suddick et al., 2020).

The ontological perspective of hermeneutics involves attuning to the past, explaining the present situation and presenting new possibilities for the future through an inquiry of the theory of being (Paterson & Higgs, 2005). This study examines past literature to try and understand the current perspective and impact of nepotism on employees, and to try to determine whether nepotism can have a positive impact on organisations if it is applied equitably in order for

employees to be rewarded by nepotism for high performance. The epistemology of hermeneutics acknowledges that knowledge is possible from subjective experiences and insights. In line with this, the research aims to understand participants' subjective experiences of, attitudes and behaviours towards nepotism through interviews and how this can be altered through transparent nepotistic practices from which they have the perceived opportunity to benefit.

1.6 Disciplinary Perspective

The study is conducted within the discipline of industrial and organisational psychology and relates to the sub-disciplines of organisational psychology and personnel psychology.

Industrial and organisational psychology involves studying the behaviour of people at work (Spector, 2021). It aims to advance knowledge about people at work, and solve actual problems in organisations by applying psychological principles, knowledge and insight of human behaviour (Spector, 2021).

Organisational psychology concerns the study of work at the organisational level, to understand how employees function in an organisation and how the organisation functions as a whole, focusing on the influence organisations have on the attitudes and behaviour of their employees (Schreuder & Coetzee, 2010). This study will focus on how an organisation that allows for nepotistic recruitment influences the attitudes and behaviour of employees.

Personnel psychology is concerned with the scientific study of individual differences in work settings and includes activities, such as employee selection and placement; employee training and development; career development support; employee performance evaluation; attracting and retaining scarce and critical talent; and encouraging adherence to employment-related legislation (Schreuder & Coetzee, 2010). This study will focus on employee selection and

placement which considers high performance of existing employees to create job opportunities for their families.

1.7 Meta-Theoretical Frameworks, Theories and Models

The theoretical constructs to be explored are:

- nepotism;
- nepotistically informed recruitment practice,;
- fairness;
- employee performance;
- employee motivation; and
- how these constructs may be inter-related.

The theories considered in relation to this study include social exchange theory (SET). SET relies on the notion that a relationship between two people is created through a process of cost-benefit analysis or reciprocity (Tsai & Kang, 2019). It is one of the major theoretical perspectives in the field of social psychology, since the work of Homans, Blau and Emerson commencing in the late 1950s (Muldoon et al., 2018). This study examines generational job security/creation in exchange for continuous high performance, and whether this motivates employees to perform. It assumes that employees aim to maximise their rewards through performance and once they see the benefits of those rewards, that they continue to foster a culture of co-operation through continued performance.

Focus is also placed on equity theory as a theoretical framework that questions whether transparent nepotistic recruitment practices with equitable opportunity for all, depending on employee performance, can change the perception of fairness of the practice. Equity theory assumes that, if an employee perceives inequality, they will act to correct this inequity (Della

Torre et al., 2015). It involves an assessment of both input and outcomes (Della Torre et al., 2015). The study assumes that addressing the perception of inequality and a lack of transparency in nepotistic practices will mitigate the risks of the negative impact of nepotism on employees' behaviours, experiences of and attitudes towards the workplace.

1.8 Literature Review

The literature review focuses on prior research pertaining to nepotism, recruitment practices, nepotistically informed recruitment practices, fairness, employee motivation and employee performance and the interrelatedness of these constructs. Focus is placed on equity theory as well as social exchange theory, to understand people's experiences of nepotism and how this can be changed, once they believe that they can benefit from nepotism. A range of sources are consulted in order to understand different perspectives of nepotism and its impact on perceptions of fairness, employee motivation and employee performance. Gaps in the literature are identified to inform this research study, which aims to identify whether nepotism can have a positive impact on organisations, and how this can be achieved. Cross-referencing is done when identifying another important source of information while studying a specific article mentioning a reliable source.

1.9 Research Design

1.9.1 Research Approach

A qualitative approach was utilised so as to understand people's experiences of, as well as behaviours and attitudes towards nepotism, and how this can be altered when people believe that they can benefit from it. A qualitative approach is defined as an iterative process that studies things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meanings people bring to them (Aspers & Corte, 2019). It is inductive in nature (Aspers & Corte, 2019). With the limited information available of the impact of nepotism on

organisations, a qualitative approach can assist in developing and refining theories to better understand whether nepotism can have a positive impact on organisations and what conditions need to be met in order for this to be achieved.

Qualitative research focuses on the way in which people interpret and make sense of their experiences so as to understand their social reality, seeking to understand people from their own point of view (Mohajan, 2018). This study focused on people's interpretation of nepotism and how this experience may be altered when a person has the opportunity to benefit from it. It typically uses interviews and observations, providing a broad understanding of a particular phenomenon by focusing on unique cases (Mohajan, 2018). In line with this, I conducted semi-structured interviews for the purpose of this study. Qualitative research strategies interpret and reveal concepts and meanings rather than generalising accidental relationships (Toloie-Eshlaghy et al., 2011). The use of thematic analysis allow for this to be achieved. It is open and flexible to facilitate discovery, it codes data by fitting qualities into categories and does not focus on product or snapshots, but examines the dynamics of a process to understand human behaviour (Fidel, 1993).

1.9.2 Research Strategy

An interpretive qualitative study (Fossey et al., 2002) was conducted in order to understand and describe people's experiences of, behaviours, and attitudes towards nepotism in the workplace, and how these change when people believe that they can benefit from nepotism. Interpretive studies aim to understand social life and describe how people construct social meaning (Fossey et al., 2002). Semi-structured interviews were conducted (Rapley, 2001) that allow for deep, mutual understanding as opposed to hard, quantifiable data. While semi-structured interviews are time-consuming, labour intensive and require interviewer sophistication, they are useful to gather independent thoughts of individuals through probing

open-ended questions. Through confidentiality, candour is more likely than in focus groups, and the structure helps guide the process to find common meaning in responses (Newcomer et al., 2015). Semi-structured interviews allowed me to explore the participants' thoughts, feelings and beliefs about nepotism, where there was some flexibility in the questions; however, data was comparable by ensuring the same themes were explored. It is necessary for the researcher to be cognisant of possible bias and avoid asking leading questions. It is also necessary to be cautious to not stray too far from predetermined questions which may negatively impact the validity of the interview. Exploratory research was utilised, where experiences of nepotism can be better understood and the changes to this experience, when people believe that they can benefit from nepotism, may be explored. Descriptive research was used to describe these experiences and changes.

1.9.3 Research Method

1.9.3.1 Research Setting

The research took place in the context of 8 companies in the metals manufacturing industry in Gauteng, focusing on companies where nepotism used to be a common practice, but is currently being discouraged. Many of these companies started off or are family-owned businesses, where nepotism was or is a common practice. As these companies have become more corporate, nepotism is starting to be discouraged.

1.9.3.2 Entrée and Establishing Researcher Roles

I had access to possible candidates from numerous companies within the metals manufacturing industry through a gatekeeper, viz. the South African Engineers and Founders Association (SAEFA). I contacted the Executive Director of SAEFA for referrals. Those who met the inclusion criteria, and who were willing to participate, after background information on the study had been shared with them on the consent form, were requested to complete the informed

consent form. This form outlined that participation would be voluntary, that confidentiality would be ensured, the purpose of the study, it asked for consent to record the interviews, explain what would be recorded, and how data would be used and stored (Engward et al., 2022). Appointments for the interview were made with the selected participants.

The researcher was obliged to make participant feel comfortable and safe by building rapport (Engward et al., 2022). The participants ought to feel that they can trust the researcher to describe their thoughts, feelings and experiences accurately. The researcher must be empathetic and trustworthy in order for the participants to be honest and forthcoming (Blanche et al., 2006).

As the researcher, I compiled the questions for interviews, developed consent forms, contacted possible participants, selected participants who met the inclusion criteria, and ensured that they had diverse demographics, obtained consent to participate in the research, conducted and recorded interviews, transcribed interviews, analysed the data, ensured ethical considerations were met, interpreted results, and reported on these results.

1.9.3.3 Sample and Sampling Technique

Purposive sampling was utilised on a voluntary basis (Etikan et al., 2016). In purposive sampling, a researcher has something in mind, and participants that suit the purpose of the study are included (Etikan et al., 2016). Eight participants were interviewed from various levels of management from various departments, genders, racial groups and age groups. Where possible, enough participants were interviewed to achieve data saturation (Fusch & Ness, 2015). Participants were selected in this way, because I required information on people's experiences of nepotism, and thus required participants who can and are willing to provide information by way of their knowledge and experiences of nepotism. Purposive sampling allows for the identification and selection of individuals who are proficient and well-informed with a phenomenon of interest, are willing to participate in a study and have the ability to

communicate experiences and opinions in an articulate, expressive, and reflective manner (Etikan et al., 2016). Because nepotism usually impacts management, as those who benefit from nepotism are usually placed in management positions (Kawo & Torun, 2020), this study focused on people in management. One participant was selected per company. Sampling inclusion criteria included: a) people in management; b) people from different departments; c) people of different genders, ages and races. The group included those who believe that they have been advantaged or disadvantaged by nepotism historically, and/or those who feel as though nepotism has not impacted their careers. I had access to various companies within the metals manufacturing industry in Gauteng and through referrals contacted potential participants for the research. The participants were required to meet the inclusion criteria, have the required diversity, and were obliged to sign a consent form to participate in the study. The consent form served to highlight ethical considerations, such as anonymity and confidentiality, that participation is voluntary, and participants may elect to withdraw from the study at any time in the process.

1.9.3.4 Data Collection Methods

Semi-structured interviews (Rabionet, 2011) were scheduled with participants and spaced to allow for preparation time. The interviews were held face-to-face (McIntosh & Morse, 2015) with an option to meet via a video platform such as MS Teams, for those who were not available to meet face-to-face. Interviews were about one hour each. It was necessary to display respect, sensitivity, and tact during interviews, so that participants felt comfortable and safe (Rabionet, 2011) to open up about their work experiences and views. They ought to feel safe enough to be honest about their perceptions and beliefs about practices that may be present in their workplace, with the knowledge that information would not be shared with their employers and they should thus not fear repercussion.

1.9.3.5 Recording of Data and Transcription

I requested permission to audio record interviews and take notes of key points and/or observations. Notes during the interview were limited so that the participants felt fully engaged and heard and were not distracted by the notes. Continuity and coherence is required in the interview, and notes tend to be distracting. Notes should merely be used to highlight sections on the recording that may need additional attention or visual observations that would not be recorded. Recordings were backed up and placed in a secure folder that is password protected. Notes were scanned and saved in a secure folder within 48 hours of the interview. Hard copies were then shredded.

All recordings were transcribed verbatim. A verbatim record of the interview is beneficial in facilitating data analysis by bringing researchers closer to their data and allows for an audit trail for data analysis (Halcomb & Davidson, 2006). These transcribed notes were also backed up and stored in a secure folder.

1.9.3.6 Data Analysis

Thematic analysis was used (Clarke et al., 2015) as a method for identifying, analysing and interpreting patterns for meaning within the data (Clarke et al., 2015). Thematic analysis can uncover and present the structure of the meaning of lived experience, in line with hermeneutic phenomenology (Ho et al., 2017). There are six steps to thematic analysis, namely: (1) become familiar with the data; (2) generate initial codes; (3) search for themes; (4) review themes; (5) define themes; and (6) write-up (Maguire & Delahunt, 2017). These phases are not necessarily linear, and the researcher may need to move forward and back between stages (Maguire & Delahunt, 2017).

Thematic analysis is relevant to this study as it allowed the researcher to look for patterns within the data that relate to the research question (Braun & Clarke, 2012). A deductive

approach to data coding and analysis was used to bring existing concepts such as family motivation and equity theory and ideas such as preferential employment of internal candidates to the data to interpret the data. To achieve this, I needed to follow the six phases by: (1) becoming intimately familiar with the data by watching recordings and going over notes (2) establishing codes to identify and provide a label for a feature of the data that is potentially relevant to the research question; (3) collapsing or clustering codes that seem to show unified features so that they reflect and describe a meaningful pattern in the data; (4) quality checking by reviewing themes in relation to the coded data and data set; (5) interpret and connect data to the broader research question through a combination of descriptive and interpretive theme analysis; and (6) writing the report (Braun & Clarke, 2012).

1.9.3.7 Strategies Employed To Ensure Quality Data And Ethical Considerations

As the researcher, I was the primary instrument for collecting and analysing data. So as to ensure that the study was trustworthy, it proves necessary to allow participants autonomy (Pietilä et al., 2020). This was achieved by getting informed consent from participants including accurately informing participants about the research, the aim of the study, study methods, potential benefits and risk of the study, data confidentiality, and the voluntary nature of participation (Pietilä et al., 2020). The participants ought to have the capacity to understand the provided information and be able to make a voluntary decision about participation (Pietilä et al., 2020).

Further to this, beneficence and non-maleficence ought to be considered (Tangwa, 2009). This is the ethical obligation to promote well-being and maximise the benefits for participants and society and the obligation to minimise risk and avoid any harm to the participants and society (Tangwa, 2009). The study ensured confidentiality of participants, where adverse effects ought

to be avoided by providing further information about people's experiences of nepotism and formulating a guideline to avoid unfair discrimination.

Justice proves to be another important ethical consideration in qualitative research (Pratt et al., 2020). The principle of justice states that all individuals ought to be treated fairly and equally (Pietilä et al., 2020). Participants were treated fairly and equally irrespective of their demographics and had the same rights during the course of the study (Pratt et al., 2020).

The research must meet the criteria for trustworthiness by ensuring that the research is: (1) credible by carefully designing the research process, detailing notes of how each phase of the research was conducted and providing the strengths and limitations of the research in the final report in order for readers to believe what the research presents (Kyngäs et al., 2020); (2) dependable, aiming for consistency across the research starting point, data collection, and analysis; (3) confirmable, evaluating whether the findings are solely shaped by the data collected from participants, or if the results reflect some of my bias, motivation and/or other interests; (4) authentic or show integrity, ensuring a connection between the results and existing data through referencing and cross-referencing so as to ensure that the interpretation was unimpaired by lies, evasions, misinformation, or misrepresentations by informants; and (5) transferable, explaining how readers may extend the results of the study to their own situations (Kyngäs et al., 2020).

1.9.3.8 Reporting

The Journal Article Reporting Standards for Qualitative Research (JARS-Qual) was utilised for reporting. This provided information recommended for inclusion in a qualitative research report (Levitt et al., 2018).

1.10 Contributions of the Study

Nepotism remains a common practice within many organisations in South Africa (Ndaba, 2019). It is one of the key factors in the formation of family-owned businesses, which are critical for the country's economic growth. With more companies introducing anti-nepotism policies into the workplace, it is important to understand the impact this may have on staff, especially in environments where nepotism has been common practice historically. It is also important to understand the potential benefits of allowing for nepotism in the workplace. This study provides information to aid better-informed decisions about whether or not to abolish nepotism in the workplace, or possibly adjust the manner in which nepotism is implemented instead. Guidelines are also provided that ensure nepotism does not lead to unfair discrimination and cripple transformation efforts.

1.11 Chapter Layout

Chapter 1: Research Proposal

Chapter One provides a brief overview of the research to be conducted looking at the background and motivation of the study, stating the problem to be investigated and aims of the study, explaining the paradigms perspective, what the focus of the literature review will be and explaining the research design that will be followed.

Chapter 2: Literature Review of Nepotism in Relation to Recruitment

Chapter 2 provides a review of the existing literature on the constructs and theories to be explored and their inter-relatedness.

Chapter 3: Literature Review of Nepotism in Relation to Existing Theoretical Frameworks

In this Chapter, I will explore the concept of nepotism in relation to equity theory and social exchange theory.

Chapter 4: Research Design

In this chapter, the research methodology that informed this study is examined, and the research approach, strategy and method are provided. Ethical considerations and strategies to ensure good qualitative practice are also discussed.

Chapter 5: Findings and Discussion

The findings and discussion chapter present key themes emerging from participants' experiences and attitudes toward nepotistic recruitment, supported by direct quotes and linked to the research questions.

Chapter 6: Conclusions, Limitations and Recommendations

The final chapter includes the conclusions reached, as well as the limitations and recommendations for future research.

1.12 Chapter Summary

In this chapter, the background to and justification of the research were discussed, exploring relevant constructs and theories. The research problem and aims of the research were stated with a brief description of the literature review to be conducted was provided. The paradigm perspective, research design and method were discussed. Lastly, the chapter outline was provided.

Chapter 2: Nepotism in Relation to Recruitment

2.1 Introduction

This chapter focuses on exploring common recruitment practices and models. It explains the impact of effective recruitment practices on organisations, based on the existing literature. The chapter further provides a definition of nepotism, examining nepotistically informed models as recruitment practices and goes on to describe the impact of nepotism on organisations. The chapter examines methods of managing nepotism as a preferential recruitment practice, emphasising the lack of literature available on the topic. A chapter summary concludes the section.

2.2 Recruitment And Recruitment Practices

The following section conceptualises recruitment and recruitment practices, exploring some common recruitment practices and models and speaking to the impact of effective recruitment practices on organisations.

2.2.1 Conceptualising Recruitment and Recruitment Practices

Recruitment involves identifying suitable candidates that meet specific selection criteria, and encouraging them to apply for a position within an organisation, thereby ensuring timely placement (Gaikwad & Vaishnav, 2022). The process includes an analysis of the requirements of the role, advertising the job, screening applicants, interviewing, selecting, and onboarding candidates (Gaikwad & Vaishnav, 2022). The recruitment process serves as the initial step in establishing a high-quality team within an organisation. Consequently, it is crucial to execute each stage of the recruitment process as well as possible (Rustiawan et al., 2023).

Recruitment is mainly divided into two processes, that is, internal and external recruitment (Gaikwad & Vaishnav, 2022). Internal hiring entails filling a position within an organisation through methods such as promotion or transfer (Moh'd Abu Bakir, 2021). This proves advantageous where the employee is already familiar with the organisation's culture and structure, reducing the need for company-specific training and socialisation. Furthermore, existing employees tend to work more efficiently and productively, leading to improved job satisfaction, and to a sense of job security, when there is a perceived potential for growth. (Moh'd Abu Bakir, 2021). Companies that promote preferential selection of internal applicants over that of external applicants for a position have been found to have staff who are more productive, and who are more likely to remain with the company (Dlugos & Keller, 2021). As noted in Chapter 1, section 1.2.2, Employment Equity measures the need to be considered within the South African context. It is thus mandatory to consider transformation measures during recruitment. It has been found that the promotion of internal selection has a positive impact on employee satisfaction and employee job performance (Rinny et al., 2020). In another study, it was found that internal recruitment as an incentive compensation system may motivate ambitious, young individuals to stay with an organisation. Performance measures need to be clear and transparent, and they ought to know that there is potential for growth (Bjurgert & Karlsson, 2010). Internal candidates are prone to upholding the existing state of affairs, which narrows the applicant pool and consequently limits the possibility of discovering outstanding talent. Additionally, when the external market is not explored, there is an increased risk of complacency, due to reduced competition (Pendola & Fuller, 2021).

External recruitment involves seeking talent beyond the organisation and offering the benefit of introducing new perspectives to the business. Individuals from outside are not enmeshed in internal politics, thereby avoiding potential negative impact on productivity. It addresses a vacancy, without creating another void within the company, and the broader candidate pool

enhances the likelihood of discovering exceptional talent (DeVaro, 2020). As the benefits of internal recruitment have already been explained, it can be concluded that the disadvantages of external recruitment are that it does not create a platform for the benefits of internal recruitment to be realised, and creates additional administrative costs of advertising, screening and inducting the applicant into the internal dynamics of the business (Chan et al., 2021).

The caliber of a business is closely tied to the quality of its workforce. Consequently, effective recruitment holds paramount importance, securing high-quality employees commences with a well-executed recruitment process (Rustiawan et al., 2023). Companies can maintain a better recruitment system through competency management (Rustiawan et al., 2023). Competency management is a process that ensures business sustainability through the ability to fill key positions (Rustiawan et al., 2023). Employee recruitment can also be defined as activities that influence the number and types of applicants who apply for a position, staying in the applicant pool, and accepting a job offer (Acikgoz, 2019).

Certain recruitment methods aim to appeal to individuals currently in active pursuit of employment, or exploring alternative job opportunities. In contrast, other strategies target individuals who may not be actively seeking a job, but who could contemplate accepting an offer if presented (Acikgoz, 2019). These are active and passive job seekers, respectively (Choi et al., 2021). In the past, conventional recruitment methods primarily focused on engaging active job seekers. However, there is a growing trend among employers to pursue passive candidates, who are perceived to possess greater skill sets, and often boast a stronger employment track record (Choi et al., 2021). As these candidates are not actively seeking work, it would be more challenging to convince them to engage regarding a potential position and accept the position (Choi et al., 2021).

From the above, it can be seen that recruitment is more than a process of merely interviewing and hiring. Instead, it involves the determination of the requirements of a job and the implementation of methods that successfully attract, source, and place high quality candidates, with the right fit, into a role. Recruitment practices are the methods chosen to recruit.

2.2.2 Common recruitment models and practices

There are many recruitment models or talent strategies that can be adopted by a given company. Many companies adopt a blend of practices as components of their comprehensive recruitment strategy, taking into account factors such as the specific positions needed, the employer brand, available human resources for recruitment, and the allocated budget for the recruitment process (Opara & Christopher, 2022). Traditional models include the use of recruitment agencies. This is an expensive option (Florea et al., 2023) which considers external candidates to fill a position. Due to the high cost associated with this option, most companies only utilise agencies for certain positions, and are still confronted by the issues involved in using traditional recruitment methods i.e., challenges that arise from human bias, fatigue caused by the time-consuming process of screening numerous candidates, and the limited validity of interviews. Unstructured interviews, for example, demonstrate approximately 14% accuracy in identifying suitable candidates, while structured interviews demonstrate about 30% validity (Black & Van Esch, 2020). Recruitment agencies are currently under threat with the introduction of artificial intelligence (AI) as a cheaper means of sourcing candidates (Albert, 2019). While they may be utilised due to a lack of in-house resources available to recruit, this has to be weighed up against recruitment budget.

A form of recruitment that relies heavily on trust is an informal “word of mouth” approach of asking for recommendations from employees or other trusted people to fill a position (Osman & Thunborg, 2019). This method is linked with smaller organisations, where some research

suggests that this achieves a better selection of well-qualified candidates than more formal approaches to recruitment (Abdalla Hamza et al., 2021); although the pool of suitable candidates is limited, and the process is less structured thus open to subjectivity. Referred employees tend to refer others with similar work behaviours and more productive workers tend to refer productive workers (Burks et al., 2013). Generally, employee referral initiatives offer compensation for successful placements, who are retained for a specific period of time, such as the probationary period (Mani, 2012). This method allows companies to tap into a passive pool of job seekers; it proves comparatively inexpensive and less time-consuming than other methods of recruitment (Piperkova et al., 2023); and it is often effective, as employees associate their own reputation with their referrals, and are thus unlikely to recommend unskilled candidates (Mani, 2012). Certain research suggests that applicants referred by current employees and those who apply for positions within an organisation without knowing if there was an available vacancy are less likely to leave an organisation (Breugh, 2008). Part of the reasons why referred employees tend to stay, is because they have more realistic information pertaining to what a given position involves (Breugh, 2008).

As mentioned in section 2.2.1, many companies and recruiters focus on attracting passive job seekers. This is often achieved through the use of online recruitment sites, social media and employer branding (Nikolaou, 2021). Employer branding is a model of talent management that seeks to attract and retain existing talent (Reis et al., 2021). As the sourcing of skilled and talented candidates is becoming ever more competitive, employer branding is used as a means of highlighting key characteristics of the business, which differentiates it from other companies; thereby attracting and retaining the right talent, as opposed to all employees, and increasing employee efficiency, job performance, and thus business profitability (Sirojuddin, 2022). The idea of internal branding treats the employees as customers, making them and their interests the centre of attention (Staniec & Kalińska-Kula, 2021). Employer branding leads to

increased employee trust in the organisation and improved employee engagement (Kashyap & Chaudhary, 2019). When well executed, it can improve employee satisfaction, motivation and drive organisational citizenship behaviours (Kaur et al., 2020). This is thus an effective recruitment practice to attract and retain talent.

In recent times, Artificial Intelligence (AI) is gaining popularity as a recruitment method (Ibrahim & Hassan, 2019). It enables the efficient screening of larger pools of applicants based on analysis of electronic data and machine learning to identify ideal candidates based on a given selection criterion (Jatoba et al., 2019). This allows for the automation of mundane and time-consuming recruitment tasks, which may lead to more focused and strategic recruitment practices (Ore & Sposato, 2022). AI does, however, face challenges with regards to exclusion, as it is subject to the bias of those coding the system, and historical practices that may have historically favoured or disadvantaged certain groups (Parfett et al., 2021). Amazon had to do away with an AI recruitment tool biased against women, as it looked at candidates who were previously successful for a specific position – predominantly men – when selecting potential candidates for a position (Dastin, 2022). This form of recruitment thus needs to be responsibly managed to mitigate the risks of biased machine learning, which could lead to systematic discrimination.

Career development refers to a process of increasing employability through training, career planning and offering opportunities for progression (Niati et al., 2021). Career planning is a strong tool to assist in the success of employees and the organisation (Arifin et al., 2020), often allowing for promotion of internal employees. Promotions lead to increased job satisfaction and motivation of employees (Haryono et al., 2020). To aid employees' prospects of being promoted, training and development becomes important. Training positively impacts job performance; however training needs to be appropriate, have practical benefits and meet training objectives (Haryono et al., 2020). Career development aims to match employee

aspirations as a solution to organisational challenges as a means of improving organisational effectiveness (Ali et al., 2019). It is used as a means of attracting, retaining and motivating employees which increases employee engagement and organisational effectiveness (Ali et al., 2019). There is thus a strong case to be made for recruitment practices that are internally focused.

Based on these examples, it is evident that there is no “one-size-fits-all” solution to recruitment, where different practices have their own set of advantages and disadvantages. Human resource practitioners need to develop a balanced approach to recruitment, based on an organisation’s culture and overall business strategy and objectives.

2.3 Impact of effective recruitment practices on organisations

The performance of an organisation depends largely on the performance of its employees i.e., when employees possess unique competencies, this creates a competitive advantage for organisations (Hongal & Kinange, 2020). Challenges faced by many human resources practitioners include: shortages of talent in different sectors and countries, where finding the right talent for a certain position is becoming increasingly difficult as many positions now require versatile skills. With the market being so competitive to acquire scarce talent, attracting and retaining the right people has become more difficult (Hongal & Kinange, 2020). Statistics South Africa reported in the second quarter of 2023 that the unemployment rate in the country sat at 32.6% (Statistics South Africa, 2023). In spite of this, finding the right skills to fill certain positions remains a challenge. The Skills Development Act states its purpose to be... to develop the skills of South Africans, to improve productivity in the workplace and the competitiveness of employers, to provide opportunities for new entrants, to assist work-seekers to find work and employers to find qualified employees, amongst others (Skills Development Act 97 of 1998).

This Act took effect in 1998, yet the unemployment rate remains high, while recruitment also remains a challenge due to lack of skills. Effective recruitment thus goes beyond the need of organisations, but extends to the needs of job-seekers and the country as a whole. As indicated above, recruitment goes beyond hiring. There is instead a need to develop methods that proactively source, attract, and place quality candidates. Merely reacting to the need to fill a position proves problematic in a competitive environment, where skills are scarce. Perhaps a solution lies in creating quality candidates as opposed to only seeking them.

The primary purpose of the Broad Based Black Economic Empowerment (BBBEE) Act is to promote economic transformation through meaningful participation of black people in the economy (Broad-based Black Economic Empowerment Act 53 of 2003). This Act incentivises organisations to empower previously disadvantaged groups through several means, including learning and development, by gaining favour in ways that support sustainability of the business and increase the competitiveness of organisations through improved access to various business opportunities, including being able to do business with Government, enhanced reputation, increased competitiveness, access to funding and tax benefits, and more (Broad-based Black Economic Empowerment Act 53 of 2003). This Act was implemented 10 years ago. After 10 years, Africans dominate the unskilled category of employment levels with more than 80% of unskilled labour being African and almost 80% of semi-skilled employees being African, however, less than 60% of skilled workers in the private sector being African, less than 40% of professionally qualified employees in the private sector being African, less than 20% being in senior management roles, and less than 15% being in top management roles (Commission for Employment Equity, June 2023). This provides evidence that recruitment strategies are not assisting organisations to make decisions that assist employers in taking advantage of the benefits created by legislation such as the BBBEE Act. By adopting practices that do harness

these benefits, recruitment can aid in saving money, getting money back, and acquiring new business.

Effective recruitment is important, as it enables organisations to in continued operations which meet the business objectives (Lice & Sloka, 2022). The business environment is constantly evolving, which requires complex problem-solving, constant adaptation and changing skills, informing recruitment strategies (Lice & Sloka, 2022). Intentional and effective recruitment can inform succession planning, training and more (Koppolu et al., 2022). The selection of quality employees leads to increased employee performance (Dos Santos et al., 2020). Effective recruitment practices save the organisation from wasted time and money spent on actions such as unproductive tests, unproductive interviews due to non-availability of the right candidates, compromised selection, due to the non-availability of the right candidates, high attrition rates, low productivity and profitability, and low levels of motivation among employees (Kapur, 2022). When employees feel as though they have plateaued, this may lead to low levels of job involvement, work motivation, productivity, work performance, career satisfaction, and employee morale (Erasmus, 2020). Effective recruitment practices can help to avoid these negative consequences.

The challenges faced in recruitment reveal that effective recruitment involves anticipating the need to fill certain positions before they become vacant. Recruitment planning is thus important to ensure proactively focused actions of anticipating the organisation's needs and implementing strategies to address those needs by implementing efforts aligned with the overall business strategy (Shafique, 2012). If this is achieved, recruitment has the potential to drive an organisations' efficiencies, performance, save money, elevate the reputation of the business, attract new business, and ensure business success and continuity.

2.4 Nepotism And Nepotistically Informed Recruitment

2.4.1 Conceptualising Nepotism

Nepotism is often seen as a detriment to society, since it discriminates against non-family members, and is perceived to be an abuse of power or control (Jaskiewicz et al., 2013). In the South African context, the employment of family members of management could hinder transformation efforts as the 23rd Commission for Employment Equity Annual Report Information Sheet reported that top management positions remain dominated by white people, with Africans being highly underrepresented (Commission for Employment Equity, June 2023). As such, if nepotism prefers only the family of management, it could lead to unlawful employment practices, since it could claim to be a form of discrimination based on family ties, but could indirectly lead to discrimination based on race. Safina (2015) noted that some definitions of nepotism highlight the employment of relatives, irrespective of professional values, knowledge, qualifications, and experience (Safina, 2015). In such circumstances, it would mean employing people who are not suitable for the given position. Not all definitions highlight the employment of incompetent family members, or the employment of family members of management. Some definitions only emphasise the preference of kinship (Burhan et al., 2020). In a study of what people perceive as nepotism, it was found that the perception of nepotism was not based on competency or meritocracy, but on family relations alone (Burhan et al., 2020). This means that, even if a family member was the most qualified and experienced person for the job, the hiring of a family member was still perceived as nepotism. In another study, terminology was provided for nepotism, which paid no regard to occupational level. Nepotism was considered to exist whether or not preferential employment or treatment was granted to the family member of a manager or lower-level employees (Collin & Ahlberg, 2022). It is thus clear that there are opposing views of what constitutes nepotism, that is: preference of management's family only; preference given to family members who lack

competence; or preference for family of employees regardless of competence or occupational level. For the purpose of this study, nepotism shall consider family ties alone, regardless of occupational level or competence. Nepotism will therefore be considered the preferential employment of family members of employees within an organisation.

2.4.2 Nepotistically Informed Models as Recruitment Practice

There is currently limited research on nepotistically informed recruitment practices i.e., recruitment practices informed by nepotism. Most research appears to favour the view that nepotism is bad, considering nepotistic recruitment practices that allow for the appointment of family members, regardless of merit. This form of nepotism has a negative effect on the performance of an organisation, especially when incompetent family members are placed in senior roles (Chinoperekweyi, 2019). Common sense tells us that employing incompetent employees is harmful for a business, regardless of family ties. Decisions to employ family regardless of competence are viewed as an abuse of power, and create a political environment (Mau et al., 2020). Organisational politics leads to increased conflict, decreased employee performance, and commitment (Yasmeen et al., 2019). This form of nepotistically informed recruitment practices have a positive impact on employee withdrawal, negatively effecting social and ethical values, as well as economic development (Serfraz et al., 2022). Little to no argument can be made in favour of this form of nepotism, as there is sufficient research to show that it ought not to be encouraged.

When nepotistic recruitment practices do consider merit, does it naturally follow that nepotism would then be accepted? Most available research, while limited, suggests that nepotistically informed recruitment practices are perceived as unfair, even when the hired family member is the best qualified candidate for a position (Padgett et al., 2019). Companies that hire based on nepotism are perceived as less professional (Hughes & Childers, 2023). Further to this, those

who are hired based on nepotism are often appraised poorly, regardless of competence, qualification, and individual effort (Hughes & Childers, 2023). The reason for this can be attributed to the perception that nepotism violates procedural fairness. It thus cripples a company's ability to attract talent (Burhan et al., 2020). The available research suggests that hiring family members who are the best qualified for a given position does not mitigate the negative impact of nepotism on employees who are non-beneficiaries of nepotism. As such, nepotism continues to have a negative impact on the organisation, even when appointed family prove to be competent. The common theme, as an explanation for this, revolves around the idea of perceived unfairness, yet in some institutions, nepotism is less frowned upon than others, such as the royal family and family-owned businesses (Burhan et al., 2020). It can be assumed that an organisation's values and branding thus impacts the degree to which nepotism may be accepted, considering that institutions such as the royal family and family-owned business are shaped around the notion of family values. Further to this, if all employees were given a fair opportunity to benefit from nepotism, could the negative impact of nepotism be reduced?

Most studies that consider the impact of nepotistic recruitment practices favour only management and/or nepotistic practices, therein paying little attention to competence. Assumptions can be drawn from extant literature; however gaps in the research need to be addressed in order to comprehensively understand whether there is a place for nepotism within recruitment. In a study examining nepotistic recruitment in relation to poverty, it was found that nepotism provides financial security to one's family, and creates a friendly, trusting work environment as people are motivated to give family members jobs for the sake of familial stability (Jain et al., 2022). Those that brought a family member into the organisation might exhibit more care towards the new recruit, and the new recruit may have a heightened sense of security (Jain et al., 2022). This perspective only considers the beneficiaries of nepotism, where Nepotism is prevalent in family-owned businesses that account for approximately 70% of the

world's gross domestic product (GDP) (Baranyai & Kozma, 2019). Family businesses thus contribute a significant percentage of the creation of employment opportunities and the growth of the economy of a country (Dexter, 2020). Research however, reveals that the practice of nepotism could result in both positive and negative outcomes (Dexter, 2020), while the research is highly limited. The question as to why there are significant differences in how nepotism is perceived and received and its impact on organisations may lie in the management of the practice, as opposed to the practice itself.

It proves worthwhile to consider the possibility of drawing from research of other recruitment practices to advocate for nepotism. As established earlier, there is a strong argument to be made in support of recruitment through referrals. Nepotistically informed recruitment is a form of recruitment by referral. While it may create challenges in the sense that less qualified referrals may be made, this is an area worthy of exploration. If an organisation's brand promotes family values, would nepotistic recruitment practices be aligned with the company brand, which could create a unique employee value proposition, and has a less adverse effect of the perception of fairness? Employer branding is also a favoured recruitment practice. When looking at career development and competence management, could this be extended to family members of employees as a form of recruitment planning that incentivises employees to perform not only for their own advancement, but also for the advancement of their families? Naturally there may be risks associated with this, such as bias, but when looking at common recruitment practices, there are already risks such as bias associated with widely used methods. It must be emphasised that there is no universal solution to recruitment challenges. This is why recruitment practices deserve to be planned and balanced, and generally, avoid utilising only one method. Nepotistically informed recruitment practices thus ought not to be disregarded, in the absence of sufficient research.

2.5 The Impact of Nepotism on Organisations

Nepotism is reported to have both positive and negative consequences. It has been found to have positive aspects for small businesses, such as reducing the time spent sourcing and appointing an applicant, where the characteristics and productivity of the person is often known in advance and working with a relative can provide a warm environment that creates a strong communication network in small businesses (Yavuz et al., 2020). Some hold the view that nepotism is generally part of human nature, which binds together parents and their offspring as the older generation attempts to leave a legacy to the next generation (Rotaru, 2022). Nepotism can increase coordination if viewpoints and beliefs are aligned. Trust, for instance, is often a competitive advantage within family businesses, because employers can assume loyalty (Chan, 2019). Butt also notes this viewpoint, stating that nepotism may create a sense of confidence, rapid knowledge of relevant content about a job, and loyalty (Butt, 2020). While research on the topic is limited, some studies have found that nepotism in family businesses can increase employee satisfaction, provided that it is within certain limits (Yavuz et al., 2020). People want to feel worthwhile at work, which can be possible by having a trusted confidant and supporter in the workplace, thereby increasing employee engagement (Hertz, 2021). Nepotism may help to achieve this.

Contrary to the notion that nepotism may have a positive impact on organisations, the more commonly held view is that nepotism impacts organisations negatively. Nepotism may destroy organisational harmony among employees, thereby yielding inefficiency, weak dedication to work, potential for conflict due to disharmony and dissatisfaction, and a general tendency for unfavoured employees in the organisation to engage in counterproductive behaviours (Kawo & Torun, 2020). Nepotism can reduce employee trust, loyalty, job productivity, motivation and job satisfaction, as those who do not benefit from it perceive injustice and inequality within the organisation, believing that rewards are not based on work itself (Yavuz et al., 2020). Nepotism

has been found to foster mistrust and insecurity, as employees are sensitive to biased behaviours from management, and are thus hostile to those who are perceived to benefit from nepotism as they are seen as a threat to the personal interest of those who do not benefit (Vveinhardt & Bendaraviciene, 2022). In Lithuania, a study was conducted in which found that managers that create a negative emotional climate cause distance between employees and create distrust when they favour family members regardless of merit (Bekesiene et al., 2021). Nepotism disrupts the perception of fair treatment of employees by employers (Jain et al., 2022); however the negative impact of nepotism is reduced when those without family ties feel as though they have succeeded (Ignatowski et al., 2020). In some developed countries, nepotism is prohibited by way of legislation (Chukwuma et al., 2019). This would appear to support the argument that nepotism is both discriminatory and unfair. Where there is a lack of transparency and consistency, fairness will be questioned. The sense of organisational justice and trust is reduced by nepotistically informed recruitment practices, which negatively impact employee satisfaction; however job satisfaction can also increase when employees see themselves as part of a family organisation (Yavuz et al., 2020). Current research contains many contradictions, suggesting that nepotism is neither good nor bad. The management of nepotism may have a greater effect on organisations.

2.6 Managing Nepotism as a Preferential Recruitment Practice

When nepotism is not carried out professionally, non-family employees, who feel that the family members are favoured, may be adversely affected, creating stress, lack of motivation and job satisfaction, insecurity towards the organisation, and finally employee turnover (Rüzgar, 2021). The findings of this study demonstrate that, according to the participants, the most important statements include the idea that “Acquaintances are prioritised in recruitment process in this business”; “I think it is easier for managers to promote their acquaintances in this business”; and “In this business, the authority is primarily transferred to acquaintances”

(Rüzgar, 2021). It is common knowledge that nepotism has generally favoured those in senior and top management positions, who have enough influence to secure a position for their family members (Akuffo & Kivipöld 2019). This has led to deserving individuals being disregarded for promotion in order to place family members into senior positions (Kawo & Torun, 2020) and inconsistency in the application of reward, punishment, and other Human Resource practices (Ombanda, 2018). In terms of the tourism and hospitality industry, nepotism has been found to have a negative impact, as incompetent family members are hired, leading to a decline in company performance (Elsayed & Daif, 2019). This has also led to organisational conflict between those who were favoured and those who were not, as well as executive management and staff (Elsayed & Daif, 2019). This study states that these conflicts arise when there is preferential treatment of some people, and highlighted the perception of unfairness and lack of transparency as major concerns (Elsayed & Daif, 2019). Nepotism is often considered a form of corruption, as it promotes discrimination based on family relationships alone, as stated in section 1.2.2. This may lead to unsuitable and unqualified or ill-qualified individuals being hired, and sometimes being placed in senior positions without merit, as established in section 1.2.2. Looking at the reasons for the negative impact, it appears to be the result of hiring people who were not suited for the job, and because there was a perception of unfairness due to only certain staff being able to benefit from nepotism. The hiring of competent family members may reduce the negative impact of nepotism; however, certain studies have found that qualifications and competence did not necessarily lessen the negative impact of nepotism, where instead, the perception of fairness was found to be more critical (Padgett et al., 2019). This was supported in another study finding that competence did not impact the perception of nepotism, and that the violation of procedural fairness was found to be the greater concern (Burhan et al., 2020). While a lack of merit is often cited as the area of conflict, it seems that merit is not the core issue. The perception of fairness or unfairness stands out as the greater adversary of nepotism.

The perception of procedural justice has been highlighted as a concern, where mistrust has been found to stem from the subjective evaluation of processes favouring those with connections and as a result of poor internal communication (Veinhardt & Bendaraviciene, 2022). This again speaks to a lack of transparency, where only certain individuals are able to benefit from nepotism. The common theme arising from this seems to be the notion of a “them” and an “us” based on those who do not benefit, and those who benefit from nepotism. Those who do not benefit perceive processes to be unfair, and to favour those with family ties. Could these perceptions of unfairness be altered, and if so, is there an opportunity for nepotism to have a positive impact on organisations? General anti-nepotism policies in companies remove the beneficial results of recruiting by way of mutual alliances (Butt, 2020). As explained earlier, certain research supports recruitment through referrals. If the referred candidates are family members, does that immediately diminish the benefits of recruitment by referral? Extant research exposes a positive side to nepotism. To achieve this, the main concerns around nepotism, such as incompetence, unfair practice, injustice, poor communication, and lack of transparency, need to be addressed.

Nepotism, which allows for the selection of incompetent family members is difficult, if not impossible to justify. As such, competence ought to be considered when recruiting, irrespective of family ties. The negative impact of nepotism can also be reduced through transparent policy, effective communication, honest application, and ethical behaviour from management, thereby decreasing tension caused by nepotism (Veinhardt & Bendaraviciene, 2022). As established earlier, competence cannot be disregarded when recruiting and the perception of fairness must be prioritised. Human Resource Management Practices have a moderating impact on the relationship between nepotism and job satisfaction, and nepotism and organisational commitment (Ibrahim et al., 2020). Some hold that, if organisations apply best practices (through fairly evaluated procedures) to employee recruitment, evaluation, and fostering,

nepotism may come to have a positive influence on the organisation and the employees themselves, as nobody should feel humiliated if the selected candidate is the best person for the job, even if he/she is related to someone within the organisation (Ignatowski et al., 2020). One should emphasise that the findings of this research highlights those who are recruited, based on clear rules. In general, recruiting a person without the required competences causes harm to other employees (Ignatowski et al., 2020). Nepotism is common in family-owned businesses, by definition. Some of these firms succeed, while others fail, based specifically on how nepotistic practices are managed. Current research shows that ways to mitigate the adverse effects of nepotism include cultivating an environment that encourages creativity, maximising the value of equality through minimal favourable treatment of family members, maintaining a favourable ratio between external recruits and family recruits, encouraging open communication and feedback. which allows non-family members to share their ideas, providing constant training to all staff to enhance their skills and to improve eligibility for promotion (Dexter, 2020). Top management ought to be direct in addressing individuals' views of nepotism, by recognising and acknowledging that the social association remains, however, showing that they do not condone ill-warranted preference while employing and promoting (Butt, 2020). Inclusivity ought to be promoted by not favouring certain people unjustifiably (Butt, 2020). Doing this can mitigate the risks associated with nepotistic recruitment practices, with management playing a central role in driving fair processes. As such, it would appear that nepotism can be managed in order to reap a positive outcome. This will be explored further while examining equity theory and social-exchange theory.

2.7 Chapter Summary

This chapter explored nepotism in relation to recruitment. It began by conceptualising recruitment and recruitment practices, exploring common recruitment practices and delving into the impact of effective recruitment on organisations. The focus then shifted to conceptualising nepotism and exploring nepotistically informed recruitment practices, along with the way in which this may be guided by other common recruitment practices, focusing on the gaps in the current literature. The chapter concluded by describing the impact of nepotism on organisations and suggesting how nepotism may be managed as a preferential recruitment practice.

Chapter 3: Nepotism in Relation to Existing Theoretical Frameworks

3.1 Introduction

Chapter 3 examines equity theory and social exchange theory in relation to nepotism. Equity theory, as the theoretical underpinning of the study, provides the initial focus with an explanation of the theory, followed by how it relates to nepotism. The chapter continues with an exploration of social-exchange theory, where some guiding principles will be utilised from this theory, and how it relates to nepotism. In conclusion, the chapter provides an integrated view of the literature followed by a chapter summary.

3.2 Equity Theory

As explored within Chapter 2, fairness of process and the perception of who benefits from nepotistically informed recruitment practices are highlighted, as factors that may impact whether nepotism is perceived negatively. Equity theory has been selected to explain this phenomenon. This theory also provides a foundation to explain the impact of nepotism on organisations by linking it to concepts such as job satisfaction, employee motivation and employee performance (Kollmann et al., 2020). To explain people's attitudes and behaviours towards nepotism, as well as determine how these attitudes and behaviours may be impacted by the opportunity to benefit from nepotism, equity theory has been selected as the roadmap for developing arguments that may be posed within this study.

3.2.1 What is Equity Theory?

J. Stacy Adams developed a theory for motivation in which he proposed that an individual give something and gets something in return, which is then compared to the same exchange made

by others, through a socialisation process (Adams, 2015). Adams' equity theory is depicted as a ratio equation, where the self-outcomes divided by self-inputs ought to be equivalent to the other person's outcomes divided by their inputs (Watters, 2021). This equation is crucial in illustrating a fundamental aspect of equity theory, namely that the outcomes and inputs of two or more employees do not necessarily have to be equal, but the ratio must be balanced (Lawler, 1968). For instance, one employee may receive a lesser reward than another, but as long as each employee perceives that the received reward aligns with their performance level, a sense of inequity will not arise (Watters, 2021). Equity theory emphasises that the existence of inequity serves as motivation for an individual to either attain equity or diminish the perceived imbalance (Watters, 2021). Adams further notes that the intensity of the motivation to rectify the inequity is directly correlated with the perceived magnitude of the imbalance between inputs and outcomes (Lawler, 1968).

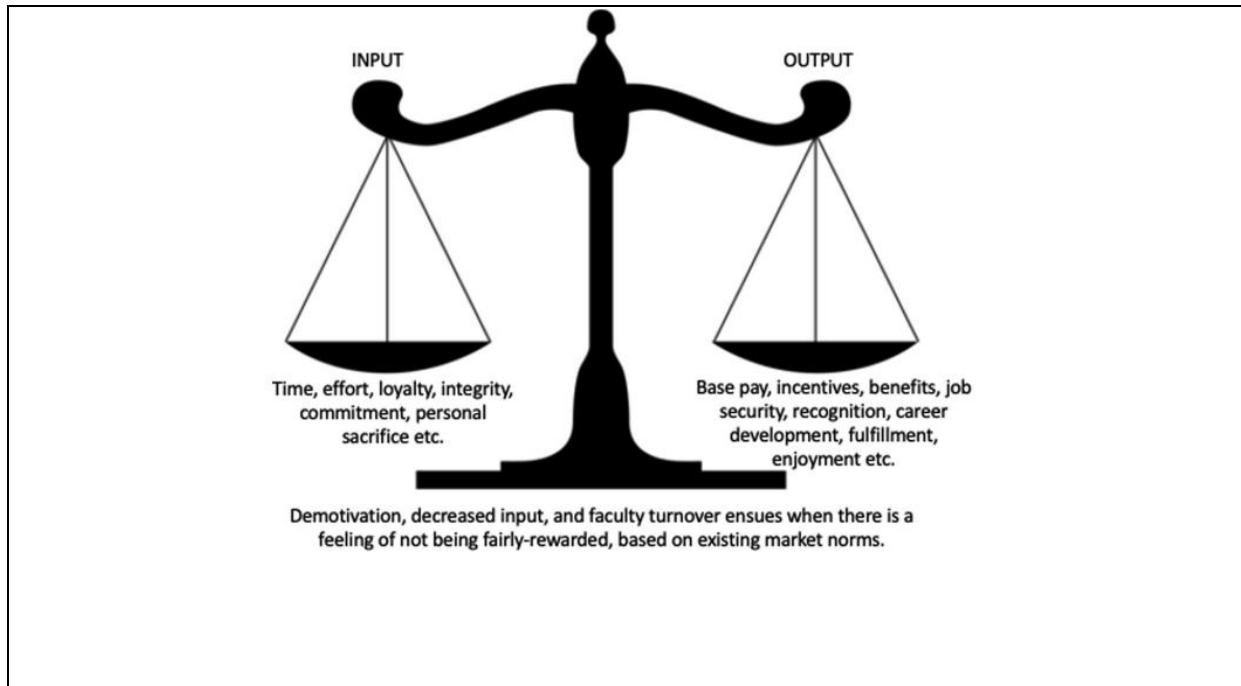
According to the principle of equity theory, employee job satisfaction is contingent upon the balance between the rewards they receive and the efforts they invest. Simply put, employees experience satisfaction when they perceive a fair exchange between what they contribute to the organisation and what they receive in return (Kollmann et al., 2020). The cornerstone of equity theory lies in the aspiration for fair processes. Moreover, the theory posits that individuals strive to achieve and maintain a state of equity, aiming to uphold a sense of mental comfort (Mwangi & Oluoch, 2022). This theory suggests that rewards increase employee satisfaction only when these rewards are valued and perceived as equitable by employees (Patricia & Asoba, 2021). The perception of fair process and equitable treatment is thus said to impact job satisfaction to the extent that even over-reward would have a negative impact on it. In a study examining the variations in equity theory across age groups, it was discovered that monetary incentives held greater importance for younger individuals when compared to their older counterparts. Conversely, task contributions were found to contribute more significantly to job

satisfaction among older individuals (Kollmann et al., 2020). Furthermore, older individuals exhibited a more adverse reaction to over-reward situations when task contributions were low, whereas younger individuals demonstrated a heightened negative response to under-reward situations when task contributions were high (Kollmann et al., 2020). As such, a difference between generations need to be considered when looking at this theory in relation to job satisfaction. The notion that unfair processes and inequitable treatment reduces job satisfaction is however maintained, irrespective of age.

Equity theory postulates that an individual's motivation is contingent upon the perceived fairness of the outcomes received in relation to the inputs, and contributions made to the organisation (Choi et al., 2019). In accordance with this theory, individuals endeavour to uphold a balance between their own ratios of outcomes and inputs, ensuring they align with those of their peers. This perception of fairness influences their motivation levels (Choi et al., 2019). In this context, inputs refer to the employee's time, expertise, qualifications, experience, intangible personal qualities such as drive and ambition, and interpersonal skills. Outcomes encompass monetary compensation, perquisites, benefits, and flexible work arrangements (Carrell & Dittrich, 1978). Equity theory asserts that employees experience a decline in motivation, when they perceive unfairness in both their job-related aspects and their treatment by the employer (Butt, 2020). The foundation of equity theory lies in the idea that employees lose motivation concerning both their job and their employer when they sense unfairness in employment practices (Chinoperekweyi, 2019). In such situations, employees may react in various ways, such as experiencing demotivation, exerting less effort, expressing dissatisfaction, or, in more severe cases, engaging in disruptive behaviour (Chinoperekweyi, 2019). Equity theory (1965) of motivation states that positive outcomes and high levels of motivation can be expected only when employees perceive their treatment to be fair (Chinoperekweyi, 2019). This introduces the concept of social comparisons (Carrell & Dittrich,

1978). As such, this theory suggests that employees will be more motivated when they perceive processes and treatment from the employer as being fair and equitable.

Figure **1**
Adam's equity theory illustration showing input and output variables as they relate to job motivation



Note. The scales of inputs and outputs must be perceived to be balanced in comparison to peers or employees will endeavour to restore that balance. Extracted from Rajiah, P., & Bhargava, P. (2021).

There has been extensive application of equity theory in business settings, with industrial analysts utilising it to illustrate the correlation between an employee's motivation and their perception of fair or discriminatory treatment (Butt, 2020). In addition to job satisfaction and employee motivation, the perception of equitable treatment has been found to influence job performance, as the perception of procedural justice has been found to increase job performance (Khtatbeh et al., 2020). The view that processes are equitable also leads to higher employee retention (Maru & Omodu, 2020), motivating employees to contribute towards organisational citizenship behaviours (Jnaneswar & Ranjit, 2021) and causing them to increase work input, heighten employee commitment, and improve employee engagement (Malik &

Singh, 2022). The concept of fair practice and perception thereof is therefore critical when considering recruitment practices within organisations.

3.2.2 Equity Theory and Nepotism

The main issue around nepotism has been highlighted in the literature as being the perception of unfair process. Frontline employees, who observe nepotism in company processes for determining and allocating rewards, are prone to encountering a sense of inequity and may consequently lose trust in the organisation (Lim et al., 2023). On the other hand, those who perceive their managers as behaving unfairly are unlikely to experience emotional commitment to the organisation (Lim et al., 2023). It has been found that employees may refrain from speaking up against nepotism for the fear of further inequitable treatment (Srivastava, 2023). The stress associated with remaining silent in response to nepotism is likely to reduce an employee's sense of job satisfaction (Jain et al., 2022). Employees expect their companies to be equitable in their employment decisions, such that they may pursue and achieve their career goals, including earning promotions, salary increases, and upskilling themselves through effective training initiatives (Jain et al., 2022). Nepotism breaks down trust and causes conflict within organisations, as there is a breakdown in the perception of the link between performance and reward (Bekesiene et al., 2021). Instead, employees perceive a link between family bonds with rewards (Srivastava, 2023).

Nepotism is linked to employee empowerment, acting as a demotivating factor and diminishing employees' perception of equity within their organisation (Kawo & Torun, 2020). Family firms, for example, tend to compensate family employees more than their non-family peers, creating pay disparities in family firms (Samara et al., 2021). This practice has been said to instil a sense of entitlement in family employees, leading to the expectation of preferential treatment and potentially violating compensation expectations for non-family employees (Samara et al.,

2021). As a result, non-family employees may reduce their work inputs to restore a perceived sense of equity (Samara et al., 2021), in line with equity theory. Employees who are granted opportunities through nepotism, lack incentive to work hard and demotivate other employees to make an effort (Kehavarz & Ansari, 2023). This is because the employees working under favouritism can be effortlessly promoted and receive rewards with comparatively less effort (Kehavarz & Ansari, 2023). Equity ratios between input and outcomes become distorted, where the prospect of leaving a given job to find a new form of employment becomes more likely (Kehavarz & Ansari, 2023). These perceptions of inequity relate to the concept of organisational justice, specifically, injustice. As a result, equity theory has far-reaching implications for both nepotism and the efficiency and performance of employees (Chinoperekweyi, 2019). The negative consequences are directly linked to equity theory, where if the non-beneficiaries of nepotism feel deprived of fairness and equitable opportunity, this leads to demotivation, reduced job satisfaction and a higher likelihood of staff turnover (Abbasi, 2020).

Nepotism is widely viewed as being an unfair labour practice. An explanation for this can be drawn from equity theory which postulates that, where there are perceived injustices between the relationship between effort and reward of one person against the next, employee satisfaction, motivation and performance, amongst other things, are negatively impacted. Equity theory thus offers an explanation for the negative impact of nepotism, highlighting the perception of unfair process, favouritism, undeserved rewards and lack of transparency as key concerns, which in turn lead to nepotism having a negative impact on organisations. If these negative perceptions of nepotism are managed, it is possible that the opportunity can be found for nepotism to have a positive impact on organisations.

3.3 Social Exchange Theory

Social exchange theory may offer an explanation as to why there are contradictory views and consequences of nepotism to organisations, by offering a framework that links negative behaviours to the perception of favouritism (Ali et al., 2022). This theory offers insight into employee behaviours and attitudes, that is, whether they are beneficiaries or non-beneficiaries of nepotistic recruitment practices, and how this may be impacted by the perception of unfair recruitment practices (Hess, 2015). Social-exchange theory will thus be used to explore how people's experiences of, behaviours towards and attitudes around nepotism are impacted by the perceived opportunity to benefit from nepotism and make recommendations on how to manage nepotism.

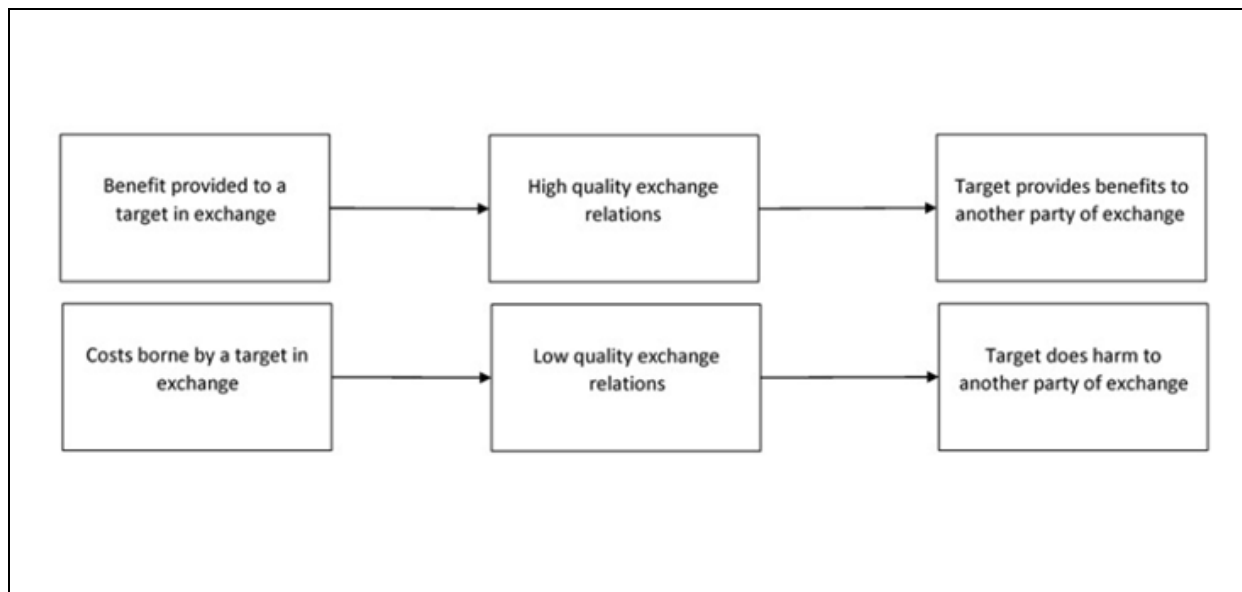
3.3.1 What is Social Exchange Theory?

Blau's (1968) social exchange theory (SET) offers significant theoretical support for the association between organisational favouritism and deviant workplace behaviour. In line with the reciprocity norm, employees, when confronted with injustice, respond by participating in harmful actions and aim to restore fairness by reducing positive behaviours and increasing negative actions (Ali et al., 2022). SET is an explanatory framework with practical implications for forecasting relationships between employees and employers. When individuals receive economic and socio-economic resources from a company, they develop a sense of obligation to reciprocate. Consequently, trust and reciprocity emerge as the central elements of SET (Sfeir, 2022). Social exchanges are regulated by norms like reciprocity, trust, commitment, and fairness (Sule, n.d.). This emphasises that mutually dependent transactions have the potential to play a role in cultivating strong relationships, which, in turn, impact behaviours and attitudes (Nawal et al., 2020). Figure 2 depicts the reciprocal relationship between positive or negative actions, which leads respectively to positive or negative behaviours (Davlembayeva & Alamanos, 2023).

In social exchange, the outcomes are not explicitly calculated or defined. Instead, there is a belief that the other party will fulfil unspoken obligations in a fair manner, over time. In contrast, economic exchange operates on a quid pro quo basis, focusing on short-term returns (Nawal et al., 2020). A prevailing notion within SET is that relationships evolve over time, forming the foundation for loyalty, trust, commitment, and positive behaviours when individuals involved adhere to the principles of exchange (Nawal et al., 2020). When an organisation is perceived as offering a supportive, empowering environment to staff, representing the organisation's exchange, the employee feels engaged and motivated and will respond in a way that the organisation values (Meira & Hancer, 2021). SET posits that employee performance and organisational citizenship behaviours will increase when the social exchange between the employee and the organisation are perceived as fair (Saputra et al., 2023).

Trust is a critical component of the social exchange relationship (Gould-Williams & Davies, 2005). Human resource practices that signal and receive trust include fair recruitment processes comprising techniques that select suitable candidates for a role (Gould-Williams & Davies, 2005). Where there is a perception of organisational politics and procedural unfairness, the trust that the company will adhere to the principles of exchange is diminished, which results in reduced satisfaction and employee performance (Bodla et al., 2014). Through an exploration of this principle, SET may offer some explanation of the impact nepotism has on organisations and how to manage that impact to produce a positive outcome.

Figure 2
A Model of Social Exchange Theory



Note. The target initiates the social exchange through positive or negative action. This is then reciprocated through a positive or negative behaviour respectively. From Davlembayeva, D., & Alamanos, E. (2023). Extract from: S. Papagiannidis (Ed.) (2022, p174).

3.3.2 Social Exchange Theory and Nepotism

A differentiation can be made between entitlement nepotism and reciprocal nepotism based on SET (Rotaru, 2022). In the context of "entitlement nepotism," hiring decisions are made solely based on family connections, disregarding merit, and individuals with an entitled nepotistic mindset consider themselves deserving of preferential treatment and elevated status within the organisation (Hess, 2015). Due to their sense of entitlement to various rewards and advantages, individuals benefitting from nepotism may display minimal interest in contributing to the overall well-being of the company (Jaskiewicz et al., 2013). Furthermore, they are inclined to exploit family firm resources for personal gain rather than utilising them for the collective benefit of current and future family firm owners, which can have a detrimental effect on the company in the long run (Jaskiewicz et al., 2013). Reciprocal nepotism is considered to be a positive manifestation of nepotism. It is defined as nepotism associated with the family conditions of interdependence, previous interactions, and cultural norms that support

obligations to family members (Jaskiewicz et al., 2013). In cases of reciprocal nepotism, the beneficiaries of nepotism feel that they are under the obligation to return the favour by working harder in order to meet expectations, by showing loyalty to their family (Rotaru, 2022). They develop a sense of responsibility both towards their family and the family company. Furthermore, trust is nurtured between the beneficiary of nepotism and the family (Rotaru, 2022). The literature has revealed that the higher the level of mutual trust and goal alignment between a hiring family member and beneficiary of nepotism, optimising the latter's incentives to reciprocate and to act as a steward of the organisation (Rotaru, 2022). SET thus provides a perspective to consider when looking at beneficiaries of nepotism and non-beneficiaries of nepotism. With the beneficiaries, reciprocal nepotism, where hard work is required and opportunity provided, can display certain advantages, while entitlement nepotism, which disregards merit, proves harmful. This may be because in the case of reciprocal nepotism, the beneficiary earns a position within the family member's company.

Employees who perceive the fulfilment of mutual obligations tend to exhibit increased commitment, and are less inclined to leave. However, the perception of nepotism can contravene the norms of mutual trust (Lim et al., 2023). As such, nepotism may lead to reduced staff retention. Extant literature suggests that nepotism and favouritism have an inconsistent relationship with employee performance. A few studies suggest that it adversely affects performance, but other researchers believe that it positively influences performance (Bibi, Khan & Manzoor, 2021). This could be based on differences between entitlement and reciprocal nepotism. These findings could also suggest that nepotism and favouritism as a dimension of organisational politics have become a culturally acceptable norm in certain cultures, such as collectivist cultures (Bibi et al., 2021). The implication is that context plays a significant role in establishing the relationship between nepotism and performance. The impact nepotism has on non-beneficiaries of nepotism could thus be greatly impacted by the culture

of the organisation. As such, brand and values would contribute to the way in which nepotism is perceived, and be consequential for an organisation.

As indicated above, perception is a key theme within SET. If there is a perception that nepotism dilutes fair process, which causes deserving employees to be overlooked, the trust relationship may be undermined, as an organisation is not seen to be reciprocating reward for employees' efforts. If nepotism is to be managed effectively, processes need to be perceived as fair and trust that the organisation will adhere to the principles of SET ought to be maintained.

3.4 An Integrated View of The Literature

Effective recruitment is critical to the success of any business (Rustiawan et al., 2023). Having the right people in the right seat to achieve organisational goals can only be achieved through effective recruitment and retention strategies (Sisneros, 2024). While there is no “on-size-fits-all” solution to recruitment, or perfect option within recruitment, as discussed in Chapter 2, Human Resources practitioners are responsible for developing recruitment strategies that align with the organisational culture, goals and results, and with the highest probability of selecting the right candidate, while balancing this out with costs (Paudel et al., 2024).

There is evidence that internal recruitment has many benefits for companies, including that companies that employ this strategy have staff who are more productive and are more likely to remain with the company (Moh'd Abu Bakir, 2021). The company brand is also receiving increased popularity in attracting the right talent with research showing that it can improve employee satisfaction, motivation and drive organisational citizenship behaviours (Kaur et al., 2020). A more traditional form of recruitment through word of mouth is still shown to reap effective results (Abdalla Hamza et al., 2021) and concepts such as competency management (Rustiawan et al., 2023) and career development (Haryono et al., 2020) remain key considerations within recruitment. Is there an opportunity to draw on these forms of recruitment

to establish a nepotistically informed recruitment practice that helps companies to manage their talent acquisition successfully?

There is limited available research on nepotistically informed recruitment practices, with contradictory reports regarding whether nepotism has a positive or negative impact on organisations (Dexter, 2020). This prompts the question as to why these contradictions exist, and how companies can ensure that, if they utilise nepotistically informed recruitment practices, they may be able to gain from this and mitigate its risks. Organisations have both a social and legal responsibility to ensure that recruitment promotes transformation efforts, as discussed in Chapter 2. Caution must, therefore, be exercised so as to ensure that all recruitment strategies do not cripple these efforts. If nepotism refers to the preferential employment of family members of staff, regardless of occupational level, might there be an opportunity to promote transformation efforts through nepotism? If there are contradictions in the research, perhaps the issue is not nepotism itself, but how it is managed. With recruitment being such a vital process to ensure organisations' success, possibilities ought to be explored to improve recruitment practices, striking a balance between transformation, fairness, and the need to groom and find candidates who are fit for purpose. Does some opportunity exist within nepotistically informed recruitment practices, if managed well? While common thought might say no, the contradictions in the research seem to suggest this may indeed be the case.

The theoretical underpinning of this study relies heavily on equity theory and can also be related to SET. SET involves an analysis of input versus output or result, and whether that exchange is perceived as fair (Mitchell et al., 2012). If employees feel as though merit is not considered in decision-making about recruitment, promotion and reward, SET would suggest that it could break down the trust for a reciprocal relationship (Sfeir, 2022). It could also create uncertainty or ambiguity about what the company values. Nepotism thereby creates the risk of breaking the trust that exchanges between the company and an employee will be fair, or distorts

the view of what behaviours will lead to reward, since family ties, which are out of the control of the employee, may be seen as more valuable than merit. The perception of unfairness influences work-related attitudes and behaviours (Masterson et al., 2000). The consequence of nepotism, according to SET, could be reduced to employee satisfaction and performance if a company is perceived as not adhering to the principles of the social exchange, or distorting the view of what they deem to be valuable behaviours. To restore fairness, employees would engage in harmful behaviours, according to SET. If nepotism is, however, perceived as a reward in exchange for high performance, in line with the company culture and values, could it lead to increased performance? SET would suggest that this possibility indeed exists.

While SET assesses the relationship between two parties, equity theory takes a more comparative view of inputs and outputs, whereby employees assess the equity of their efforts and outcomes against the efforts and outcomes of their colleagues (Adams, 2015). If an imbalance is perceived, which may occur when nepotism exists within an organisation, it may lead to poor job satisfaction, motivation, and employee performance (Watters, 2021). The reason for this, according to equity theory, is the perception of unfairness (Chinoperekweyi, 2019). When employees perceive inequitable treatment, they will aim to restore the balance (Watters, 2021). However, if nepotism is managed effectively, whereby processes are clear and transparent, and nepotism is treated as a reward for high performance, could the perception of the imbalance be altered, and deemed to be fair by employees?

3.5 Chapter Summary

This chapter focuses on the theoretical frameworks that will guide this study. It starts with an explanation of equity theory and how it relates to nepotism then explores SET, followed by how SET relates to nepotism. The chapter then moves on to an integrated view of the literature.

Chapter 4: Research Design

4.1 Introduction

This chapter describes the research design that will be used within the study. It starts by explaining the research approach, before rationalising the research strategy. The research method is then detailed going into the research setting, entrée and researcher roles, the sample and sampling technique, and the data collection methods. The chapter moves on to explore the recording of data and transcription, and the data analyses that will be utilised. The chapter concludes with the strategies employed so as to ensure quality research and ethical considerations, followed by a chapter summary.

4.2 Research Approach

A qualitative approach was used (Lim, 2024) to explore individuals' experiences, behaviours, and attitudes toward nepotism, and how these may change when people perceive that they can benefit from nepotism. Qualitative research explores the complexities of human experience and perspective, uncovering the contexts and nuances that are often overlooked in quantitative analysis (Lim, 2024). Engaging with qualitative research is more than just a methodological approach; it stands as a commitment to deeply understanding social phenomena and connecting with the lived experiences of individuals (Dahal et al., 2024). The value of qualitative research lies in its ability to uncover the feelings, beliefs, and values that drive behaviours, by exploring questions that seek to understand how, what, and why individuals think and act the way they do (Bazen et al., 2021). It relies on inductive reasoning to develop overarching themes or general principles, which are then used to form hypotheses about a particular phenomenon or behaviour (Bazen et al., 2021). Because qualitative studies gather in-depth information from a relatively small group of participants, they naturally focus on capturing detailed insights (Bazen et al., 2021). Given the limited understanding of the impact of nepotism on organisations, a

qualitative approach can help develop and refine theories that explore whether nepotism can have a positive effect, and propose the conditions necessary for this to occur.

4.3 Research Strategy

A research strategy refers to the overall approach a researcher uses to answer the research question(s) (Mtisi, 2022). It guides the selection of methods such as experiments, surveys, case studies, or interviews, ensuring the study effectively meets its objectives (Mtisi, 2022). Semi-structured interviews were utilised as a means of understanding participant's unique perspectives, by ensuring interviews were focused, while still allowing the flexibility to explore relevant ideas that may arise during the interview conversation, thereby deepening understanding (Adeoye-Olatunde & Olenik, 2021). In qualitative research, a key challenge is the issue of translation, particularly for researchers concerned with the scientific integrity of their work (Adeoye-Olatunde & Olenik, 2021). Translation in qualitative research is complex, and sensitive, where meaning is shaped by context and discourse, making direct translation inadequate and open to misinterpretation across different social and cultural settings (Turhan & Bernard, 2022). Language barriers can lead to the loss of data during translation, affecting the reliability and validity of interview data (Adeoye-Olatunde & Olenik, 2021). Additionally, limited responses may stem from cultural differences in communication and values, lack of rapport, discomfort in discussing a topic, the interviewer losing track of their thoughts and more (Adeoye-Olatunde & Olenik, 2021). These are risks that were considered during the interview process.

To mitigate the risks associated with semi-structured interviews, I ensured that I was well-prepared, understanding each question and its purpose, while maintaining a neutral, professional tone throughout the conversation (Kallio et al., 2016). I remained flexible, allowing the interview to flow naturally, while subtly steering it back to key topics when

necessary (Kallio et al., 2016). Additionally, active listening, including restating key points and prompting elaboration, helped to ensure clarity and understanding, while avoiding interruptions or overly controlling behaviour (Kallio et al., 2016). For this reason, an interpretive qualitative study (Fossey et al., 2002) was conducted to understand and describe people's experiences of, behaviours and attitudes towards nepotism in the workplace, and how these change when people believe that they can benefit from nepotism. Interpretive studies aim to describe, explore and understand social life and describe how people construct social meaning (Fossey et al., 2002).

4.4 Research Method

Qualitative research methods offer flexible, inductive tools for exploring the various factors contributing to a phenomenon, allowing researchers to examine this from multiple perspectives without relying on predetermined assumptions (Bhangu et al., 2023). These methods are deeply intertwined with theory, as they require addressing key ontological (what we know) and epistemological (how we know it) questions to shape the research approach (Bhangu et al., 2023). By engaging with these dimensions, qualitative research helps to move beyond simplistic understandings, fostering more nuanced and scientifically robust knowledge (Bhangu et al., 2023). In this section, I laid out the research methodology for this study, speaking to the research setting, entrée and researcher roles, sample and sampling technique, data collection methods, recording of data and transcription, the data analysis, strategies employed to ensure quality research, and ethical considerations for the study.

4.5 Research setting

As an Executive member of the South African Engineers & Founders Association (SAEFA), which represents over 230 companies in the metals manufacturing and engineering sector, I have gained insights into the practices, norms and concerns within the industry. The research

took place in the context of 8 companies in the metals manufacturing industry in Gauteng, South Africa, focusing on companies where nepotism used to be a common practice, but is currently being discouraged. Many of these companies started off or are family-owned businesses, where nepotism was, or remains, a common practice. As these companies have become more corporate, nepotism is increasingly becoming discouraged. Cultural, contextual, situational, and historical factors all influence how we construct our understanding of the world, meaning that a phenomenon observed in one national context may not apply in another (Husband, 2020). For this reason, it is important to pay attention to the setting of the research which has an impact on the results.

SAEFA acted as a gatekeeper to access participants for this study. Gatekeepers are individuals/organisations who control or influence access to research settings, participants, or data, and can either enable or restrict the research process (Borges et al., 2023). Gatekeepers are sometimes relied upon, during research, in order for a researcher to gain access to participants for a study (Spacey et al., 2021). SAEFA offers a platform for participants to be contacted without others within their organisation – including their manager's – knowledge. This allows for the protection of their anonymity, as they express their feelings, experiences of, attitudes and behaviours towards nepotism. Protecting participants' anonymity is a key ethical requirement in research, as it helps prevent the identification of individuals thereby safeguarding participants' privacy and ensuring the findings cannot be traced back to them (Nduna et al., 2022). By working with SAEFA, an organisation specifically involved with the Metals and Engineering Industry in Gauteng, I could also ensure that the participants met the selection criteria of the designated sample group.

In the context of South Africa, the imbalance of power based on race and gender cannot be ignored, whereby white males still dominate senior positions (Commission for Employment Equity, June 2023). This may influence the perception of nepotism and its impact on

transformation efforts. Gauteng is the nation's manufacturing hub, accounting for 43% of the national manufacturing workforce, although manufacturing in the country as a whole has faced immense strain, with declining workforces (Statistics South Africa, 2021). Consequently, opportunity within Gauteng proves greater than that in other provinces. As such, while there is greater opportunity within Gauteng, opportunities within the industry as a whole prove limited with a trend of employment reduction as opposed to job creation (Statistics South Africa, 2021). These are some of the contextual specifics that need to be understood and considered when interpreting the data.

4.6 Entrée and establishing researcher roles

Gate keeper permission was sought and obtained from the Executive Director, of SAEFA (attached as Appendix A). This provided me access to over 230 companies within the Metals Manufacturing and Engineering Industry in Gauteng. Through the Executive Director, a communication was sent to SAEFA member companies, inviting participants to partake in this study. An informed consent letter was shared as an attachment to the communication from SAEFA. Appointments for the face-to-face interviews were made with the selected participants, after receiving the signed consent forms. The consent form established the purpose of the study, the reason for the request for participation, the nature of the participation on the study, right to withdraw from the study, potential benefits from partaking in the research, possible negative consequences of participation, how confidentiality will be maintained, how data will be protected, confirmation of ethical approval and how participants will be informed about the findings of the research.

For this reason, the roles that I took up during this study include, seeking approval for the study from the relevant gatekeepers and stakeholders, conducting the interviews, analysing and

interpreting the data, and ensuring compliance with ethical guidelines by securing informed consent, safeguarding participant anonymity, and securely storing all data.

4.6.1 Sample and sampling technique

Purposive sampling (Nyimbili & Nyimbili, 2024) was used as primary sampling technique for the study. The rationale for using purposive sampling was to ensure that the sample is optimally aligned with the aims and objectives of the research, thereby enhancing the rigour of the study and the trustworthiness of the data and findings (Campbell., et al. 2020). Eight participants were interviewed from various management levels, departments, genders, racial groups, and age groups. The aim was to interview, enough participants to achieve data saturation, where possible (Squire., et al. 2024). Participants were selected in this way because the study seeks to gather information on individuals' experiences of nepotism, requiring participants who are able and willing to share their knowledge and experiences. Purposive sampling was used to select respondents who are most likely to provide relevant and valuable information (Campbell., et al. 2020). Unlike random sampling, purposive sampling focuses on identifying specific individuals, who are likely to offer insight aligned with the study's aims and objectives (Campbell., et al. 2020). This approach assumes that certain people may hold unique and important perspectives on the issues being investigated, making their inclusion in the sample essential to the research (Campbell., et al. 2020).

As nepotism typically affects management positions—since those who benefit from nepotism are often placed in managerial roles (Kawo & Torun, 2020)—this study focused on individuals in management. One participant was selected from each company. The sampling inclusion criteria was: a) individuals in different levels of management; b) individuals from different departments; c) individuals of different genders, ages, and races. The group ought to include those who believe they have been historically disadvantaged by nepotism, and/or those who

feel that nepotism has not impacted their careers. Table 4.1 contains the demographic details of the participants. All the participants are from the metals manufacturing industry, in Gauteng.

Table 1
Demographic details of the participants

Participant	Gender	Race	Job title	Age Range	Occupational Level	Company	Coding
1	Male	White	Human Resources Manager	36-45	Senior Management	Company A	P1
2	Female	African	Human Resources Manager	36-45	Middle Management	Company B	P2
3	Male	Indian	No formal title	46-55	Top Management	Company C	P3
4	Female	White	No formal title	36-45	Middle Management	Company D	P4
5	Female	White	Human Resources Manager	46-55	Top Management	Company E	P5
6	Female	White	Managing Director	46-55	Top Management	Company F	P6
7	Male	African	Major Shareholder	65+	Top Management	Company G	P7
8	Male	White	CEO	65+	Top Management	Company H	P8

4.6.2 Data Collection Methods

Semi-structured interviews were conducted to gather data (Magaldi & Berler, 2020). These are preferred for this study, as they allow the interviewer to explore participants' views more deeply and clarify responses, especially on complex or sensitive topics (Magaldi & Berler, 2020). While the wording of questions can vary, the meaning must remain consistent to ensure comparability of answers. The reliability of semi-structured interviews relies on maintaining the same meaning across all respondents, rather than repeating exact wording (Magaldi & Berler, 2020). Each semi-structured interview lasted approximately 60 minutes, allowing sufficient time for participants to reflect on and elaborate upon their lived experiences, while

ensuring depth and richness in the data collected. Interviews were conducted face-to-face, where possible, in a private office or boardroom, either at the researcher's workplace or at the participant's workplace. These locations were selected to ensure privacy, confidentiality, and to create a comfortable and professional environment conducive to open discussion, free from distractions or interruptions. For participants who were unable to accommodate face-to-face interviews due to logistical constraints or preference, interviews were conducted via Microsoft Teams. This option ensured flexibility and accessibility, while still maintaining participant comfort, confidentiality, and the integrity of the data collection process.

The study starts by understanding the demographics of the participant to ensure representativity of the diverse groups within the country. It was made clear that this information would be utilised so as to ensure representativity, as well as to ensure that participants are part of the desired sampling group. The following information was requested:

Industry and Province:	
Position/role:	
Occupational Level:	Age Range/Generian:
Gender:	Race:

The questions posed started by understanding a bit more about the interviewee and their previous experience with nepotism. This provided context for views expressed for the duration of the interview. Refer to Appendix C the "Interview Schedule" for the questions to be utilised for the semi-structured interviews.

4.6.3 Recording of Data and Transcription

I requested permission to audio record interviews and take notes of key points and/or observations. Notes during the interview were limited, so that the participants felt fully engaged

and heard, and were not distracted by the notes (Taherdoost, 2022). Continuity and coherence are required in the interview, and notes may be distracting. Notes ought to highlight sections on the recording that may require additional attention or visual observations that would not be recorded. Recordings were backed up and placed in a secure folder that was password protected. Notes were scanned and saved in a secure folder within 48 hours of the interview. Hard copies were shredded.

All recordings were transcribed verbatim. A verbatim record of the interview is beneficial in facilitating data analysis by bringing researchers closer to their data and allows for an audit trail for data analysis (Halcomb & Davidson, 2006). These transcribed notes were also backed up and stored in a secure folder.

4.6.4 Data Analyses

Thematic analyses was used to analyse the data (Finlay, 2021). Thematic analysis refers to a qualitative research method used to identify patterns and meanings within data (Finlay, 2021). It can be compared to a distillation process, where the researcher uncovers both explicit and implicit meanings, then synthesises these insights (Finlay, 2021). A high-quality thematic analysis requires active effort, involving careful extraction and reconstruction of data rather than simply emerging on its own (Finlay 2021). According to Naeem et al. (2023), there are six steps to thematic analysis, namely:

- become familiar with the data;
- generate initial codes;
- search for themes;
- review themes;
- define themes; and
- write-up.

These phases are not necessarily linear and the researcher may need to move forward and back between stages (Maguire & Delahunt, 2017). Thematic analysis can be conducted using two approaches: inductive (bottom-up), where themes emerge directly from the data without preconceived notions; and deductive (top-down), where themes are guided by prior literature or research questions (Dawadi, 2020). Both approaches can be combined, using a deductive starting point while remaining open to emerging themes for deeper insights (Dawadi, 2020). In this study, a combination of the two approaches will be utilised.

In line with the hermeneutic phenomenological paradigm guiding this study, the thematic analysis followed a cyclical and interpretive process whereby the researcher engaged with the data iteratively—moving between parts of the narrative and the whole—to construct meaning from participants' lived experiences within their specific organisational and socio-cultural contexts.

4.6.5 Strategies Employed To Ensure Quality Research Project And Ethical Considerations

As the researcher, I was the primary instrument for collecting and analysing data (University of Connecticut, Neag School of Education, n.d.). To ensure that the study is trustworthy, I needed to allow for the participants to have autonomy (Pietilä et al., 2020). This was achieved by getting informed consent from participants, including accurately informing participants about the research, the aim of the study, study methods, potential benefits and risk of the study, data confidentiality, and the voluntary nature of participation (Pietilä et al., 2020). The participants must have the capacity to understand the provided information and be able to make a voluntary decision about participation (Pietilä et al., 2020).

Further to this, beneficence and non-maleficence ought to be considered (Tangwa, 2009). This refers to the ethical obligation to promote well-being and maximise the benefits for participants

and society and the obligation to minimise risk so as to avoid any harm to the participants and society (Tangwa, 2009). By ensuring confidentiality of participants, adverse effects ought to be avoided and by providing further information about people's experiences of nepotism and a guideline to avoid unfair discrimination, the possible contributions of this study may be achieved.

Justice is another important ethical consideration in qualitative research (Pratt et al., 2020). The principle of justice states that all individuals ought to be treated fairly and equally (Pietilä et al., 2020). Participants were treated fairly and equally irrespective of their demographics and will have the same rights during the course of the study (Pratt et al., 2020).

The research ought to meet the criteria for trustworthiness. Table 2 outlines what was done to ensure trustworthiness (Kyngäs et al., 2020).

Table 2*How trustworthiness was ensured during the study*

Trustworthiness criteria	Definition	How the criterion was applied in this study
Credibility	The degree of confidence in the accuracy of the findings and the extent to which the results reflect participants' actual views and experiences (Kyngäs et al., 2020).	Credibility was enhanced by using a carefully designed research process and a semi-structured interview guide (Taherdoost, 2022). Member checking was achieved by spending adequate time with respondents to gain a deeper understanding of their intended meaning. The flexible nature of the semi-structured interview allowed for active and close interactions, where probing questions and clarifications were used to continuously verify their messages while carefully exploring all dimensions of their narratives, activities, and subject matter (Abiden et al., 2024).

Confirmability	The extent to which findings are shaped by participants' views, not researcher bias or interest (Kyngäs et al., 2020).	Reflexivity assisted to ensure the risk of the research's biases were mitigated (Ahmed, 2024).
Transferability	The degree to which findings can be applied to other contexts or settings (Kyngäs et al., 2020).	Transferability was addressed by providing a thick description of the research context, participant demographics, and industry background (Ahmed, 2024). Readers are thus equipped to judge the applicability of findings to their own contexts.
Dependability	Consistency of findings over time and conditions. Achieved by clearly documenting the research process (Kyngäs et al., 2020).	A consistent method of data collection and thematic analysis was followed, thereby enhancing transparency. The method was documented in the research so it can be replicated (Ahmed, 2024).

Authenticity	The faithful and balanced representation of participants' experiences (Kyngäs et al., 2020).	Diverse perspectives were captured and reported using participants' own words (Kyngäs et al., 2020). The researcher, while an industry insider, was an outsider to the companies, which helped maintain neutrality and portray multiple viewpoints (Taherdoost, 2022).
Reflexivity	Ongoing self-reflection by the researcher about their role and influence on the study (Kyngäs et al., 2020).	The researcher, who was an industry insider, had to remain critically aware of how positionality could influence interpretation, remaining aware of assumptions, reactions, and decisions throughout the research as well as asking clarifying questions during the interview to confirm understanding (Ahmed, 2024).
Relevance		The topic emerged from a real-world issue identified by the researcher and aligns with

	The practical significance and usefulness of the research findings (Kyngäs et al., 2020).	current industry challenges. Findings were linked to existing literature and practical applications to demonstrate their value.
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4.7 Chapter Summary

In conclusion, this chapter has outlined the comprehensive research design that guided the study. It has provided a detailed explanation of the research approach, strategy, and method, highlighting the rationale behind each choice. The discussion has also covered the research setting, the roles of the researcher, and the sampling techniques employed to ensure a relevant and representative sample. Furthermore, it has outlined the data collection and analysis processes, as well as the strategies used to maintain the quality of the research. Ethical considerations have also been addressed, ensuring the study adheres to ethical standards. With these elements in place, the chapter provides a clear framework for how the research will be conducted, ensuring a rigorous and methodologically sound study.

Chapter 5: Findings and Discussion

5.1 Introduction

The purpose of this chapter is to present and interpret the findings derived from the qualitative analysis of participant interviews regarding experiences of and behaviours toward nepotism within the workplace. The chapter commences by presenting the major themes that emerged from data analysis. These themes capture the complex and sometimes contradictory behaviours, attitudes, and lived experiences of individuals exposed to nepotistic practices in various organisational settings. The chapter goes on to a discussions section which analyses the findings of the research and speaks to the theoretical and practical contributions of the study.

5.2 Presentation of Findings

Five major themes were constructed through a thematic analysis approach. These themes highlight the multifaceted impact of nepotism. Each theme includes sub-themes that further explain the nuances and patterns in participant responses. The chapter is structured around key themes, progresses to a discussion of these themes, and concludes with a chapter summary. Table 3 below outlines the five major themes and their corresponding sub-themes.

Table 3
Major themes and sub-themes

Theme	Sub-theme
Perceived Favouritism and Fairness Concerns – Unfair Advantage and Exclusion of Others	• Unfair advantage • Exclusion of others
Effects on Team Dynamics and Morale – Resentment, Conflict and Operational Disruptions	• Resentment • Interpersonal conflict • Operational disruptions
Competence and Performance Outcomes – Qualified Family Members vs. Incompetent Placements	• Qualified family members • Incompetent placements
Family Loyalty and Trust – Strong Commitment versus Outsider Status	• Strong commitment and alignment • Outsider status and mistrust
	• Situations where nepotism “works”

Contextual Ambivalence and Conditional Acceptance – When Nepotism “Works” vs. Remains Problematic	• Persistent challenges and resistance
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Source: Author’s own work

5.2.1 Perceived Favouritism and Fairness Concerns – Unfair Advantage and Exclusion of Others

A dominant theme emerging from participant narratives was that nepotism is widely experienced as a form of favouritism that undermines perceptions of fairness, even in situations where the selected individual may be competent. Participants frequently stated that the problem was not always with the family member’s ability to do the job, but rather, with the perception that the opportunity was not equally available to all. This perceived lack of fairness was enough to foster resentment, erode trust in recruitment processes, and damage morale. As P1 reflected, *“Even if the person is qualified and knows their stuff, people still say, ‘they only got it because of who they are’ – it doesn’t feel fair.”* Others echoed this sentiment, noting that once a family connection is known, the merit of the individual becomes irrelevant in the eyes of peers. P4 elaborated, *“It’s not necessarily about capability – it’s about who gets considered in the first place. That’s where the perception comes in.”* P1 added that, *“You can have all the policies and evaluations in place, but the moment it’s a family member, people assume the process was designed to suit them.”*

This distrust was further compounded by admissions from some participants that, in practice, recruitment processes were sometimes followed only for show, what several referred to as a *“tick-box exercise”*. These individuals acknowledged that, although procedures like advertising, shortlisting, and interviewing were formally undertaken, the decision to appoint a

family member had already been made. As P2 candidly explained, *“You follow the process because you have to. You do the interviews, the checklist, all of it, but at the end of the day, you already know who is going to be hired.”* This reinforces the core proposition of equity theory, namely that employees assess fairness by comparing their own inputs and outcomes with those of others; when this perceived balance is disrupted, particularly through favouritism, it leads to dissatisfaction and reduced motivation (Watters, 2021). Another added, *“It’s to cover yourself when people ask questions, but the outcome is already decided”* (P3). The widespread awareness or suspicion of this practice seems to significantly undermine the credibility of recruitment systems. Even when family members were in fact suitable or high-performing, employees remained sceptical about how they got the job. As one participant put it, *“People might see that the person is competent, but they don’t believe the process was fair, and that’s what matters”* (P6). The knowledge that processes are sometimes manipulated to legitimise predetermined outcomes seems to have contributed to a culture of cynicism and discouraged employees from trusting leadership decisions.

Participants also linked these perceptions of unfairness to the overall success or failure of the organisation. When a company was performing well, nepotistic practices were often tolerated or overlooked. However, when the business was struggling or retrenchments loomed, nepotism became a focal point of blame. *“If the company is doing well, nobody says anything. But when people start losing their jobs, they start asking why the director’s son is still here,”* said P8. P1 similarly observed, *“When things go wrong, nepotism gets scrutinised. When things are going well, people turn a blind eye. That’s just how people are.”* This contextual acceptance shows that fairness is perceived not only in terms of process, but also in relation to outcomes. Moreover, even when employees acknowledged that nepotism had led to positive results for the organisation, they reported that it still felt unfair when it excluded them from potential benefits. As P5 described, *“It’s not that the person is doing a bad job. It’s that we know we*

couldn't even apply. That's the part that makes it feel wrong." P7 added, *"People think, 'It doesn't matter how hard I work, I'll never be chosen unless I know someone'. That's where the problem is."* In this way, the very act of favouring family, even successfully, could generate disengagement and mistrust among others who felt their efforts would not be rewarded in the same way.

In summation, this theme highlights that perceptions of unfairness in nepotistic practices are driven more by the process than by the person. Even when the appointed family member is qualified, the lack of transparency, predictability, and accessibility in recruitment erodes trust. The normalisation of checkbox hiring, combined with a climate of inconsistent application and perceived exclusivity, has created an environment where nepotism is broadly viewed as a symbol of exclusion, rather than competence. Trust can only be rebuilt through authentic, merit-based, and consistently transparent recruitment practices that afford equal opportunity to all.

5.2.2 Effects on Team Dynamics and Morale – Resentment, Conflict and Operational Disruptions

Nepotism was also reported to have negative impacts on workplace relationships, team cohesion, and employee morale. Participants described how favouring family members can breed resentment amongst staff, and damage trust in management. One interviewee gave an example of a manager's son who was hired despite lacking competence, noting how co-workers reacted cynically: *"The perception of that person is negative... it gives employees a sense of negativism, because they say, well, here's a guy who's not actually performing in his role, he's only there because his dad is the MD"* (P8). Seeing an unqualified family member enjoy job security or perks caused non-favoured employees to feel demotivated and disengaged. Another common experience was that nepotism introduced interpersonal conflicts and "cliques" in the

workplace. Family ties sometimes carried over into work life in ways that disturbed team harmony. One participant explained that, when multiple relatives work together, personal conflicts from within the family can spill into the office: *“They tend to say loyalty lies in family... where it becomes stressful and painful is when you have a group with two individuals who have a conflict outside the company, and they bring that conflict in. Instead of positive participation, you get sarcasm and shooting down one another’s ideas... an intergroup fight, sometimes to the detriment of others”* (P3). This highlights how nepotism can create factions or in-groups that undermine collaboration, co-workers may “take sides” based on family allegiances rather than work together as a unified team.

Several participants also observed that nepotism can lead to operational challenges. For instance, if many employees in a department are from the same family, any external issue affecting that family can disrupt the business. One participant noted the productivity impact when relatives prioritise family matters simultaneously: *“Whenever anything happens at home, these people will have to go all together. That means we come to a standstill in our productivity, so that, in itself, is not a very good idea”* (P7). In another case, participants mentioned that nepotism in their workplace intertwined with an *“old boys’ club”* dynamic, where senior male colleagues would favour and promote other men they were close with, leaving female employees feeling sidelined. As one female participant recounted, *“we women are seen as only doing the cooking, cleaning, serving... men seem to relate closer to each other, and they get given more senior tasks and are exempt from certain functions”* (P4). This kind of favouritism not only hurt the morale of those excluded (in this case, women), but also reinforced divisions within the company. Taken together, the narratives show that nepotism often eroded team spirit and introduced tensions. Non-beneficiaries commonly felt alienated or demoralised, and even those within the favoured circle could experience strain when personal and professional

boundaries became blurred. These fractured dynamics sometimes impeded effective teamwork and day-to-day operations.

5.2.3 Competence and Performance Outcomes – Qualified Family Members vs. Incompetent Placements

Participants expressed ambivalent views on how nepotism affects organisational performance, describing a spectrum of outcomes depending on the competency of the family members involved. In some cases, hiring or promoting a relative was seen to benefit the organisation when the individual was highly qualified and skilled. A few interviewees shared experiences where nepotistic hires turned out to be strong performers who added value. For instance, one participant, who had spent over a decade in a family-influenced firm reported predominantly positive outcomes: *“My personal experience has been good. The people (family members) have the knowledge, they have the expertise, they drive the company”* (P1). In a similar vein, another noted success stories in which employees’ relatives excelled once hired: *“There were good stories as well... recruiting people’s children who’ve done very well... and they’re actually excelling or modelling their parents’ work ethic. So that’s also the positive – it’s not all doom and gloom”* (P2). These accounts illustrate that nepotism can bring in loyal, capable individuals who are already familiar with the business through their family, potentially shortening learning curves and reinforcing company values. Such family employees were sometimes highly dedicated and effective, which contributed to productivity and continuity in those organisations.

However, far more frequently, participants cautioned that nepotism could undermine meritocracy, and place unqualified people in unsuitable roles, harming performance. Several had witnessed instances of family members being given jobs or senior positions beyond their competence. One participant described a scenario in which an owner’s son was appointed to

management without the necessary experience or skills: *“It was bringing a person in at a managerial level who actually didn’t know what he’s doing. It was the people underneath him that were really doing the job”* (P8). In such situations, other staff had to compensate for the underperformance of the favoured individual, and the business risked inefficiency. Likewise, other interviewees labelled nepotism to be *“disruptive and disastrous”* when the beneficiaries lacked capability or work ethic (P3, P7). Some noted that, even when nepotistic appointees meet the basic qualifications, their presence could spur doubt and extra scrutiny, where their colleagues might question whether their achievements are earned, or simply handed to them. In summary, the organisational impact of nepotism appears as if a double-edged sword: it can secure talented, trusted people who enhance the business, but it can equally embed incompetence and frustrate those who must work under or alongside less qualified family members. The difference lies in whether the family hires truly fit the role on merit, or not. Many participants acknowledged this trade-off, recognising that nepotism’s reputation for poor performance stems from the many cases where favouritism trumped merit in personnel decisions.

5.2.4 Family Loyalty and Trust – Strong Commitment versus Outsider Status

Another major theme was the emphasis on loyalty and trust, as both a positive outcome and a motivating factor for nepotism. Participants explained that family members in an organisation often demonstrate exceptional commitment, which can be beneficial for the company. Several interviewees shared that relatives working together tended to have a deep emotional investment in the enterprise, a sense of ownership, pride and loyalty that goes beyond a normal employee’s commitment. One participant observed that having family in the business fostered a highly dedicated workforce: *“I think the loyalty is huge – it’s your family. You’ve got that total buy-in to the company”* (P5). Because their fortunes are intertwined, family employees often work extremely hard to ensure the success and continuity of the business. Indeed, some participants

from family-run firms never viewed the presence of relatives as negative, since it created a tight-knit, trusted core team. *“There were many reasons for it, in terms of the trust factor and the willingness to continue the business,”* one leader explained regarding her own family firm experience, adding that as a result, *“I’ve never seen it as a negative”* (P6). In environments where trust is paramount, for example, small businesses where owners need to rely on people implicitly, employing family can provide a sense of security. Participants noted that you often *“trust the people that you know”* (P6), where bringing relatives on board is one way to build a team that you can count on without hesitation. This strong bond can translate into a stable workforce with lower turnover, and a unified belief in the organisational mission. This theme aligns with social exchange theory, which posits that employees who perceive a trustworthy and supportive relationship—such as that often found in familial networks—are more likely to reciprocate with loyalty, commitment, and positive organisational behaviours (Sfeir, 2022).

However, this familial loyalty also had a flipside in the form of how it affected those not in the family circle. Several participants pointed out an implicit division between “us and them” – family members versus outsiders – that can leave non-family employees feeling like second-class citizens. While relatives might enjoy the inner circle trust, they had to work harder to prove themselves to others. One participant mentioned that, in a family business, newcomers face a longer road to being trusted, as staff initially *“takes a lot longer to trust you and buy into what you propose”* when they’re not part of the family (P6). Others described feelings of isolation or scepticism, where non-family staff wondered if important decisions were taking place informally at dining room tables without their input. Thus, the same loyalty that strengthens family teams can inadvertently alienate others, creating an in-group/out-group dynamic. Participant P5, for instance, while praising the commitment of family employees, also acknowledged the following drawback: *“The loyalty is huge... The disadvantage is, how do the other employees perceive it?”* (P5). In practice, some non-family workers became

cynical or withdrawn, believing that no matter how hard they worked, they would never be “one of the trusted inner circle.” Despite these issues, it is notable that even some who were generally critical of nepotism conceded the appeal of having trustworthy, devoted employees. In several narratives, trust and loyalty emerged as cherished values that nepotism can reinforce, even while it raises concerns about fairness and inclusion.

5.2.5 Contextual Ambivalence and Conditional Acceptance – When Nepotism “Works” vs. Remains Problematic

Across the participant narratives, nepotism was rarely described in wholly positive or negative terms. Instead, responses revealed significant ambivalence, with participants acknowledging both benefits and drawbacks. This ambivalence manifested in different ways, where some participants viewed nepotism as inherently unfair, but also beneficial under certain conditions; others adopted a more balanced view, clearly seeing both the positive and negative implications; and a few were largely critical of nepotism, but conceded that it can sometimes lead to success when implemented carefully, or when the beneficiaries are competent.

Several participants expressed a split or dual perspective, recognising that, while nepotism could create unfairness, it could also serve functional purposes within specific contexts. As one participant summarised, “*It’s a blurred line... it helps with faster decisions and strong bonds, but it also causes confusion and frustration*” (P3). Similarly, P2 described herself as “50/50” about nepotism, acknowledging that although it was disheartening to see less qualified individuals hired over more deserving candidates, she also recognised how it could provide financial relief to families: “*It’s disheartening... but when one family member works, and then others get brought in, it helps the household manage*” (P2). P5 indicated that she was “split” highlighting that “*...it depends on how nepotism is managed and controlled*” (P5). These

statements underscore how the same practice can simultaneously feel unfair, as well as sensible.

Other participants took a pragmatic but morally conflicted stance – they saw nepotism as effective or understandable in family-run businesses, yet continued to view it as inequitable. For instance, P1 noted that nepotism *“can be a good thing in a privately-owned business because it drives the company, creates profit, and creates jobs,”* yet he also conceded that it *“isn’t fair”* within the broader regulatory and socio-economic landscape, where *“In South Africa, with our laws and Employment Equity, nepotism breaks the rules. So, even if it works, it’s not fair”* (P1). Similarly, P6, who herself benefitted from being part of a family-run business, acknowledged both the advantages of trust and commitment, as well as the challenges of earning the respect of colleagues: *“I still had to prove myself. Everyone assumed I was favoured... you feel the pressure to perform even harder when you’re a family member”* (P6).

Several participants held a primarily negative view, yet still pointed to exceptions and instances where nepotism had worked well. P8, for example, stated clearly: *“I would always view being a family member in the business negatively,”* yet he also recounted multiple *“success stories”* where family hires were skilled and contributed significantly. *“Some of them have 30 years of service and are completely committed to the company,”* he explained, adding that their experience and loyalty had proven valuable over time (P8). Likewise, P7, who had eliminated nepotism in his own organisation due to previous negative outcomes, recognised that others could make it work: *“If everyone’s competent and accountable, maybe it works – I’ve just never seen it work well here”* (P7).

This nuanced spectrum of responses reflects the core of nepotistic ambivalence: most participants were neither wholly for nor wholly against nepotism. Instead, they evaluated it based on context, execution, and outcomes. The acceptability of nepotism appeared to hinge

on factors such as the competence of the family member, the size and type of business, transparency of the process, and whether others were given equal opportunity. While many questioned its fairness, they also saw its potential to foster trust, loyalty, continuity, and even high performance – especially when family members were held to the same standards as other employees.

Ultimately, nepotism was neither universally condemned nor endorsed. Instead, it was described as a contingent practice – potentially positive if carefully managed, but fraught with risk if mishandled. This underscores the importance of clear policies, transparency, and merit-based considerations, especially in environments where equity and inclusion are critical. Participants' reflections reveal a deep tension between personal loyalty and professional fairness, one that organisations must navigate with care when considering or confronting nepotistic practices.

5.3 Discussion

This section presents a critical analysis of the findings of the study, grounded in the broader academic literature and theoretical frameworks explored in earlier chapters. The discussion integrates the voices of participants with extant research to interpret how employees experience nepotism in the workplace and how those experiences may be shaped by their perceived opportunity to benefit from such practices. Drawing on the five core themes that emerged, this section explores areas of alignment and divergence with previous literature, highlighting theoretical and practical contributions, and reflecting on the broader implications for organisations. The discussion concludes by proposing actionable insights and offering a reflective commentary on the significance of the findings within the contemporary organisational landscape.

This study was guided by one general aim, supported by specific literature and empiricism. The general aim of the study was to explore and describe employees' experiences of and behaviours and attitudes towards nepotism in the workplace and to further explore how these experiences may be impacted by the perceived opportunity to benefit from nepotism. The study revealed nuanced employee experiences of nepotism, captured through five major themes: (1) perceived favouritism and fairness concerns; (2) effects on team dynamics and morale; (3) competence and performance outcomes; (4) family loyalty and trust; and (5) contextual ambivalence and conditional acceptance. These themes collectively captured the lived experiences of participants and highlighted the multifaceted impact of nepotism on workplace behaviours and attitudes towards nepotism.

Consistent with a systems theory perspective (Mele et al., 2010), this study found that the effects of nepotism reverberate across multiple organisational levels. The findings highlight that contextual factors, such as business performance, company size, recruitment transparency, and role clarity, shape how nepotism is experienced and interpreted. This reinforces the systemic nature of organisational dynamics (Mills, 2021) and supports the view that nepotism's impact cannot be understood in isolation (Jaskiewicz et al., 2013), but must be situated within the interdependent structures and cultural environment of the organisation. The study further highlights both resentment and disengagement, where nepotism was perceived as unfair, and trust or acceptance when it was implemented transparently or in line with cultural expectations (e.g., family business norms). Themes such as Perceived Favouritism, Team Dynamics, and Competence and Performance Outcomes reflect the varied emotional and behavioural responses to nepotistic practices.

While the findings did not conclusively demonstrate a direct shift in individual experiences solely based on the perceived opportunity to benefit, the data did reveal that participants' attitudes toward nepotism were influenced by how inclusive, transparent, and merit-based the

practice appeared to be. Participants were more inclined to express tolerance—or at least less resistance—when nepotism was framed as accessible to all employees, rather than as an exclusive privilege reserved for senior leadership. In these contexts, some participants suggested that nepotism could be more acceptable, particularly if it was implemented with clear eligibility criteria, competency requirements, and fairness safeguards, and did not result in the exclusion of non-family members. This suggests that perceptions of potential benefit may moderate attitudes, even if they do not always translate into changed behaviours or experiences. Therefore, participants' responses to nepotism were not static, but could shift depending on contextual factors that shaped how the opportunity to benefit was perceived. These findings offer a foundational understanding of the conditions under which nepotism might be viewed more favourably, setting the stage for future research into its motivational or behavioural consequences.

Therefore, what proves interesting about the findings of the study is that employees did not reject nepotism outright; instead, many were willing to tolerate it under certain conditions (for example, in a small family-run business, or when the favoured individual was demonstrably competent). However, even among those who saw some upside, nepotism was broadly viewed as problematic whenever it was perceived to compromise meritocracy, undermine morale, or diminish operational effectiveness. Taken together, these findings paint a complex picture in which nepotism's impact is contingent on context and execution. It is not regarded as entirely bad or entirely good, but its acceptance is heavily qualified by issues of fairness, transparency, and performance.

In sum, these findings portray nepotism as a double-edged sword in the workplace, where it can engender trust and continuity in some situations, but often triggers perceptions of unfairness and can be responsible for workplace conflict. Employees' attitudes were complex

and contingent, highlighting that nepotism's impact on an organisation is highly dependent on how it is practiced and perceived.

This research affirms and extends the broader literature by revealing both congruence and contradiction in how nepotism is experienced and interpreted within organisational contexts. Similar to earlier studies (Firfiray et al., 2018; Jaskiewicz et al., 2013), the findings show that nepotism produces both positive and negative outcomes. In line with the literature, this study found that nepotism can offer certain advantages such as loyalty, trust, continuity, and cultural cohesion, particularly within small businesses, or in family-owned firms (Chan, 2019; Jain et al., 2022; Yavuz et al., 2020;). At the same time, it validated concerns raised by prior scholars who associate nepotism with unfairness, diminished morale, operational inefficiency, and erosion of meritocracy (Kawo & Torun, 2020; Lokaj, 2015; Ombanda, 2018; Pearce, 2015).

This study reinforces the widely reported theme that nepotism is perceived as unfair, particularly when it undermines the principle of equal opportunity. As found in previous work (Hughes & Childers, 2023; Padgett et al., 2019), participants expressed that, even when the family member is competent, their appointment is often viewed with scepticism, due to assumptions of pre-selection or process manipulation. Similarly, the perception that nepotism fosters distrust, dissatisfaction, and a decline in employee commitment (Pearce, 2015; Serfraz et al., 2022; Yasmeen et al., 2019) was echoed throughout participant narratives. This study further supports findings that link nepotism with a breakdown in organisational justice and the erosion of transparency (Burhan et al., 2020; Mau et al., 2020).

Participants also reflected concerns raised in the literature about the detrimental effects of nepotism on team dynamics and operational performance. The emergence of cliques, interpersonal conflict, and role ambiguity due to nepotistic hiring reflect what previous studies have shown (Bekesiene et al., 2021; Vveinhardt & Bendaraviciene, 2022). These findings

confirm that nepotism, when poorly managed or implemented without clear performance standards, can damage collaboration and contribute to disengagement among non-family employees.

Conversely, this research also aligns with literature that highlights the positive effects of nepotism when applied within appropriate contexts—especially in small and medium enterprises (SMEs) and family businesses (Butt, 2020; Rotaru, 2022; Yavuz et al., 2020). Participants described how trust, loyalty, and knowledge transfer often accompany family-based recruitment, supporting the view that nepotism can increase organisational commitment and coordination when competence is present (Dexter, 2020; Hertz, 2021). These positive accounts parallel research that positions nepotism as a mechanism for legacy-building and cultural alignment in closely held businesses (Chan, 2019). This may be associated with a brand of family values.

While the findings generally reflect the polarisation in current literature, this study makes a distinctive contribution by surfacing nepotistic ambivalence as a core theme. Unlike many prior studies that categorically frame nepotism as either beneficial or detrimental, this research reveals a more nuanced and conditional acceptance. Participants demonstrated that their perceptions were shaped less by the presence of nepotism itself, and more by how it was managed, justified, and contextualised. The ambivalence observed in this study indicates that employee attitudes toward nepotism are neither static nor binary. Instead, individuals evaluate nepotistic practices in relation to fairness of process, organisational performance, and the competence of the benefitting individual. This ambivalence was often rooted in moral and practical tension, where, even when nepotism yielded positive results, participants struggled to reconcile those outcomes with principles of equity and merit. This layered perception is underexplored in the literature, and expands our understanding of the psychological and social complexity that nepotism introduces into organisational life. Another notable insight from this

study is the conditional tolerance of nepotism based on business performance. As participants noted, nepotism was more readily accepted—or at least ignored—when the organisation was thriving, but it became a focal point for criticism during times of hardship or retrenchment. This suggests that perceptions of fairness are not only about input factors (like selection processes), but also about output legitimacy (how well the organisation is doing). This contextual sensitivity is not deeply explored in much of the prior research.

The findings also highlight a gap between formal and informal recruitment systems, where organisational procedures (e.g., interviews, checklists) are followed superficially in order to legitimise predetermined outcomes. While other studies (such as by Ombanda, 2018) have commented on inconsistencies in human resources (HR) practices due to nepotism. This research provides rich qualitative insight into how these inconsistencies are experienced on the ground—frequently referred to as ‘box-ticking’ exercises by participants. This disjunction between policy and practice deepens the sense of exclusion and cynicism among staff. Furthermore, while past research has often focused on the outcomes of nepotism, this study emphasises the importance of perceived fairness as a mediating mechanism. Even where nepotism results in positive organisational outcomes, employee trust is eroded if others feel they were not given an equal chance. This helps explain why even competent, high-performing family hires may be viewed negatively—a point that is acknowledged but underdeveloped in the literature (Hughes & Childers, 2023; Padgett et al., 2019).

This research also confirms existing understandings of nepotism as a double-edged practice with potential for both harm and benefit. However, it moves the conversation forward by exploring how employees negotiate the complexity of nepotism in real-world settings, highlighting the role of context, process transparency, and perceived fairness in shaping those experiences. The concept of nepotistic ambivalence adds an important dimension to current discourse, challenging overly simplistic categorisations and calling for more nuanced, context-

sensitive approaches to managing family-based recruitment in the workplace. This insight is particularly relevant for organisations in emerging markets, where family ties, socio-economic dependency, and cultural expectations may further complicate the ethical and practical management of nepotism.

To synthesise the findings and theoretical insights of this study, a conceptual framework has been developed and is being suggested as a preliminary guide to help understand the complexity of nepotism and for future research (see Figure 3). This framework illustrates two distinct pathways—mishandled versus proactively managed nepotistic recruitment—and their outcomes across the individual, team, and organisational levels.

This study makes several important contributions to academic literature, organisational practice, and broader understanding of nepotism in workplaces. While nepotism has been explored in various contexts, this research adds value by offering new insights into how it is perceived, experienced, and rationalised by employees.

A major **theoretical contribution** of this study is the articulation of nepotistic ambivalence—a term that captures the complex, often contradictory feelings individuals hold toward nepotism. Unlike prior research that tends to classify nepotism as either positive or negative, this study reveals that employee perceptions prove to be more nuanced. Participants frequently expressed simultaneous recognition of both its practical advantages and its moral or procedural shortcomings. By highlighting this ambivalence, the study offers a more realistic and layered framework for understanding how nepotism functions in practice, which can inform future research and theoretical models. The findings support existing literature that presents nepotism as a double-edged sword, confirming that it can lead to both beneficial outcomes (e.g., loyalty, trust, continuity, reduced recruitment costs) and harmful consequences (e.g., perceptions of unfairness, conflict, reduced morale, and performance challenges). However, the study goes

further by explaining why and under what conditions these outcomes occur. It shows that context (e.g., business size, or organisational performance), transparency, and the competence of the family member play a critical role in how nepotism is received by employees.

A key **practical contribution** lies in the study's illumination of the disconnect between formal recruitment processes and perceived fairness. The research demonstrates how organisational practices such as “tick-box” recruitment methods or predetermined hiring decisions undermine trust, even when the selected individual is competent. This insight is significant for HR professionals and leaders seeking to maintain credibility in their recruitment systems. It suggests that procedural fairness and open communication may matter more than outcome fairness alone. Furthermore, the study adds to the growing body of work that differentiates how nepotism is perceived across organisational types. It identifies greater acceptance of nepotism in SMEs and family-run businesses, where it may align with cultural norms, economic necessity, and family values. This highlights the importance of organisational context in shaping attitudes toward nepotism and suggests that a one-size-fits-all policy approach may be inappropriate. Instead, organisations may need to develop context-sensitive frameworks that balance trust and loyalty with transparency and fairness. The study therefore contributes to broader discussions about organisational justice by showing that perceptions of fairness are central to employee engagement, commitment, and performance. Even when nepotism appears to function effectively, if others feel excluded or believe opportunities are not equitably distributed, it can breed disengagement and distrust. This underscores the importance of inclusive and transparent HR practices, not only to avoid legal or ethical violations but to foster a positive workplace culture.

Finally, the research has **practical significance** for organisational policy development, especially in environments where employment equity, transformation, and social justice are national priorities. By exposing the subtle ways that nepotism can perpetuate inequality—even

when well-intentioned—this study urges organisations to reflect on their ethical standards, clarify their recruitment procedures, and promote merit-based advancement opportunities, while not ignoring the appeal for entrepreneurs and employees to create a legacy for their families and the benefits experienced by businesses when there is an opportunity for this.

The findings of this study offer several **actionable implications** for leaders, HR practitioners, SMEs, and IOPs. While nepotism remains a complex and context-dependent phenomenon, this research underscores the importance of fairness, transparency, and an inclusive culture in mitigating its risks and maximising its potential benefits. While the findings did not directly demonstrate a consistent shift in participants' experiences due to the perceived opportunity to benefit, the data revealed that employee perceptions of nepotism were subject to change depending on several contextual factors. These included organisational size, the fairness and transparency of recruitment processes, the competence of the nepotistic hire, and whether nepotism was perceived as an exclusive privilege. In this sense, the findings point to the potential for experiences and attitudes to shift—especially when nepotism is seen as broadly accessible or merit-based—rather than providing conclusive evidence of such change occurring. Thus, the findings offer valuable insight into the conditions under which employees may be more receptive to nepotistic practices, laying a foundation for further research on how perceived opportunity influences employee behaviour and engagement.

5.4 Chapter Summary

This Chapter explored the findings of this study, identifying the core themes and sub-themes of the research. It concluded with a discussions section, analysing the findings of the research as well as speaking to the theoretical and practical contributions of the research.

Chapter 6: Conclusions, Limitations and Recommendations

6.1 Introduction

The final chapter of this study presents the conclusions, limitations, and recommendations arising from the research. It begins by outlining the theoretical and empirical conclusions, demonstrating how the study's objectives were achieved through both the literature review and the analysis of participant experiences. The chapter then discusses the key limitations of the research, acknowledging methodological and contextual factors that may have influenced the findings. This is followed by practical recommendations, including a conceptual framework designed for organisations within the context of the study, as well as suggestions for future research. The chapter concludes with an integrated reflection on the overall contribution of the study and a brief summary of its content.

6.2 Conclusions

6.2.1 Theoretical Conclusions

The following theoretical aims were formulated for this study:

- to conceptualise the constructs of nepotism, fairness, employee performance, employee motivation, recruitment practices, nepotistically informed recruitment practices and effective recruitment practices from the literature; and
- to explore the inter-relatedness between these constructs from the literature.

The literature review chapters (Chapters 2 and 3) provided a comprehensive foundation for conceptualising key constructs relevant to the study, namely nepotism, fairness, employee performance, employee motivation, recruitment practices, nepotistically informed recruitment

practices, and effective recruitment practices. The review highlighted the complexity and contested nature of nepotism, traditionally associated with unfairness, favouritism, and poor performance outcomes. However, it also surface literature acknowledging nepotism's potential to foster loyalty, continuity, and cultural cohesion—particularly in the context of family-owned enterprises.

Fairness emerged as a critical mediating construct, primarily informed by equity theory, which posits that perceptions of procedural justice influence employee motivation and job satisfaction. Social exchange theory further enriched the understanding of how reciprocal relationships and trust impact employee behaviours in response to perceived organisational support or injustice. Together, these theories provided a dual-lens through which nepotistic practices might be understood—not merely as detrimental or beneficial, but as context-sensitive processes with varying consequences, depending on how they are implemented.

The literature also revealed that effective recruitment practices typically rest on transparency, meritocracy, and the alignment of organisational needs with candidate capabilities. Nepotistically informed recruitment practices, by contrast, often fall short on these criteria. Nonetheless, the literature proposed that, where such practices are governed by clear performance criteria and transparent processes, their adverse impact may be mitigated. The review therefore allowed for the conceptual development of nepotistic ambivalence—a condition wherein employees simultaneously recognise the unfairness and potential utility of nepotism depending on situational factors.

Moreover, the literature review demonstrates that the constructs of fairness, motivation, performance, and recruitment are deeply interrelated. Employees' motivation and performance are influenced not only by reward systems and workload but also by their perceptions of fairness and inclusion. Recruitment practices—whether merit-based or nepotistically

informed—can therefore have significant ripple effects across employee engagement, team dynamics, and organisational climate.

6.2.2 Empirical Conclusions

The following empirical aims were formulated for this study.

- to describe people's experiences of, behaviours and attitudes towards nepotism;
- to explore how people's experiences of, behaviours and attitudes towards nepotism are impacted by the perceived opportunity to benefit from nepotism; and
- to make recommendations to industrial and organisational psychology and organisations as to whether to allow for nepotism and how to effectively manage nepotism for nepotistic recruitment practices to have a positive impact on organisations, based on findings and conclusions of the study.

The empirical component of the study aimed to explore employees' experiences of, behaviours, and attitudes towards nepotism in the workplace, and how these are influenced by the perceived opportunity to benefit from such practices. The findings confirm that nepotism is widely experienced as a double-edged practice—capable of eliciting both negative and positive organisational outcomes. Five core themes emerged, namely: perceived favouritism and fairness concerns; effects on team dynamics and morale; competence and performance outcomes; family loyalty and trust; and contextual ambivalence and conditional acceptance.

Participants consistently identified nepotism as a source of procedural unfairness, particularly when family members were appointed without clear performance standards or through opaque processes. These instances fuelled resentment, lowered morale, and created in-group versus out-group dynamics. This aligns with earlier findings in the literature that link nepotism to the erosion of meritocracy and diminished employee engagement.

Conversely, the study also revealed that, when nepotism was accompanied by demonstrated competence, role clarity, and contextual transparency—particularly in small businesses or family-owned firms—it could foster trust, continuity, and even improved performance. These dual experiences contributed to a condition of nepotistic ambivalence, where participants often expressed both recognition of nepotism’s value and concern over its fairness implications.

The perceived opportunity to benefit from nepotism emerged as a significant moderator in employee attitudes. When individuals believed that nepotistic advantages were accessible to all employees—rather than restricted to a privileged few—they were more tolerant of such practices. This highlights the role of perceived inclusion and equity in shaping attitudes towards organisational decision-making.

The study therefore confirms that employees’ experiences of nepotism are not uniform, but shaped by factors such as organisational context, transparency, the competence of the family member, and perceived access to similar opportunities. This empirical evidence supports a more nuanced understanding of nepotism and extends existing literature by introducing the concept of nepotistic ambivalence as a central construct in employee responses.

The conceptual framework developed from this study (presented in section 6.5.1 below) captures the dual nature of nepotism and offers an evidence-informed model for organisations. While not all outcomes—such as long-term performance—were directly measured, the perceived benefits under fair and transparent conditions suggest strong theoretical and practical value in managing nepotism proactively. This reinforces the systemic, relational, and context-dependent nature of the phenomenon.

6.3 Limitations of The Study

This study was subject to several limitations, both methodological and contextual. Firstly, the study employed a qualitative design. While this was appropriate for exploring lived experiences

and generating rich, interpretive insights, it inherently limits the ability to draw causal inferences. However, this was not the primary aim of this study. Longitudinal studies would be required to explore how attitudes and behaviours evolve over time in response to nepotistic practices.

The use of purposive sampling in the metals manufacturing sector within Gauteng, South Africa, although intentional, necessarily limits the generalisability of the findings. The researcher is aware that generalisability is not the primary intention in qualitative studies. It does, however, cast doubt regarding the transferability of the study. While the sector's historical reliance on family-owned business models provided a useful context, participants' experiences may differ from those in other sectors or regions. Moreover, as the sample consisted of individuals in management roles, the perspectives of non-management employees—who may be differently affected by nepotism—were not directly captured.

As the researcher operated within the same industry, there is a possibility of researcher bias. This is noted as a potential limitation. However, measures were put in place to proactively manage this phenomenon, for example, by ensuring that the researcher remained faithful to the data collection protocols as well as the data analysis technique.

Additionally, some participants may have felt reluctant to speak openly about sensitive organisational dynamics, particularly if nepotism was still present in their workplace. While anonymity was assured, the social desirability bias cannot be ruled out. It was often the case that more information was shared “off the record” than “on the record”. Information provided outside of recordings were not used for the purpose of this study, but offered additional perspectives for consideration. Future research may highlight some of this information.

While some questions were posed within the literature as to whether nepotism could increase performance if utilised as a form of performance incentive, the empirical evidence did not

illuminate this aspect. While recommendations could be made to improve acceptance rather than heighten performance, this was a means of increasing the likelihood of benefitting from the positive side of nepotism centred around trust, loyalty, shared goals and legacy, not around increased performance. The idea that people's perceptions may change if they have the opportunity to benefit from nepotism seemed to relate more to equal opportunity than around being favoured. As such, a clear answer to this question cannot be provided.

P8 raised the concept of "clans" to be considered as a form of nepotism. "Clans" or tribes may hold some significance within the South African context and may need to be explored further.

Lastly, practical constraints, such as time, access to participants, and interview scheduling limited the sample size and diversity of organisational types included in the study.

6.4 Recommendations

6.4.1 Recommendations for the Organisation or Context of the Study

Based on the findings, several recommendations are proposed for organisations within the metals and engineering sector and similar contexts. The following recommendations are grounded in the empirical findings of this study. Where applicable, each recommendation is tied directly to themes or issues raised by participants to ensure practical relevance and fidelity to the lived experiences documented in Chapter 5.

6.4.2 Implications for Organisational Leaders and Executives

Lead with transparency and accountability (addressing Theme 1: Perceived favouritism and the “tick-box exercise” in recruitment processes): Leaders must be conscious of how their hiring decisions, especially those involving family, are perceived. Even when family hires are competent, secrecy or token processes erode trust. Leaders must commit to openly justifying appointments, using transparent selection methods and clear criteria.

Be visible champions of fairness (responding to participants’ concerns about inequity, exclusion, and undermined morale when nepotism was perceived as unearned): Perceptions of fairness in leadership decision-making can either make or break organisational trust. Leaders must model meritocracy, fairness, and impartiality to prevent reputational harm, disengagement, or accusations of favouritism.

Contextual integrity (reinforcing the theme of Conditional Acceptance—participants were more tolerant of nepotism when it aligned with family-owned business models or was implemented transparently): In family businesses or tightly held private firms, where nepotism may be more acceptable, leaders ought to set explicit boundaries to protect the line between familial loyalty and organisational efficiency.

6.4.3 Implications for HR Professionals and IOPs

Strengthen recruitment governance: HR departments must ensure that policies and procedures are followed substantively—not just formally. Tick-box hiring undermines procedural justice and leads to cynicism. Robust, auditable hiring processes increase perceptions of integrity and organisational credibility.

Implement anti-favouritism training and guidelines (addressing the finding that recruitment procedures were often followed superficially, leading to perceptions of unfair advantage and distrust in HR): While banning nepotism outright may not be feasible in all contexts, guidelines and training on recognising and managing favouritism can help create awareness and empower HR to intervene when processes are bypassed.

Build a merit-based culture (linked to themes on fairness concerns and organisational credibility; participants supported fair, competency-based processes even where nepotism occurred): When family members apply, organisations ought to involve neutral parties to preserve the integrity of the process. Organisations should also employ objective recruitment assessment and scoring processes.

Clarify role expectations and reporting lines (responding to examples of blurred lines between personal and professional roles among family hires, which contributed to operational disruptions): Where hiring family may prove commonplace, it is critical to clearly define job roles, responsibilities, and reporting lines for family members. Accountability structures should be in place to evaluate performance impartially.

Invest in performance management systems (participants indicated that trust and acceptance improved when family members were seen to be held accountable and evaluated like other employees): Formal performance evaluations and development plans may be useful. This helps

demonstrate to other employees that performance, not proximity, drives recognition and advancement.

Balance loyalty with equity (drawing on Theme 4: Family Loyalty and Trust—while loyalty is a benefit, exclusive treatment fostered mistrust and conflict among non-beneficiaries): While loyalty and trust are vital, these traits ought not come at the cost of alienating talented non-family staff. Creating opportunities for all to succeed enhances team cohesion and reduces in-group/out-group divisions.

Monitor power dynamics and social divides (linked to findings on team fragmentation, in-groups, and exclusion arising from poorly managed nepotistic networks): When family ties dominate informal power structures, other employees may feel excluded, disengaged, or mistrustful. Leaders must remain sensitive to cliques, hierarchies, or in-groups that form around nepotistic practices, and act early to restore equity.

Address disengagement from unfair practices (tied to Theme 2: Effects on Morale—participants described apathy and frustration when nepotism bypassed performance-based recognition): When employees believe success is linked to relationships rather than effort, their motivation and psychological safety suffer. Employers should actively identify these perceptions and create clear reward pathways that recognise merit.

Create safe spaces for dialogue (supporting the call for more transparent and inclusive decision-making where employees feel safe to raise fairness concerns): Employees ought to have safe, trusted channels to raise concerns about favouritism or unfair practices. This may include, open forums, or anonymous feedback loops.

Acknowledge emotional impact (linked to participant narratives of resentment, disillusionment, and feelings of outsider status): The exclusion felt by those outside nepotistic

networks can lead to resentment and interpersonal conflict. HR professionals must recognise this as a legitimate wellbeing issue, and work proactively to build connection, recognition, and trust.

Use ambivalence as a coaching tool: The theme of nepotistic ambivalence shows that most people are not rigidly “for” or “against” nepotism—they feel conflicted. IOPs can help leaders unpack these tensions and navigate decision-making.

Support ethical decision-making (derived from participants’ desire for transparent, principled leadership that recognises both the potential and pitfalls of nepotism): IOPs can help leaders and owners assess the long-term cultural and reputational costs of nepotism and shift decision-making from short-term loyalty to long-term organisational health.

Develop nepotism disclosure mechanisms (a forward-looking recommendation supported by concerns about lack of transparency and hidden preferential processes; participants indicated that open acknowledgement would improve trust): Organisations should introduce disclosure requirements when hiring individuals with close personal ties. Disclosure allows governance bodies to review cases, apply appropriate checks, and ensure fairness is maintained. Develop transparent nepotism policies that distinguish between legitimate family referrals and unfair preferential treatment. Policies should clarify that family hires ought to meet the same performance and qualification standards as other candidates.

6.5 Recommendation of a Conceptual Model

6.5.1 Conceptual Framework

This framework presents the dual pathways of nepotistic recruitment, showing its effects at the individual, team, and organisational levels. It integrates findings from the study and theoretical

foundations (equity theory and social exchange theory) to explain the contrasting outcomes of nepotism when poorly implemented versus carefully managed.

Figure 3

When Nepotistic Recruitment is Mishandled versus Proactively Managed

	MISHANDLED	PROACTIVELY MANAGED
Individual Level	• Perceived exclusion and unfairness • Resentment and demotivation • Distrust in leadership and recruitment • Loss of engagement or work effort	• Loyalty and commitment to the business • Heightened commitment and work ethic in high-trust environments • Perceived fairness and transparency • Sense of inclusion and belonging
Team Level	• Cliques and in-group dynamics • Interpersonal tension and conflict • Eroded morale and collaboration • Perceived favouritism and division	• Trust and open communication • Cultural cohesion through shared values • Team unity and mutual respect • Clarity of roles and fair expectations
Organisational Level	• Damaged organisational credibility • Breakdown of merit-based advancement • Loss of trust from competent employees • Compliance risks	• Continuity and knowledge transfer • Culture of transparency and trust • Improved team dynamics and reduced friction • Fairness modelled by leadership
NEPOTISTIC AMBIVALENCE: A state of internal and collective conflict in which employees simultaneously recognise the potential benefits of nepotism and perceive it as procedurally or ethically unfair. This ambivalence is shaped by context, transparency, perceived inclusion, and merit.		

Source: Author's formulation

This framework presents the dual pathways of nepotistic recruitment, showing its effects at the individual, team, and organisational levels. It integrates findings from the study and theoretical foundations (equity theory and social exchange theory) to explain the contrasting outcomes of nepotism when poorly implemented versus carefully managed.

6.5.2 Conceptual Framework: Dual Pathways of Nepotistic Recruitment Outcomes

This conceptual framework illustrates the contrasting consequences of mishandled versus proactively managed nepotistic recruitment practices, based on the empirical findings of the study and informed by equity theory and social exchange theory. It outlines the outcomes at three interconnected levels—individual, team, and organisational—to demonstrate the cascading impact of recruitment practices on workplace dynamics and culture.

6.5.3 Current Dominant Pathway: When Nepotistic Recruitment is Mishandled (Fraught with Risk)

When nepotism is implemented without transparency, accountability, or meritocratic standards, it is perceived as unfair and exclusionary, where employees compare their own efforts and rewards to those of favoured individuals. When these comparisons reveal imbalance, employees respond with disengagement, dissatisfaction, or resentment.

Individual Level: Employees who are not beneficiaries may experience perceived injustice, demotivation, and distrust in leadership. Psychological strain and career stagnation can follow, particularly where performance is overshadowed by personal relationships.

Team Level: Teams suffer from the formation of cliques, intergroup tension, and impaired collaboration. Trust breaks down as team members perceive double standards or preferential treatment, leading to decreased productivity and deteriorating morale.

Organisational Level: At a macro level, nepotism damages the organisation's credibility, weakens its meritocratic reputation, and fuels staff turnover. Compliance risks increase when hiring practices are seen as unethical or discriminatory, and organisational culture becomes fractured and toxic.

6.5.4 Alternative Pathway: When Nepotistic Recruitment is Proactively Managed

When nepotism is managed transparently, with merit-based justification and role clarity, its risks can be mitigated and certain benefits harnessed. Social exchange theory supports this view: when employees perceive fairness and mutual trust, they reciprocate with commitment, engagement, and positive behaviours.

Individual Level: Employees (including those hired through nepotism) feel valued, motivated, and secure. When family hires are competent and expectations are clear, individuals respond with increased effort, loyalty, and a stronger sense of purpose.

Team Level: Teams benefit from enhanced trust, cultural cohesion, and shared values when nepotism is implemented fairly. Defined roles and performance expectations reduce conflict and promote healthy collaboration across family and non-family members.

Organisational Level: At the organisational level, positive outcomes include continuity, legacy preservation, improved retention, and a culture of loyalty and trust. When family hires align with organisational values and are held accountable, the integrity of the business is maintained and strengthened.

6.5.5 Integrative Construct: Nepotistic Ambivalence

The framework also highlights the concept of nepotistic ambivalence—a state where employees simultaneously recognise both the potential benefits and inherent risks of nepotism. Ambivalence arises when employees perceive tension between relational loyalty and

procedural fairness. This emotional and cognitive dissonance underscores the importance of organisational context, transparency, and competence as moderating factors.

A conceptual framework has been developed and is being suggested as a preliminary guide to help understand the complexity of nepotism and to explore future research.

This framework presents the dual pathways of nepotistic recruitment, showing its effects at the individual, team, and organisational levels. It integrates findings from the study and theoretical foundations (equity theory and social exchange theory) to explain the contrasting outcomes of nepotism when poorly implemented, versus when carefully managed.

Consistent with equity theory, the mishandled pathway (left side of the model) demonstrates how perceptions of unfairness, lack of transparency, and perceived exclusion contribute to negative outcomes. At the individual level, participants described demotivation, disengagement, and reduced trust. These effects cascade into strained team dynamics, with reports of in-groups, interpersonal conflict, and diminished collaboration. Organisationally, this was associated with reputational damage, loss of credibility, and, in some cases, the departure of high-performing non-family employees—confirming the system-wide impacts predictable through a systems theory lens.

Conversely, the proactively managed pathway (right side) is informed by social exchange theory, highlighting that when nepotistic recruitment is transparent, competency-based, and seen as accessible, it can foster loyalty, commitment, and psychological safety. Participants reflected on environments where family members worked diligently to uphold their family's reputation or to repay the trust placed in them—demonstrating reciprocity in line with SET. These conditions contributed to improved trust at the team level, cultural cohesion, and stronger leadership continuity at the organisational level.

Importantly, the framework reflects not only fairness and trust—the two dominant constructs in participants’ narratives—but also employee motivation, which was described both directly (e.g., reduced motivation when unfairness was perceived) and indirectly (e.g., enhanced drive among those who felt their families might benefit from their performance).

As such, the model is grounded in both the empirical data (themes from Chapter 5) and theoretical foundations (Chapters 2 and 3). Perceived fairness and trust are the pivot points of the framework, which, when present, transform nepotism from a risk-laden practice into a potentially valuable relational mechanism. This framework offers a practical lens for organisations to evaluate how nepotism is being experienced and how it might be managed more ethically and constructively. This dual-pathway conceptual framework reinforces that nepotism is not inherently harmful, but that its consequences are deeply dependent on how it is implemented. The challenge for organisations lies in recognising this complexity and developing context-sensitive practices that uphold fairness, promote trust, and safeguard organisational effectiveness.

6.6 Recommendations for Future Research

Future research could build on this study in several ways:

Quantitative studies could test the relationships identified in this study (e.g., between perceived fairness and employee engagement) to examine statistical significance and enable generalisability.

Longitudinal research could explore how perceptions of nepotism evolve over time and the long-term organisational outcomes of different nepotistic practices.

Comparative studies across industries and cultural contexts would provide insights into how sectoral norms or national cultures influence attitudes towards nepotism.

Broader sampling that includes non-management employees and frontline workers would provide a fuller picture of how nepotism is perceived at various organisational levels.

Intervention studies could evaluate the effectiveness of anti-favouritism training or transparent hiring practices in reducing the negative impacts of nepotism.

Further exploration of nepotistic ambivalence as a construct is warranted, particularly in relation to psychological contract theory and organisational justice frameworks. The testing of the conceptual framework could also further strengthen the understanding of nepotism.

6.7 Integration of The Study

This study set out to explore the nuanced and often contradictory ways in which employees experience and respond to nepotism in the workplace. Through the integration of equity theory and social exchange theory, supported by rich qualitative insights, the research revealed that nepotism is neither inherently good or bad—instead, it is a contextually dependent practice with outcomes shaped by fairness perceptions, competence, transparency, and inclusion. The construct of nepotistic ambivalence emerged as a powerful lens through which to understand this complexity, capturing the internal conflict many employees feel when navigating between loyalty, trust, merit, and justice. Ultimately, the study contributes to both theoretical and practical understandings of nepotism, offering a balanced perspective for scholars and practitioners alike.

6.8 Chapter Summary

In this chapter, the conclusions, limitations and recommendations of the study were presented. Theoretical and empirical conclusions were drawn, demonstrating how the research met its

objectives and contributed to the literature. Key limitations were acknowledged, including methodological and contextual constraints. Practical recommendations were made for organisations and future research directions were proposed. The chapter concluded with an integrative reflection on the study's contributions, affirming the value of a nuanced and context-sensitive approach to understanding nepotism in the workplace.

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APPENDIX A: ETHICAL CLEARANCE CERTIFICATE



College of Economic and Management Sciences_ERC Industrial and Organisational Psychology

Date: 27/08/2024

Dear: Ms SHREY RAMKOLOWAN

Decision: Ethics Approval from 28 August 2024 to 28 August 2027.

NHREC Registration # : (if applicable)

Ref # : 0622

Name: Ms SHREY RAMKOLOWAN

Student # : 53586700

Staff # :

Researcher: Ms SHREY RAMKOLOWAN

56 Royce Heights, Rolls Royce Street, Bartlett, 1459

Boksburg

53586700@mylife.unisa.ac.za 0769718241

Supervisor: Professor Aden-Paul Flotman flotma@unisa.ac.za

Co-Supervisor:

Co-Researcher(s):

Email address:

NEPOTISTIC AMBIVELANCE: CAN NEPOTISM HAVE A POSITIVE IMPACT ON ORGANISATIONS?

Qualification: MCom Industrial and Organisational Psychology

Thank you for the application for research ethics clearance by the College of Economic and Management Sciences_ERC Industrial and Organisational Psychology for the above-mentioned research study. Ethics approval is granted for three years.

The low-risk application was reviewed by the College of Economic and Management Sciences_ERC Industrial and Organisational Psychology on 27 August 2024 in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment.

The proposed research may now commence with the provisions that:

1. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
2. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the College of Economic and Management Sciences_ERC Industrial and Organisational Psychology.
3. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.
4. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing, accompanied by a progress report.

5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's Act no 38 of 2005 and the National Health Act, no 61 of 2003.
6. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data requires additional ethics clearance.
7. No field work activities may continue after the expiry date (28 August 2027). Submission of a completed research ethics progress report will constitute an application for renewal, for Ethics Research Committee approval.

Additional Conditions

1. Disclosure of data to third parties is prohibited without explicit consent from Unisa.
2. De-identified data must be safely stored on password protected PCs.
3. Care should be taken by the researcher when publishing the results to protect the confidentiality and privacy of the university.
4. Adherence to the National Statement on Ethical Research and Publication practices, principle 7 referring to Social awareness, must be ensured: "Researchers and institutions must be sensitive to the potential impact of their research on society, marginal groups or individuals, and must consider these when weighing the benefits of the research against any harmful effects, with a view to minimising or avoiding the latter where possible." Unisa will not be liable for any failure to comply with this principle.

Note

The reference number 0622 should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.

Kind regards,



Dr Elzabe Nel

Acting Chair of the College of Economic and Management Sciences_ERC Industrial and Organisational Psychology
E-mail: coetzec1@unisa.ac.za



Prof M.C Mulaudzi

Executive Dean / By delegation from the Executive Dean of the College of Economic and Management Sciences_ERC Industrial and Organisational Psychology
E-mail: tshilmc@unisa.ac.za

APPENDIX B:

PARTICIPANT INFORMED CONSENT SAMPLE LETTER

PARTICIPANT INFORMATION SHEET

Ethics clearance reference number: 0622

Research permission reference number: 0622

25 November 2024

NEPOTISTIC AMBIVELANCE: CAN NEPOTISM HAVE A POSITIVE IMPACT ON ORGANISATIONS?

Dear Prospective Participant

My name is Shrey Ramkolowan and I am doing research with Professor Aden-Paul Flotman, a Professor in the Department of Industrial and Organisational Psychology towards a Master's Degree at the University of South Africa. We are inviting you to participate in a study entitled Nepotistic Ambivalence: Can Nepotism Have a Positive Impact on Organisations?

WHAT IS THE PURPOSE OF THE STUDY?

Nepotism is still a common practice within many organisations in South Africa. It is one of the key factors in the formation of family-owned businesses which are critical for the country's economic growth. With more companies introducing anti-nepotism policies into the workplace, it is important to understand the impact this may have on staff, especially in environments where nepotism has been common practice historically. It is also important to understand the potential benefits of allowing for nepotism in the workplace. This study will provide information to help make better informed decisions about whether to abolish nepotism in the workplace or possibly adjust the manner in which nepotism is implemented instead. Guidelines

will also be provided to ensure that nepotism does not lead to unfair discrimination and cripple transformation efforts.

WHY AM I BEING INVITED TO PARTICIPATE?

Many companies within the Metals and Engineering Industry started as family-owned business where nepotism was accepted. As some companies are seeking to reduce or abolish nepotism, it is important to understand the real impact of nepotism on organisations. I have thus asked for participants within the Metals and Engineering Industry in Gauteng who occupy different levels of management (junior to top management).

Gordon Angus, Executive Director of SAEFA, has granted me permission to seek participants for my study within SAEFA. I am seeking 8-12 participants of different races, genders, age groups and occupational levels.

WHAT IS THE NATURE OF MY PARTICIPATION IN THIS STUDY?

The study involves audio recorded semi-structured interviews. It is anticipated that interviews will be approximately 90 minutes in duration. The identity of participants will be kept confidential, and no details will be utilized pertaining to the organisation for which the participant works. Only confirmation that the participant works for a company within the metals and engineering industry in Gauteng will be required. Questions will be around how the participant defines nepotism, if they have experienced nepotism within the workplace and what their thoughts and feelings are around this, if they believe nepotism is fair and if there are any circumstances under which it could be fair.

CAN I WITHDRAW FROM THIS STUDY EVEN AFTER HAVING AGREED TO PARTICIPATE?

Participating in this study is voluntary and you are under no obligation to consent to participation. If you do decide to take part, you will be given this information sheet to keep and be asked to sign a written consent form. You are free to withdraw at any time and without giving a reason.

WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?

This study can assist managers to determine if nepotism should be abolished or possibly regulated within organisations, aiming to understand if there are any possible benefits of nepotism to organisations.

ARE THERE ANY NEGATIVE CONSEQUENCES FOR ME IF I PARTICIPATE IN THE RESEARCH PROJECT?

It will be requested that the participant attends a face-to-face semi-structured interview which is anticipated to be about 90 minutes in duration. Participants will be requested to speak about their prior experiences of and feelings about nepotism which may cause some discomfort.

WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?

Your name will not be recorded anywhere and no one will be able to connect you to the answers you give. Your answers will be given a code number and you will be referred to in this way in the data, any publications, or other research reporting methods such as conference proceedings.

Your answers may be reviewed by people responsible for making sure that research is done properly, including the transcriber, external coder, and members of the Research Ethics Review Committee. Otherwise, records that identify you will be available only to people working on the study, unless you give permission for other people to see the records.

A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

HOW WILL THE RESEARCHER(S) PROTECT THE SECURITY OF DATA?

Soft copies of your answers will be stored by the researcher for a period of five years for future research or academic purposes and stored on a password protected hard drive. Future use of the stored data will be subject to further Research Ethics Review and approval if applicable. Electronic copies will be permanently deleted from the hard drive through the use of a relevant software programme, after five years.

WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?

Participation in this study is voluntary. There will be no payment or incentive provided for participation in this study.

HAS THE STUDY RECEIVED ETHICS APPROVAL

This study has received written approval from the College of Economic and Management Sciences _ERC Industrial & Organisational Psychology, Unisa. A copy of the approval letter can be obtained from the researcher if you so wish.

HOW WILL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH?

If you would like to be informed of the final research findings, please contact Shrey Ramkolowan on 0810675519 or email 53586700@mylife.unisa.ac.za. The findings are accessible for 5 years.

Should you require any further information or want to contact the researcher about any aspect of this study, please contact Shrey Ramkolowan on 0810675519 or email 53586700@mylife.unisa.ac.za.

Should you have concerns about the way in which the research has been conducted, you may contact Professor Aden-Paul Flotman on flotma@unisa.ac.za or 0124294879. You may also contact the research ethics chairperson of the Department of College of Economic and Management Sciences _ERC Industrial & Organisational Psychology, Dr Elzabe Nel at coetzec1@unisa.ac.za if you have any ethical concerns.

Thank you for taking time to read this information sheet and for participating in this study.

Shrey Ramkolowan

CONSENT TO PARTICIPATE IN THIS STUDY

I, _____ (participant name), confirm that the person asking my consent to take part in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have read (or had explained to me) and understood the study as explained in the information sheet.

I have had sufficient opportunity to ask questions and am prepared to participate in the study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty.

I am aware that the findings of this study will be processed into a research report, journal publications and/or conference proceedings, but that my participation will be kept confidential unless otherwise specified.

I agree to the recording of the semi-structured interview.

I have received a signed copy of the informed consent agreement.

Participant Name & Surname..... (please print)

Participant Signature.....Date.....

Researcher's Name & Surname.....(please print)

Researcher's signature.....Date.....

APPENDIX C: LANGUAGE EDITING CERTIFICATE

PRO EDIT PTY LTD

PO BOX 23081, CLAREMONT CAPE TOWN 7735

EDITING CERTIFICATE

Date: 2025/11/23

This serves to confirm that the document entitled:

**NEPOTISTIC AMBIVALENCE:
CAN NEPOTISM HAVE A POSITIVE IMPACT ON ORGANISATIONS?**

by

SHREY RAMKOLOWAN

has been language edited on behalf of its author.

Genevieve Wood
Pro Edit Pty Ltd

APPENDIX D: INTERVIEW GUIDE: SOME QUESTIONS POSED

QUESTIONS

1. How would you define/describe nepotism?
2. How would you describe your experiences of nepotism in the workplace?
3. How would you describe your personal behaviours and attitudes towards nepotism?
4. What is your understanding of nepotistically informed recruitment practices?
5. In your opinion, what are the potential advantages and disadvantages of nepotism within an organisation towards individuals in an organisation and groups within an organisation?
6. Do you think that nepotism is a fair recruitment practice?
7. Are there any circumstances under which nepotism could be fair?
8. Does it matter what type of business you are dealing with e.g. state owned, private equity ownership, a family business etc.
9. Consider a scenario where a company decides to use nepotism (i.e. hiring of family members of employees within an organisation) as a performance-based incentive. They develop a policy which stipulates that if employees (at any occupational level) meet certain performance criteria, the company will offer preferential selection to their family members for jobs within the company. The family member will need to meet minimum requirements for the job; however training and study opportunities will be offered to the family member/s to be able to meet those requirements.
 - Would you consider the above scenario nepotism? Why ?
 - Do you think a practice like this could be fair?
 - What do you think the potential consequences, both positive and negative, could be?
 - Would you personally support or oppose the implementation of such a policy? Why or why not?
 - What safeguards or measures do you think could be put in place to mitigate any negative impacts of this type of practice?
 - How do you think the perception of a company that openly practices nepotism, in this form, might affect its reputation and relationships with clients, employees and the public?

APPENDIX E: TURNITIN REPORT CERTIFICATE

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