Nepotism perceived by managers in northern Sweden

- An explorative study on attitudes towards nepotism and its usage

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Spring semester 2014
Bachelor thesis, 15hp
Acknowledgements

In this acknowledgement we would like to express our appreciation towards the managers who participated and allowed us explore their perceptions and attitudes. Their contribution was highly valuable for us in order to conduct the research.

We are also very grateful towards our supervisor Alicia Medina, who has been of great significance for us during the research process. Her contribution of knowledge, guidance and support constitutes the foundation of the making of this thesis.

2014-05-26

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Abstract

This explorative study examines human resource-, executive- and site manager’s perception of nepotism in northern Sweden. Nepotism is a concept that describes the situation where a company values an applicant’s family ties in front of qualifications in the recruitment process. However, nepotism can as well be described from a broader perspective as the situation where a company values other social connections of significance that the applicant’s has at the company. What both of these situations have in common is that both applicants are hired due to their connections at the company, and not because of their skills.

The objective of this study was to investigate attitudes, if the managers perceived the concept as positive or negative, an explanation for why companies use the concept and factors that might justify the usage of nepotism. In order to meet these objectives we conducted an exploratory study where 10 managers, situated in the two counties Västerbotten and Västernorrland, were interviewed about their opinions and thoughts on the subject. The research questions that are to be answered in this study are; how do managers in the northern part of Sweden perceive nepotism? And we will also seek to answer, what are the differences between the perceptions of nepotism between the managers at small companies and the managers at medium-sized companies?

The findings and answers to the research questions of this research revealed that the overall attitudes among these managers were negative towards nepotism. However, what was discovered was also that they perceived nepotism as negative and protested against the usage of a nepotistic approach in the recruitment process at their company, but when the question was asked if they would help their own children in order for them to be favored in the recruitment process, the majority answered that they would help their children. This indicated that they contradicted their own opinions, which in this study resulted in that their attitudes felt rather diversified. In other words, the managers tended to have perceptions both from a personal perspective and organizational point of view. Moreover, the explanation to why the managers believed nepotism was used was mainly due to time limitations and simplicity. The findings also revealed that the managers expected that nepotism was used to a greater extent within family-owned businesses and in smaller cities. To answer if and what were the differences between the manager’s perception in small and medium companies, the findings of this study did not reveal any fundamental differences. In other words, there were no major differences to be found between managers at the two company sizes that allowed for a proper comparison.
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1. Introduction

The introduction chapter of this study contains the reasons behind the choice of topic, a background and statement of the problem that is being examined followed by our objectives with the research question and considerable limitations. The reader will in the end of the introduction chapter be provided with a chapter guide that will give an overview of the study’s following chapters and content.

1.1 Topic selection

As soon to be graduated business students from Umeå University, we have noticed the advantage and sometime important factor of having a relationship with a person, such as a relative or friend working at an organization, in the situation where you apply for a job. Most common is that you as an applicant has a relative working at the organization you apply for a job at. We denote a situation where you got hired at an organization, where one or both of your parents work, because of your relationship as relatives as nepotism. We have both experienced nepotism from different perspectives while applying for jobs in the past. Moreover, we have both been favored by nepotism and we have been disfavored by nepotism. The fact that both of us has been favored and disfavored by the topic triggered us to deeper examine the subject nepotism.

1.2 Problem background

Our previous experience, derived from our own perceptions, on the subject makes us believe that many companies today practice a form of nepotism openly, perhaps without even knowing it. Nowadays, during the recruitment processes it gets more common that you are asked if you have any relatives or have any other relationships with existing employees at the organization that you applied for. If an organization evaluates your application differently if you have any relational connections at the organization than if you would not have these connections, it could be denoted as nepotism. Additionally, it would also not come as a surprise if your first thought is to apply for a job at an organization where one or both of your parents are employees, in order to believe that it will be an advantage for you and get employed by nepotism (Kramarz et al., 2007, pp. 3, 20).

The first aspect is that the topic has the potential of being recognized as discrimination. However, the terms discrimination and nepotism should still be separated and handled as two different actions. The two terms could be handled as “discrimination against”, considered discrimination, or “discrimination in favor”, considered nepotism (Fershtman et al., 2005, p. 373).

However, the law against discrimination in Sweden (Diskrimineringslagen) does not state that nepotism is considered as discrimination in the private sector, only that it is regulated in the public sector (SFS, 2008:567). In other words, companies in the private sector have the right to hire a relative or friend even though other applicants have more attractive merits.
The second aspect, human resource management (HRM) is a factor that in different ways is interesting to the subject of nepotism, such as HRM policies and their role in the selection process when nepotism is performed. Furthermore, when cases of nepotism occur in companies, the employment, in at least some extent, has to pass through the human resource department for administrative procedures. Even though a human resource manager (HR manager) does not necessarily have to be involved in the selection process when nepotism is performed, formal procedures of the recruitment process has to be documented, for instance signing a contract of employment (AGCAS, 2012). One can argue, that this suggests that it is not always the HRM that decides whether or not the companies are performing nepotism, since any employee can be the decider of a relative being employed if the company does not actively work with anti-nepotism rules.

The third aspect, in family-owned businesses it can be considered as a natural phase more than nepotism, to transfer the leadership to the next generation and be more willing to hire and work with family members (Jaskiewicz et al., 2013, p. 121). Thereby, from that light of perspective it is a less criticized form of nepotism.

The fourth and last aspect, as mentioned in the topic selection, both of us have experienced being disfavored and favored by nepotism in the context of job recruitment. The fact that both of us have negative and positive attitudes towards nepotism can indicate that nepotism might be perceived both negatively and positively on the labor market depending on if you are favored or disfavored. This assumption from our own experience and perceptions highlight nepotism as a problem related to very specific situations and outcomes. In other words, what we believe is that if you are favored by nepotism it is more likely that you consider nepotism as an advantage on the labor market, in contrast to if you are disfavored by nepotism you consider it to be a disadvantage on the labor market. What is important to note with this aspect is that it is derived from our own perceptions and is therefore not withdrawn from any previous research conducted on nepotism. However it is one of the fundamental reasons for why we chose the subject.

1.3 Research question

What we can derive from the problem background is that the research question that we want to examine is how do managers in the northern part of Sweden perceive nepotism? And we will also seek to answer, what are the differences between the perceptions of nepotism between the managers at small companies and the managers at medium-sized companies?

1.4 Objectives of the study

This exploratory study was conducted during the time period March - May 2014 and the interviews took place during mid April until mid May. The purpose of this study is to investigate how HR managers, executive managers and site managers at medium and large companies perceive nepotism. Our objective is to examine the different factors that are fundamental for why nepotism is performed, to what extent nepotism is justified in an organization and what arguments that put nepotism in a positive light respectively negative light from a manager’s perspective. In other words, we want to examine the attitudes managers have towards the concept of nepotism and what factors that have
affected their attitudes. Additionally, we aim to focus on doing a comparison between the managers at small and medium companies in the northern part of Sweden. The small companies are based on the criteria of less than 49 employees, while the medium-sized companies are based on the criteria of more than 49 employees. The criteria concerning the size labels on the companies is not based on any official records on company sizes, these two criteria was developed during the sampling process of this study in order to fit this particular exploratory study.

The study will be focusing on conducting a qualitative research among 10 managers in northern Sweden, by performing semi-structured interviews. Our objective with conducting semi-structured interviews gives us the possibility to be flexible during the interviews and modify the questions based on how the two different managers interpret and reply to the question asked.

However, the objective of this study is not to generalize the attitudes towards nepotism among small and medium-sized companies in either Sweden or the northern part of Sweden. The findings will represent an allusion of what attitudes towards nepotism that exists among managers working in northern Sweden.

1.5 Limitations

Due to the fact that only 10 companies were participating in this study limits the ability for us to make a general assumption of our findings through this study. Additionally, due to lack of resources and time to conduct this study from a broader geographic perspective, the discussion can only apply to the area of which the managers and the companies are operating in. As mentioned in the objectives of this study, we do not seek to generalize our findings or analysis, which limits the extent of possibility for other areas to use or study for similar purposes.

Another considerable limitation of this study is regarding the fact that the interviews are not restricted to a specific manager at the company, more specifically the human resource managers that we believed would be the most relevant and knowledgeable employee at the company for this study. Since we seek to gather opinions from both small and medium-sized companies, the small companies often did not have a specific department or position labeled human resource management or human resource manager. Small companies tended to put the executive manager or site manager in charge of the recruitment process. This sometimes caused very diverse outlooks and interpretations of the subject, since the three manager types’ involvement and tasks differed from how close they worked with the recruitment process.

1.6 Chapter guide

The following chapter in this study is where we present the theoretical frame of references. The theoretical frame of reference is where we have derived themes that are related to our subject and objectives. You will get an overview of the previous research conducted on the concept of nepotism, with sub-branches such as positive and negative aspects, legal aspects in Sweden, human resource policies and family businesses vs. non-family businesses.
The chapter of theoretical frame of reference is followed by the methodology used to explore the subject. The methodology chapter will consist of both the theoretical and practical part of the data collection and methods used to perform the study and analyze the data.

The methodology chapter will lead you to the chapter that consists of the empirical study, in other words the result and findings of our exploratory study. The chapter will consist of the results and quotations from the interviews. We will present summaries from what was relevant to our objective and divide them into themes that were most frequently mentioned during the interview session. Thereafter the result will be discussed and linked back to what we derived from the articles and earlier findings highlighted from other authors in the theoretical framework.

The last chapter will present the conclusion of this study. In this chapter we will answer the research question stated in the introduction and we will also evaluate if the research's findings meet our objectives.

2. Theoretical frame of reference
This chapter contains findings from earlier research related to the chosen subject. The review of the literature is divided into themes that will lay ground for our objectives for this study. The theoretical frame of reference is a fundamental part of this study, as earlier research affects the direction for which the study is focused on. The four themes that are highlighted consist of: the definition of nepotism, legal aspects, human resource management and family businesses vs. non-family businesses. The chapter will end by a critical view of the references used. The sources will be evaluated based on contribution to the study.

2.1 Choice of sources

The main literature source in this research is academic journals, which are categorized as secondary literature sources. Moreover, a course textbook, which is seen as a primary literature source, was used, as well as websites in form of dictionaries, which thus can be seen as a tertiary literature source.

2.2 Nepotism

2.2.1 Definition

Nepotism is a controversial term that can be defined in various ways and it is also a term that many people have negative associations with. In a book review review edited by Jones (Ed.) and written by him and several other authors, one author writes that nepotism is defined as a broad term that treats the subject of hiring a relative to the world of family-owned businesses, and that it also is something that influences on peoples career choice (p. 785). Kragh (2012, p. 264) writes in his article, which is a study on social distance and reciprocity in organizations, that;

 [...] nepotism may be a good starting point for the development of an alternative concept of a concept of culture that relates shared meanings and values to the socioeconomic conditions of
The definition is as mentioned diversified but the most common meaning of nepotism is when people use their influence or power to favoring individuals when recruiting, mostly common favoring relatives but also favoring corresponding individuals with a special relationship of significance with the employer is common.

Furthermore, two important concepts within the field of nepotism are *cronyism* and *meritocracy*. Since nepotism is more frequently used regarding favoritism based on kinship (family ties), cronyism is a broader term that is associated with favoritism based on both kinship and friendships. Meritocracy is a political philosophy and is the opposite of cronyism, where merits are the factor of importance. Some believes that by having this philosophy one could reach equality when it comes to opportunities in the society (Business Dictionary, 2014). However, in this study the focus is on favoritism based on kinship, namely relatives, and this is what we denote as nepotism.

In the article written by Ponzo et al. (2010, p. 78), the author states that cronyism and nepotism are well-known phenomenon which unfortunately are hard to document and evidence from their study showed that people responsible for decisions about recruitment tend to hire people who are socially connected to them despite their abilities or qualifications.

Additionally, when someone is being hired under nepotistic conditions the company might disregard organizational rules, norms of meritocracy and act in a way that is “unethical”. However, this behavior could be ethically and morally justified because it fills up the requirements of in-group solidarity, and also within the framework of the morals and social distance and reciprocity it is in accordance with expected practice. (Kragh, 2012, p. 256)

In the book review which studied nepotism in organizations, Corarelli (2012, p. 785) writes that Jones et al. makes the comparison of nepotism with people’s bank accounts and sex lives, and means that close to everyone have them, but it is not common to talk about them. This could be one indication to why the subject of nepotism is so unexplored, that it exists but people and companies are afraid to be associated with it. In a more biological context, the concept of nepotism can be seen to origin from the so-called “delay of dispersal” among animals, where it is more likely that the offsprings’ delay their dispersal more if the natural territory has abundant resources. Connecting this to humans they mean that children growing up in wealthy families are more likely to delay their dispersal and that those families are more likely to act nepotistic than other families (Corarelli, 2012, p. 788).

The amounts of previous studies about nepotism are relatively limited, meaning that the subject is quite unexplored (Kragh, 2012, p. 249). Even though this makes the foundation of theories for this study weak, we choose to see it as an opportunity to explore and help the future research.

### 2.2.2 Favoritism

The term *favoritism* is highly associated with nepotism, and in this case it relates to the favoritism on the basis of kinship, where the relatives or equivalent others who are in a
relationship of significance to the employer are treated in favor of others (Frank et al., 2007, p. 42).

Since personal interests are greatly subjective and individual, when someone is being hired due to these personal interests of one specific person in the organization it can be seen as discrimination, and this due to the fact that the decision cannot be tied to the interests of the organization (Frank et al., 2007, pp. 42-43).

Frank et al. (2007, p. 42) describes that two conditions can be filled in order for nepotism to be ethically justified. These conditions are connected to their study on academic health centers but one could say that they are something that could be applicable to other situations as well. First, the “nepot” (the individual favored by nepotism) must be completely qualified for the position in question, not necessarily the most qualified but still qualified, and secondly, the reason for the offering of the position is in the interests of the academic health center/company and thus the intention is to advance their mission.

In an article by Ponzo et al. (2010, p. 87), the authors writes that in order for companies to avoid favoritism they can use policies and rules to restrict the possibility of this being a problem. By having requirements of a certain level of education qualified or imposing other qualification requirements they could limit the risk of favoritism.

2.2.3 Positive and negative aspects of nepotism

Like mentioned before, nepotism is something controversial and people can have very different associations with the term. Some positive aspects of nepotism could be that firms can obtain greater loyalty from hiring someone who is tied to the company either by kinship or just by a social relationship. It can also lead to the person having a shorter learning curve by climbing the ladder of power without having to stop at every step. Aspects like better performance, lower risk and lower turnover could also be seen as something positive that nepotism might bring to a company. (Vinton, 1998, pp. 297-298)

Hayajenh et al. (1994, p. 61) writes in the article their study about how nepotism affects human resource managers, that some major advantages of nepotism in organization could be identified; it provides a good way to find dedicated associates for small, family-owned businesses, it cultivates positive family-like environment that helps increase the morale and job satisfaction for all employees at the company, and the last one is that it allows the firm to choose from the entire pool of workers, instead of excluding relatives which decreases this pool.

When it comes to the negative aspects, Vinton (1998, p. 298) states that nepotism in organizations can allow unqualified or inept family members to become managers and that it incites reward systems that are unequal. It could also lead to that the company has a harder time attracting other professional managers. (Vinton, 1998, p. 298)

Hayajenh et al. (1994, p. 61) identified three main negative aspects of nepotism. The first one regards that the “nepot” might be put in a situation where he or she is unsure about if the position was his because of the possessed qualities or only due to kinship. The second one is about that nepotism allows family feuds into the company, such as rivalry between siblings over managerial succession and so on. The third and last
negative aspect Hayajenh et al. (1994, p. 61) highlight is that nepotism can decrease the morale of the supervisors to these highly executive relatives, formally because they might feel that promotions are given away unfairly through this nepotism.

2.3 Legal

2.3.1 The Swedish law against discrimination

The law in Sweden that regulates inequality on the labor market is the law against discrimination (Diskrimineringslagen). This law was legislated in 2008 and prohibits discrimination against sexual orientation, gender, age, religious beliefs, disabilities, appearance and ethnic backgrounds. (SFS, 2008:567)

In the Swedish law, discrimination is divided into either direct discrimination or indirect discrimination. Direct discrimination is simply when an individual is treated less favorable than another individual in a comparable situation, due to the factors mentioned above that the law is prohibiting, for instance religious beliefs. However, indirect discrimination is when an individual is treated less favorable due to a implementation of a directive that disfavor individuals with the factors that are prohibited to discriminate, such as a particular gender, age or sexual orientation. (SFS, 2008:567)

Moreover, there is stated in the law against discrimination (Diskrimineringslagen) a discrimination prohibition against employers to discriminate against their employees, applicants for internships or currently doing internships or hired do to temporary assignments. However, this prohibition is not protecting the possibility for an employer to disfavor an individual, whom even though hold one of the factors mentioned above that are illegal to discriminate against, if he or she is not eligible for the position due to lack of skills needed for the job. When an applicant is not chosen for the job that he or she applied for or not promoted for a job due to lack of skills required, that person have the right to get information on what merits that was lacking that laid ground for the decision and what made other applicants or promoted employees to move forward in the process. (SFS, 2008:567)

In addition, during the selection process, the employer have the obligation to give individuals the opportunity to apply for a position regardless of which gender, ethnic background, religious beliefs and sexual orientation might have, according to the law. (SFS, 2008:567)

However, there is nothing directly stated in the law that prohibits nepotism, at least not in the private sector. Besides, the managers of an organization have the right to hire a person with notable fewer merits than another applicant if they feel like that applicant, who in the case of nepotism is a relative, is better suitable for the position. In other words employers in the private sector in Sweden have the right to employ whom ever they want, as long as it is not going against the fundamental factors of discrimination stated in the law. Merits do not make grounds for discrimination in Sweden. However, there are restrictions in the public sector that states that the applicant should possess the requirements needed for the job. The public sector is only allowed to judge an applicant by merits and thereby indirect not allowed use a nepotistic approach in the selection process. (SFS, 2008:567)
2.3.2 Discrimination vs. Nepotism

In an article written by three researchers from Chicago law school, the distinction between discrimination and nepotism was explored. They conducted a study where they put different groups with either different religious backgrounds or groups from different communities. Imagine three groups in a society, your own group, a second group and a group of anonymous. In this study, the researchers denote discrimination, also referred to as discrimination against, as the behavior when if you would treat the anonymous individual in a positively and thereafter treat the individual from the second group negatively. However, they denote nepotism, also referred to as discrimination in favor, as if you in a situation would treat the anonymous group identically with how you would treat the second group (negatively), and only treat individuals of your own group favorably. (Fershtman et al., 2005, p. 373)

Moreover, the same authors found that discrimination is, besides the definition mentioned above, situations where individuals dislike to be associated with individuals from other groups than their own. They explain that these people that discriminate against individuals from other groups are willing to pay in order to avoid association with individuals outside their group. However, nepotism in contrast can in addition be explained by, instead of with discrimination when you are willing to pay in order to prevent association, you are willing to pay in order to get the opportunity to associate with individuals from your own group. (Fershtman et al., 2005, p. 376)

2.4 Human resource management

In Vinton’s interdisciplinary model on nepotism where she conducts cross comparisons between the factors legal, financial, behavioral, managerial and environmental. Karen mentions a managerial issue about which factor of the company’s strategic planning and nepotism that drives one and other, whether strategic planning drives nepotism or whether nepotism drives strategic planning. The example that the author illustrates this question with is if a manager wants one of his children to work for him, the strategic planning has to be accommodated to fit the children’s skills and needs, which is nepotism drives strategic planning. The other one is when the strategic planning is forcing family members to compete with nonfamily applicants in the recruiting process, and in that case strategic planning drive nepotism. (Vinton, 1998, p. 301)

What Vinton derived from her interdisciplinary model is presented in the table below that was adopted from her article (Vinton, 1998, p. 302). By doing a cross comparison study with the factors mentioned, she could find what kind of interdisciplinary research questions that could be further explored in future research on nepotism.
Table 1. Adoption from Vinton’s interdisciplinary research questions

2.4.1 Human resource policies

A study conducted by Bierman and Fisher that focused on human resource policies, but was designated as anti-nepotism rules. These anti-nepotism rules have been frequently used in later studies on nepotism. Bierman and Fisher claimed that anti-nepotism rules appeared to be able to be divided into different levels or sections. Furthermore, either these anti-nepotism rules prohibited employment of relatives at the same facility, department or within the whole organization. The last type of rule would even prohibit a relative to directly supervise another relative in order to prevent possible influence over the work, promotion and salary situation of the subordinate. You can assume that these rules were divided into levels of restrictiveness. (Bierman & Fisher, 1984, p. 634)

Vinton also suggests in a study that there is a correlation between the accepting of nepotism practices and agricultural industry, company size and location. She suggests
that nepotism in agricultural businesses such as farming is more accepting of nepotism practices. The same goes for firms located in smaller communities and small companies. She hypothesize that for instance in small communities that the companies might be forced to hire relatives due to a limited pool of labor force in the area. (Vinton, 1998, p. 301)

Moreover, another researcher, Kragh was also able to find a positive correlation between the agricultural sector, collectivism and nepotism. He suggests in his study that the lower level of industrialization, the higher level of in-group solidarity was to be discovered (Kragh, 2012, p. 260). Furthermore, another study also confirmed the correlation between the size of the company and the accepting of nepotism in their studies on nepotism in the Arab world (Hayajenh et al., 1994, p. 62).

2.4.2 Human resource manager's attitudes towards nepotism practices

In a study made by Ford and Mclaughlin, they were looking at characteristics of nepotism policies and conducted interviews with different human resource managers about their attitudes against nepotism. These managers were asked about advantages and disadvantages with nepotism at their workplace and what the impact nepotism partook on their job tasks. The study’s findings were that over 75 percent of the managers in focus expressed that nepotism was an obstacle and complicated their jobs. (1993, cited in Vinton, 1998, p. 299)

This study was also performed by authors in the Arab world that confirmed similar findings of negative attitudes among human resource managers against nepotism at their workplace. The human resource managers in the Arab world expressed that they disliked the practice of nepotism in their department. Furthermore, they also found that companies that work actively with nepotism policies are more effective than those who allow nepotism. (Hayajenh et al., 1994, p. 66)

2.4.3 Selection

In a study conducted by Kramarz et al., they examined how students’ parental network affected their labor market outcomes when obtaining their first stable job. The findings from this study showed that it frequently occurs that when students have their first stable job it is on the same organization as at least one of your parents. More precisely the findings were that the organizations someone’s parent/parents work at are more likely to hire their child than any other nonrelative applicant. Despite from this, the children whom are being hired at the same organization as their parent have a tendency to have lower grades than their co-students and also retrieve a lower initial salary than the corresponding person hired who do not have any relatives or connections at the organization. (Kramarz et al., 2007, pp. 3, 20)

2.5 Family businesses vs. non-family businesses

A large part of the literature found about nepotism and recruitment indicated that there existed a difference in extent between nepotism in family businesses and non-family businesses. In the article written by Salvato et al, the authors examined the difference between the careers of CEOs in family businesses and non-family businesses. One key finding in this study showed that managers whom after spending their entire work-life in nonfamily firms are in a higher extent reaching the CEO position than the corresponding managers in family-owned firms. Another finding they came up with was that comparing managers in both non-family firms and family firms showed that the
managers of CEOs are much quicker in family firms (Salvato et al., 2012, p. 207). The study also showed that managerial proficiency seems to triumph nepotism in family firms and not the opposite as existent literature about the matter seem to state (Salvato et al., 2012, p. 221).

One other author claims that nepotism is commonly used in family firms as a way to pass the torch on to the next generation in the family, in other words, passing the leadership on to your children. Nepotism can be seen as discriminating to non-family members and some studies have even showed that it can be harmful not only to society but also to the company as such. (Jaskiewicz et al., 2013, p. 121)

In the review of the book about nepotism in organizations, it is mentioned, before the author writes that the focus in the chapter is nepotism and leadership, is that family-owned businesses have a higher tendency to be better workplaces than non-family businesses and that the level of employee loyalty and trust is higher. The leaders for these family businesses often have a high motivation coming from wanting to watch out for the family legacy and to make sure that their future generations will benefit from the company. (Corarelli, 2012, p. 789)

Another view on nepotism in companies came from Vinton’s study where she emphasizes that nepotism is commonly used in start-ups and in companies having cash flow problems, and thus hire relatives with the intention to pay them low salaries or have them volunteer to help the company get back on track again. (Vinton, 1998, p. 300)

However, this only tangent the subject of matter in this thesis since the focus is not to explore what measurement companies take in order to survive a recession or to see how they keep cost down during start-ups, but rather to explore nepotism for recruitment of more permanent employees.

2.5.1 Reciprocal nepotism and entitlement nepotism
Two types of nepotism have been identified; reciprocal- and entitlement nepotism (Jaskiewicz et al., 2013, p. 122). Reciprocal nepotism is based on three family conditions (interdependence, norms that supports obligations to family members and extent of exchanges), which together can lead to increased social exchange between the family members in the family firms. Jaskiewicz et al. (2013, p. 122) states that family exchange relationship is more likely to be long lasting and stable compared to non-family relationships. Entitlement nepotism on the other hand can lead to limited social exchange between family members due to the lack of considerations of family conditions. This type of nepotism can possibly lead to that the firm hires members of the family that can be harmful to the family business or members that are not benefitting the firm as a whole (Jaskiewicz et al., 2013, p. 122).

As mentioned before in the theoretical frame of reference, under the category positive and negative aspects of nepotism, some studies made on family-owned businesses showed that there are some positive and negative aspects of nepotism in organizations. The positive aspects are mainly that it is an easy way to find employees who are dedicated to the company, it cultivates positive family environment that can help increase the morale and job satisfaction for all workers at the firm, and also that it permits the company to choose from the entire pool of potential employees, and by this
not excluding the people due to kinship. The negative aspects in the same study showed that nepotism might put the “nepot” in the situation where he/she is unsure about whether he/she got the job due to merits or kinship. Nepotism could also allow bringing family matters and problems into the organization, such as rivalry between siblings over managerial succession. The last aspect they brought up was that nepotism could lower the morale for other people working in the company, and also that a feeling of injustice occurs regarding promotions and rewards. (Hayajenh et al., 1994, p. 61)

2.5.2 Intergenerational transfer

Intergenerational transfer in the context of nepotism is the actual transfer of ownership between generations in the family. It could also refer to when self-employed parents pass on experiences of managerial human capital, industry-specific knowledge or general work experience to the next generation. (Gevrek et al., 2009, p. 582)

Previous studies have showed that a correlation exists between students whose parents own a business and their grades in school, which these students tend to put lower effort in college if they expect a position in the family business after graduation. If it is the case that a company, through nepotism, hires relatives whom put lower effort into college than the ordinary student, they employs a lower level of human capital, thus are placing the company in a less competitive position than non-family businesses and can by that weaken the success and general health of the business as a whole. (Gevrek et al., 2009, p. 582)

2.6 Criticism of sources

A critical view of the articles we have used is the fact that some researcher most likely had other objectives in their studies than what we seek to achieve in this research. The information retrieved from the literature sources could be taken out of context in some cases and therefore affect interpretations of the previous findings that affect our comparisons with our findings. It is therefore crucial that when referencing to facts in the previous research that it is not taken entirely out of context so that facts are not misinterpreted in our discussion of this study.

Apart from finding relevant theories from earlier research, it is also important to be critical against the analysis and findings of other researchers. The evaluation and interpretation is a crucial part of finding accurate and relevant sources for the study that is to be conducted.

The majority of theories used in the review were found in academic articles written by several authors scattered around the world. What we noticed was that there is limited literature written and studies conducted concerning the concept of nepotism. The literature found focused mainly on attitudes towards nepotism from different perspectives and different factors involved. However, what we managed to do was to locate studies, which referred back to one and other. In other words the relevant research we found all in some extent used each other’s studies as reference, which made it easy for us as readers to connect them together and find common denominators and theories throughout the search.

As mentioned above, the authors are scattered around the world and so are the years of publication of the studies. The articles are scattered from as long ago as 1984 to as
recent as 2013. Bierman and Fisher conducted one of the first studies conducted on the concept of nepotism in 1984. We found that almost every article read on the subject had a reference to the study in 1984 and thereby argue that they made the ground for research on the concept of nepotism. However, one can ask how fundamental their research is to our research.

Bierman and Fisher (1984) focus on anti-nepotism rules applied to spouses in America during that time the article was published, which is 14 years ago from this point. They also conduct the research from an American point of view, referring to American standards and legal aspects, which is less relevant for us when we do our research in Sweden. However, the authors laid the foundation for views on business rationales and human resource policies concerning nepotism.

Vinton (1998) is as well a well-cited author found in the scarce field of literature found on nepotism. Worth to mention is that references to Bierman and Fisher were frequently found in Vinton’s interdisciplinary model. Many of the authors from recent years that we also viewed used Vinton’s study. As well the study made in the Arab world by Hayajenh et al. (1994) was well-cited and compared with during latter studies. Their study copes to a larger extent to what we aim to research in the northern Sweden, even though the Arab world and Sweden can be very different from a general perspective.

However, what we noticed in our literature review was that largely all previous research used a quantitative approach in order to collect data for their study, while plan to use a qualitative approach to study our subject. This may affect the way we interpret the theories from previous research because of the different ways of data collection and way of interpretations of the findings.

3. Methodology

This chapter intends to give an insight on how this research is designed and what underlying viewpoints forms the base to how the research question and objectives are to be answered. Furthermore, in this part of the thesis one can read about the theoretical and practical methodology that was used when conducting this study.

3.1 Pre-understandings

Nepotism is a relatively unexplored subject and there is not much existing literature or studies conducted on it. In Sweden nepotism and cronyism are terms that most people choose not to discuss. We believe that one of the reasons for why the subject of nepotism is so controversial and quieted down could be the fact that Sweden is one of the leading countries regarding equality in society, and companies does not want to be associated with a reputation of discrimination of any form (Lincoln, 2014).

3.2 Research design

3.2.1 Research philosophies

A paradigm when it comes to research is basically how a social phenomenon can be examined and how these phenomena can be understood and explained (Saunders, Lewis & Thornhill, 2012, p. 140, 163). Interpretivism is the research paradigm that is mainly related to our study and to qualitative research, and concerns how humans tend to make sense of the world.
3.2.1.1 Ontological considerations
Saunders et al. (2012, p. 130) describes ontology as a research philosophy that relates the researcher’s view on the nature of reality to the research. Since the objective of this study is to measure and explore the subjective meanings of the interviewee’s nature of reality, the ontological stand in this research is subjectivism (Saunders et al., 2012, pp. 131-132). When conducting a study with a subjectivism standpoint, the researcher’s job is to explore and understand the participant’s perceptions and interpretations of a certain subject and thereafter attempt to explain the social phenomenon that is being found. In this case our objective is to find the subjective meanings and perceptions our participants have on the concept of nepotism.

3.2.1.2 Epistemological considerations
A research’s epistemology relates to what kind of knowledge that is being considered as acceptable knowledge in the specific field of study (Saunders et al., 2012, pp. 133-134). Like mentioned before we intend to study the subjective meanings and perceptions in this research, thus interpretivism is the epistemological considerations that is related to this study. We have to accept the knowledge of the participants as acceptable knowledge in order for us to understand and learn about their actions and behavior as social beings. When conducting this study the interviewees’ answers will be regarded as acceptable knowledge to our understanding and thus help us to explain the perception of nepotism in small and medium sized companies in northern Sweden.

3.2.2 Research approach
Saunders et al. (2012, pp. 143-148) writes that there are two main approaches of research, and they are called deduction and induction. Having a deductive approach means that you start with one or several theories, often derived from reading academic literature, and thereafter designs a research strategy with aim to verify or falsify this theory. Moreover, with the inductive approach the data in the study are collected first to explore a phenomenon and by this you aim to generate or build theory, usually in form of a conceptual framework. However, sometimes it is impossible to place your study in either of the two categories, thus a third one called the abductive approach have emerged, which can be seen as a mix between deductive and inductive.

In this study we are using the abductive approach, where we are collecting the data to explore a social phenomenon, explain patterns and identify themes in order to generate a new or modify already existing theory. By starting with reviewing the existing literature we set a ground of theories for our study, and from that generate what is in need for additional studies. After the literature search, the data is collected and with help from the participant’s answers analyzed with already existing theories we seek to understand this phenomenon and develop a theory on the subject, suited to the area the research is conducted.

3.2.3 Research strategies
The research strategy for this study is case study, meaning that we aim to explore the research topic within its context by interviewing participants at different companies and thus get a deep understanding of how the participants perceive nepotism (Saunders et al., 2012, pp. 179-180).

Moreover, the interviews with the participants were seen as single cases that were explored individually and thereafter compared with each other against already existing theories to obtain a rich understanding about the topic. Because of the time constraint
the interviews were held in a short time horizon, and the study can be seen as a cross-sectional study (Saunders et al., 2012, p. 190). Since it is a cross-sectional study we are exploring the topic in question during a particular time, thus the result cannot be generalized is the same extent as it could have if we were conducting a longitudinal study.

3.2.4 The nature of the research design
The nature of the research design in this study is that it is an exploratory study where open questions and flexibility helped to explore the topic of interest. The wish was to explore the subject and get a deeper understanding of how nepotism is perceived by our participants at the different companies. By having an interpretive data collection technique and semi-structured interviews we were able to conduct this explorative study.

Like mentioned earlier the flexibility in this study is important, and by conducting an exploratory study we were allowed using this level of flexibility and thus the level of exploration was higher compared to if the study was more structured and did not allow any changes during the process.

3.3 Characteristics
The data-collecting technique in this research was interpretive, thus a smaller sample of 10 companies and participants was selected for in-depth investigations. The selected type of interviews to obtain the qualitative data was semi-structured interviews. This type of interviews allowed us to have a structured interview guide with specific questions asked to all interviewees, and at the same time leave space for additional questions that arose during the actual interviews that varied depending on each participant.

The questions used in the interview guide was designed as mainly open questions where the interviewees were allowed to describe and define situations or events in an extensive way to give us a deeper understanding of their opinions and attitude about the questions in matter. For us to be able to be flexible and also explore the subject at the highest extent as possible we also used probing questions, meaning that we from their responses, which were of high significance for the research topic, could ask additional questions that were not included in the interview guide. During the interviews we noticed that some of our questions were too complicated and thus we had to remove them, we also discovered interesting topics brought up by the participants which were added to the interview guide in between the interviews. The interview guide was modified on several occasions during our study. (Saunders et al., 2012, pp. 391-392)

The interviews were held face-to-face and are thus classified as non-standardized interviews (Saunders et al., 2012, p. 375). The reason for us choosing to conduct face-to-face interviews was mainly because of the fact that it is a smaller risk of misunderstandings or misinterpretations of both the subject and the questions. We also believe that the accuracy of the answers is higher when the persons we interview can meet the persons who are interviewing, as well build a sense of trust. Overall, the interviews are more personal conducted face-to-face and it is easier to get the deep understanding we are looking for when we are able to see the participants when they are answering the questions, compared to if the interviews was held over the telephone or by email.
The interviews were held in Swedish and at the location that suited the participants the best, which in all cases was at their office at their respective companies. We wanted them to feel as secure and comfortable as possible and this was the main reason for why we let them choose the location, and not us. Another reason for us letting the participant choosing where the interviews should be held was because we did not want to bother them with using more of their time than necessary, but rather we were grateful that they wanted to participate and understood that they are all busy with their own tasks and we wanted to respect that.

Moreover, in order for us to stay as focused as possible we recorded the interviews. This allowed us to carefully listen and ask follow up questions on what each participant emphasized. A notebook was also used as a complimentary supply in order to write down especially important factors that were brought up.

3.4 Sampling

3.4.1 Procedure

The method that we used in order to select our samples, in other words our managers, was through purposive sampling, a non-probability sampling (Saunders et al., 2012, p. 287). The reason for choosing purposive sampling is based on the fact that we have a small sample of only 10 participants, the fact that we seek to conduct a comparison between medium and large companies and was seeking to get in contact with HR managers.

Purposive sampling is most commonly used when you modify your sampling in order to meet the objectives of your study and answer the research question, also known as judgmental sampling. In addition, as we mentioned in our limitations is that we do not seek to statistically represent the overall attitude among managers in northern Sweden and less likely Sweden, which also characterize a purposive sampling. The factor that we aimed to get HR managers as a first choice for our study also justifies our choice of sampling, since we used our judgment that HR managers are those employees who are considered be the most likely informative people on subject. (Saunders et al., 2012, p. 287)

In order to find our sample for this study, we used the database Retriever business. We limited our search to companies within two counties in the northern part of Sweden, namely Västerbotten and Västernorrland. In order to find what we denoted as medium and large companies, we decided to filter the search to number of employees since we noticed that filtering based on turnovers would be to big of a constraint in this area. We decided to separate the company sizes by placing a limit of a maximum of 49 employees on the medium-sized companies and a limit of minimum of 49 employees on the large companies.

The next step in the sampling process after finding the companies that suited our objectives was to make phone calls and make appointments. As mentioned earlier, we aimed to find HR managers to perform our interviews on, therefore when we contacted the companies, we asked specifically for the HR managers or the employee in charge of the recruitment process at their company. As mentioned before, the reason for having
other managers participating than HR managers was due to lack of a specific HR managers at the medium-sized companies, therefore we decided to contact the executive managers or site managers if the case was that they participated in the recruitment process.

3.4.2 Participants

All of the participants are anonymous in this study due to scattered opinions on whether or not they wanted to participate with name and company name in the study, therefore in order to have a consistent pattern in the analysis all managers are denoted with codes.

The managers chosen to participate in this exploratory research had either the title as HR manager, executive manager or site manager at the company where they were employed. As mentioned earlier, the main reason for the spread of managers was due to the difference in company size. The companies denoted as medium-sized companies did not have a specific human resource management that handled the recruitment process at the company and therefore the most relevant manager became the executive manager or site manager.

They were 10 managers that participated and all of them were operating in different industries. The industries in this study consisted of managers in the research and development-, innovation-, forestry-, retail-, energy-, paper-, production-, metal- and optic industry. Three of the companies are acknowledged as family-owned businesses whereas the rest as non-family businesses. We also decided to find an equal spread on medium and large companies and got five medium and five large companies.

Furthermore, the interview sessions lasted approximately 15-45 minutes per manager, were performed face-to-face and took place in the managers own work environment.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Industry</th>
<th>Company size</th>
<th>Interview type</th>
<th>Time</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1</td>
<td>Executive manager</td>
<td>Research and Development</td>
<td>Medium</td>
<td>Face-to-face</td>
<td>25 min</td>
<td>22-04-14</td>
</tr>
<tr>
<td>M2</td>
<td>Site manager</td>
<td>Retail</td>
<td>Medium</td>
<td>Face-to-face</td>
<td>15 min</td>
<td>23-04-14</td>
</tr>
<tr>
<td>M3</td>
<td>HR manager</td>
<td>Production</td>
<td>Large</td>
<td>Face-to-face</td>
<td>44 min</td>
<td>24-04-14</td>
</tr>
<tr>
<td>M4</td>
<td>Executive manager</td>
<td>Forestry</td>
<td>Medium</td>
<td>Face-to-face</td>
<td>40 min</td>
<td>24-04-14</td>
</tr>
<tr>
<td>M5</td>
<td>HR manager</td>
<td>Production</td>
<td>Large</td>
<td>Face-to-face</td>
<td>35 min</td>
<td>25-04-14</td>
</tr>
<tr>
<td>M6</td>
<td>HR manager</td>
<td>Paper</td>
<td>Large</td>
<td>Face-to-face</td>
<td>35 min</td>
<td>28-04-14</td>
</tr>
<tr>
<td>M7</td>
<td>HR manager</td>
<td>Energy</td>
<td>Large</td>
<td>Face-to-face</td>
<td>22 min</td>
<td>06-05-14</td>
</tr>
<tr>
<td>M8</td>
<td>Executive manager</td>
<td>Optics</td>
<td>Medium</td>
<td>Face-to-face</td>
<td>29 min</td>
<td>06-05-14</td>
</tr>
<tr>
<td>M9</td>
<td>HR manager</td>
<td>Metal</td>
<td>Large</td>
<td>Face-to-face</td>
<td>29 min</td>
<td>22-04-14</td>
</tr>
<tr>
<td>M10</td>
<td>Executive manager</td>
<td>Innovation</td>
<td>Medium</td>
<td>Face-to-face</td>
<td>41 min</td>
<td>12-05-14</td>
</tr>
</tbody>
</table>

Table 2. Participants
3.5 Data analysis

3.5.1 Analytic approach
The analytical approach we had in this research is referred to as template analysis, which is an approach that allows for a flexible way of analyzing and using codes and it combines both an inductive and deductive approach to the analysis that is suiting for our abductive research approach in the study as a whole. When using template analysis the researcher identifies and explores essential themes, relationships and patterns that are then categorized into codes. (Saunders et al, 2012, pp. 572-574)

3.5.2 The analysis’ three components of activity flow
Miles & Huberman (1994, pp. 10-11) describes that the analytic process can be divided into three component of activity flows; data reduction, data display and conclusion drawing and verification. The first one, data reduction, largely includes the simplification and focusing of the collected data that comes from the transcripts and field notes. The second one, data display, refers to the part in which one organizes the data into summarizing tablet or other visual displays that helps us as researcher and also the reader to grasp the findings in a simpler way. The last and third component of flow activities in the analytical process, conclusion drawing and verification is the activity where you aim to use these data reduction and data display in order to verify and conclude what the finding from the data collection showed.

![Diagram of data analysis process]

Figure 1. Adoption from Miles and Hubermans: Components of data analysis: interactive model

In our study, after conducting the actual interviews we had to prepare the data in order for us to be able to analyze it. Since not everything in the interviews is of value to this research we transcribed the sections of the interviews that was relevant for the study and suited our objectives. Things like their background knowledge of the concept nepotism, and miscellaneous other things that were outside the research area were seen as less
important and thus selected away when transcribing. This saved us time in the research process and thus we were allowed to focus more on what was important for this specific study. The summaries from the transcripts were used as the foundation to our analysis. This could be seen as the first activity of analysis, the *data reduction*. (Saunders et al., 2012, pp. 551-554)

Something important to notice for the reader is that the interviews were held in Swedish, thus the transcripts were also transcribed in Swedish, therefore in order to conduct the analysis a translation had to be made.

3.5.3 Codes and coding
When analyzing the data it is important to understand that you have to restrict yourself and use your research question and objectives as a measurement of preventing overload. The analysis, as for the observation is a selective process and one have to be aware that it is impossible to include analyze everything found in the data collection. In order for us to limit our empirical study and analysis we chose to focus on the aspects of nepotism mentioned by more than one interviewee, and also to use what felt relevant for our research question and objectives. (Miles et al., 1994, pp. 55-56)

Like mentioned before we focused on the aspects of nepotism mentioned by more than one interviewee and created codes from these. The codes we found are shown in the thesis as phrases of words, sentences that we felt represented the *meaning* and perception of our participants (Miles et al., 1994, p. 56).

For the reader to get a clear view on general opinions and perception the participants have on the subject we chose to make a table, in which we quantified our qualitative data by showing how many participants mentioned each code (Saunders et al., 2012, p. 563). This also gives an overview on what key subjects that was mentioned by most participants. This quantifying of the data can be seen as the component of *data display* in our analytical process.

3.5.4 Discussion and conclusion
The last step of analyzing the collected data consisted of connecting the findings back to the previous literature stated in the *literature review* and also discussing the emphasized themes and patterns. Hence, this is the last component of analysis activity Miles & Huberman writes about, the *conclusion drawing and verification* (1994, pp. 10-11).

3.6 Ethical considerations and access gain
Research ethics and access are two highly important factors to consider for the success of a research project (Saunders et al., 2012, p. 208). Consequently, one has to localize the ethical concerns that might arise for the specific topic and research and that is being conducted and realize how to minimize the risk of acting unethically. Moreover, when it comes to access it is important to understand and make a plan of how to gain access in best possible way. The researchers ability to gain access is dependent on finding the appropriate source or sources, which in turn is dependent on your research question, -design and –objectives (Saunders et al., 2012, p. 210).

This study was formally concerned with traditional access, which during our interviews. Regarding the traditional access, there are different levels of access starting with the
first, *physical access*. In our case this relates to us being allowed the access of our participants or companies time in order to conduct the actual interviews. One other physical access concerns our *gatekeeper’s*, or supervisor’s decision on whether we could undertake the study in question or not.

Furthermore, in order to collect the data necessary one also has to gain personal entry to the participant organizations. Two other concepts important to take into consideration are *feasibility* and *sufficiency*. These two regards the extent that it is possible to make your proposal of access gain feasible and also if the negotiated access is sufficient enough in order to achieve the goals of your research project. (Saunders et al., 2012, p. 212)

Except for physical access there are the two other levels of traditional access; *continuing access* and *cognitive access*, which concerns that access is a continuing process that might be sought more than once, and also that the ones in the companies you wish to collect data from are not the ones you primarily intended to collect it from.

Because we are external researchers, all the levels described above relates to our study.

In order for us to gain the access we need there were several types of strategies we could use. Since the topic of nepotism is quite controversial, *overcoming organizational concerns about granting access* is one strategy we focused on. The sensitivity of the subject made us choose to not fully explain to our participants right away when we called them what the interview would focus on, but instead we told them that we was conducting a study on recruitment and then e-mailed them a more specific description on the focus of the study. However, the participants were aware that they could decline whenever they wanted to. The reason for us having this type of approach when contacting the potential participants was mainly because we realized that it was to hard to get interviews otherwise, as soon as they heard the word nepotism or recruitment by kinship they told us they were not willing to participate. Since we are not conducting this study in order to make companies look bad, but rather to explore the opinions and perception about the subject from the viewpoint of people handling recruitment questions at different companies, we believed that this was the best way to grant the first access with the companies by arranging interviews. This also relates to the strategy of *developing access incrementally*. (Saunders et al., 2012, pp. 223, 225)

Moreover, we tried to be clear with our participants that the interviews were going to be around 30 minutes to one hour, since time is also an important aspect when trying to gain access. People are in general busy with their ordinary work and are thus more likely to cooperate if they know how much of their time we will take doing the interviews. Because of the controversial subject of nepotism, we put focus on the anonymity and confidentiality of our participant and ensured them that it was their choice if they wanted to be named or not in the thesis.

Two other strategies we used in order to gain access was *using suitable language* and *establishing your credibility* (Saunders et al., 2012, pp. 224-225). We used a suitable language for the research topic that we customized for the participant in order to gain as much access as possible at an individual level. The interviews were held in Swedish for several reasons, but mainly because it is the native language of all of our participants and we wanted them to be as comfortable as possible during the actual interviews. To
establish credibility we tried to be as clear as possible about the research by sending them detailed e-mails on the content of the interviews and also explain the objectives and goals of the research for them in the beginning of the interviews.

Like mentioned before, ethical concerns are really important and crucial to have in mind when conducting a research, and they can arise during all of the stages in the research process (Saunders et al., 2012, p. 236). There are certain ethical principles one could consider when conducting a study like this (Saunders et al., 2012, p. 231). One thing that is really important is to stay objective as a researcher, and this is something we have thought about when developing the interview guide so that we did not angle the questions in any direction, and this in order to get the interviewees subjective meanings. Because of the sensitivity of the subject of nepotism, other ethical principles crucial for this study are privacy of those taking part and ensuring confidentiality of data and maintenance of anonymity of those taking part. We wanted them to feel secure and have trust in us as researchers and by this be able to access their meanings and perceptions at best possible way. Moreover, we aimed to create a calm and trusting environment during the interviews by letting the participants take as much time as needed to answer the questions, and not pressuring them to answer things they did not want to answer. As mentioned earlier, we let the participant choose the location for the interviews because we believe that this helped them to feel secure and by this we could reach for their deeper subjective understandings and also help prevent misunderstandings and equivalent other possible risks related to non-personal interviews.

Furthermore, like mentioned before, one of our strategies used in order to be granted access was overcoming organizational concerns about granting access, and this is also related to the ethical principle of Informed consent of those taking part, meaning that it is important to make the participant aware of the content of the interviews so that they know what information and meanings we are expecting them to deliver. We believe that by sending an email in advance stating more detailed information about the topic and also describing their rights to be anonymous was a good way to address this ethical principle. (Saunders et al., 2012, p. 231)

Because we ensured the anonymity of our participants and their companies, we also took the ethical principle of Responsibility in the analysis of data and reporting of findings into consideration (Saunders et al., 2012, p. 232). We had to make sure that we respected their privacy throughout the whole research and this was something highly important for us as researchers.

3.7 Assumptions

Since we were not able to interview every HR-, executive or site manager in Västerbotten and Västernorrland, a sample had to be chosen as primary research subjects. Therefore, one assumption that is important for this study, even though we mentioned before that this research will not statistically represent manager’s perception of nepotism in northern Sweden, these managers are assumed to be fair representation of how managers tend to perceive the concept of nepotism. Additionally, assume that these managers gave accurate and truthful responses during the interviews.
4. Empirical study
In this section the findings from the interviews are presented. The findings are categorized into different codes with the most essential meanings our participants had on the subject of nepotism. In the end of this chapter a comparison was made between the managers at the medium sized companies and the managers at the large sized companies.

4.1 Factors to why we use nepotism

One of the fundamental questions in our interview was what the managers’ thought were factors that affect the decision to why they and other companies use nepotism when they recruit new employees. The main factor that the managers’ thought was the cause of nepotism was mainly because of the simplicity and they compared nepotism to a shortcut in the recruitment process. Additionally, factors like similarities with employed parents and good references from relatives were frequently mentioned as being the cause of nepotism being used.

4.1.1 The simple and fast shortcut

M9, a manager at a medium company, is one of the managers that mentioned that nepotism could be explained as a shortcut for those who choose to use it. He believes that a company who uses nepotism in their recruitment process is unable to see the importance of a valuable investment in the long run. However, he express that when it comes to recruiting people for summer jobs, the company where he works does not put as much effort in the recruitment process and the risk of nepotism in the recruitment process becomes more visible and not impossible that it has occurred. Moreover, an example that he mentioned was that, when you browse through a great amount of applications and you notice a name that is recognized, it is most likely that you take a closer look at that application for that reason and indirect give this applicant an advantage by at least taking a closer look. While an unknown applicant among a great amount of application will more likely be put aside in the first screening. A reason for this M9 expressed:

You try to be professional, but it is difficult.
We are after all only humans and we act on emotions.

However, this manager made it very clear that his personal fundamental point of view was that it is still not acceptable to use a nepotistic view in the recruitment process.

The HR manager working at a medium company stated that if she would highlight anything positive about the concept of nepotism it would be the efficiency it provides in some recruitment processes. Especially in this company’s case when looking at vacant positions at the manufacturing department in times when they need someone to rapidly substitute the needed position, it happens that they recruit a relative or someone that was recommended that had a social relationship with an existing employee in order to streamline the recruitment process. However, she states that her job is to prevent these kinds of recruitments, disrupt and question them if recruitments are not in accordance with the company’s guidelines and qualification requirements where she is employed.

Moreover, manager M3 at a medium company did as well state that he believes that from a general perspective, nepotism is perceived as an easy solution and is less time
consuming for companies that choose that procedure. The recruitment process is time consuming and therefore requires a lot of time and resources that maybe can be avoided if a company uses a nepotistic recruitment process. A simplified description of the recruitment process would include interviews, phone calls and examinations, which take time, especially if you are a large company.

The manager, denoted M2 at a small retail company, said that it could be perceived as comfortable and simple to use a nepotistic recruitment process. This manager mentioned that especially in their industry and at their company, it is difficult to find someone that suits their needs. Therefore, it was usually easier to spread the vacant position among their own social networks, even though they did advertise the vacant position.

Manager M7’s, who is working at a medium company, general opinion is that has to do with simplicity and says that she can understand that it can be perceived as comfortable as well. She believes that the fact that you have some kind of background information about a person if the applicant is known by someone at the company and thereby makes it easy to access information which makes the evaluation during the recruitment process easier.

Furthermore, manager M8 at company a small company did as well mention the word comfort when he was asked what possible factors that could explain why nepotism is used. However M8’s opinion was that it was rather the comfort of hiring an employee’s son or daughter seen from a reference perspective rather than from the fact that they were related to an employee at the company. Furthermore, just as M8, other managers tended to highlight the concept of references that is the next factor that will be focused on.

4.1.2 An easy access to references
M1, mentioned that a parent that is employed at the company where their child is an applicant for a job is eligible as a reference and quality security, possible in that case where you apply for work for the first time and have no other previous experience and references. Though, he stated that as a recruiter you might not ask about the son or daughter’s personality, rather keep that parent as a security and incentive in order to make sure that the relative performs well. He believes that from the security and incentive perspective you might rather hire the one that is known rather than the unknown applicant.

Furthermore, M3 also touches the concept of the parent as a reference. He believed that if you recommend someone, that hopefully your intention as a reference is that it will work in the long run and you would want to avoid recommend someone who would not. As a parent and reference to your relatives you put yourself at risk as well, and for that reason he believes that it can be an advantage with relatives as references.

A question about why certain companies ask an applicant if they know someone at the company or have a relative working there, M9 responded that at the company where he is employed, that it is mainly used out of a reference perspective rather than evaluating if they have a relative or not employed at the company that can advantage the applicant in the recruitment process.
4.1.3 Summer jobs and tasks with low requirement of competence
When the managers were asked if they have been favored by nepotism, four of the
managers could say that they have been, however only either at their first job or for a
summer job at an early age. It was also more common that it was jobs that required little
or low competence and no special qualifications needed.

M1 expressed that there are jobs where you simply need relevant qualifications in order
to handle the assignments you are expected to handle, for instance as an accountant you
need competence related to accounting in order to do your job accurate. Therefore he
states that nepotism is most likely only used while recruiting workers for work
assignments where there are no fundamental qualifications needed, in other words jobs
with low requirements of competence where you are able to learn your tasks relatively
quick. He also mentioned that they do not hire people for summer jobs at the moment
due to the much complicated processes and assignments that they have. However when
he reflects about the thought of summer workers in the future, he states that if that time
comes and they need summer workers it would not be unreasonable to hire the children
of the employees as a form of employee benefit or gratification. The topic about
employee benefits is the next frequently mentioned topic among our interviewees.

M7 mentioned that there have been times before where they used nepotism and hired
employee’s children for simpler assignments such as mowing lawns, paintwork, sorting
paperwork and maintenance of flowerbeds, but now they conduct raffles in order to
recruit people for those jobs after some critics from the community. However they do
not apply nepotism for summer works that require a certain qualification, such as
electricians that works with powerlines.

4.1.4 Employee benefits
Both M6 and M1, mentioned the concept of employee benefits as an incentive for
nepotism. The concept of favoring and being helpful to an employee by consider or
favor their son or daughter in the recruitment process, which it could be a reason for
why it occurs.

4.1.5 Similarities between parents and their children
M9 recognize that what he decides to denote “the lazy employer” most likely assumes
that if the employee is an ambitious and reliable worker and have a good reputation,
their son or daughter will probably have similar qualities as their parents. Therefore, the
lazy employer believes that it is a safe recruitment without thinking further or performs
any additional examinations of the son or daughter that applies for the job.

Another manager, M6, also gave the example of when she was able to take advantage of
her father’s good reputation in the community at a younger age. She believes that if
one’s mother, father or any other social contact has a good reputation and is well-known
in the community, it is most likely an advantage when you apply for jobs in that
community.

M5 also felt that his father’s good reputation gave him advantages when he first applied
for jobs. However, he states that he did not feel like he got the job because of his
father’s reputation or recommendation, rather got the chance and thereafter prove for
himself that he suited for the job.
M3, a manager working at one of the medium-sized companies that participated, mentioned that a mistake that often occur during a nepotistic recruitment, is that you associate the applicant, in this case the child of an employee at the company, with the one parent employed at the company who has appreciated qualities, but forget to consider the other parent with unknown qualities. The applicant can most likely also have qualities that are not similar with the parent you base the impression on and possible to harm the employment instead. He states that it is easy to simply assume that the child of an employee inherited their good qualities without further considering other factors that affects a personality.

Additionally, one of the anonymous managers stated the idiom:

If you know that the parent is an ambitious employee, you believe that the apple does not fall far away from the tree.

4.2 Manager – subordinate relationship

These opinions derived from a question about how the managers perceived a situation where a supervisor or manager and its subordinate were related, how they would handle similar situations at their company and if they had any rules or a policy against it.

M3 who works at one of the medium-sized companies participated in this study, highlighted the importance of having a conversation about situations where a manager–subordinate relationship can occur. He states that it is important to not be afraid of having a discussion that touch upon problems that might occur if a subordinate is hired under his or hers relative. There are decisions regarding for instance salary that needs to be handled professionally, as M3 describes it. This manager also had the opinion that if the situation was not handled professionally, other employees at the company might interpret the employment as incorrectly and unjustified, which could cause a bad work environment. However, neither the company nor the manager himself believes that it would be possible to restrict kinship among their employees, neither in the case of a manager–subordinate relationship. He believes that the most important aspects when it comes to these kinds of complication are to have a professional discussion about it.

Another manager shortly stated that he considers it to be acceptable to have a relative as a supervisor with the requirement that the employee is considered to be a good supervisor.

M4, a manager that works for a small company explained that he did not from a moral point of view reckon that a manager–subordinate relationship in a company was a healthy solution. However he believed that it was up to the relatives that were affected by the situation to handle it professionally and be willing to accept it for the arrangement to function in the long-run.

Even though the majority of all managers that participated stated that you should not only focus on the kinship when it came to the manager–subordinate conflict, rather perform an evaluation on how well the individuals would handle the potential situation, their opinion was that they tried to avoid those arrangements within their companies.
One manager for instance expressed that:

*We do have a few examples where there are both wives, sons, brothers and sisters that have a manager – subordinate relationship at the company, but we try to avoid it if it is possible.*

### 4.3 Main priority should be qualifications and competence

This subject was a result from many of the questions asked to the managers. The majority of all managers tended to finish their opinions with the importance of qualifications and competence rather than kinship only, regardless if the question was about positive or negative associations with nepotism, the company’s recruitment policy or if it was possible that the concept of nepotism could be justified by factors like size and location.

#### 4.3.1 Right “man” for the job

Practically our managers that participated highlighted the importance of having a relevant education or experience in order for them to hire an applicant. The majority of the company that we visited was in need of engineers and therefore valued applicants that studied engineering in high school or at university level. However, M6 also did express that there were situations where someone with an irrelevant education from the bottom, such as a florist, who got an opportunity in an early age to work with something that is fundamentally suited for an engineer during summers, but now is considered to be one of the more experienced summer workers and therefore consider the right person for the job even without an education in engineering.

M3 stated that they have relatives working at their organization, however because they consider these family members to be the right persons for the job from the beginning. He also had an opinion and speculation, that children often look up to their parents and in this case their field of work, thereby it is most likely that they also choose an education similar to their parents and thereafter also apply for a job where there parents work. Most often because the want to continue to live in the specific community and if it is small there are not that many options to choose from, therefore they are considered the right person for the job in the end.

M3’s and most certain his company’s philosophy was that it should be the right person at the right position, and if there is some kind of kinship between the right person and another employee at the company is irrelevant, that should not be the focus. The focus should be on the applicant’s competence and if he or she is the right person for the job. However, he also recognizes that it can be more difficult to hire relatives at supervisor or manager positions, and what he said was:

*It is reasonable that hiring a relative at a high-level position is most likely to be more questioned within the organization, and it is natural that employees will wonder under which conditions this relative was hired, if it was because family ties or similar. Therefore it is important to be professional and be able to state why this person was hired and why he or she was the right person for the job and be able to be confident about it.*
4.3.2 Risk of disadvantage against relatives

A situation that the managers put emphasis on was the risk that the negative attitude against nepotism could also have a negative effect on relatives. They said that the risk of having a too negative attitude towards nepotism could disadvantage relatives who actually had the right competence and education and who was the right person for the job. The risk of limiting the recruitment of relatives could cause that the company missed out on important competence for the company in the long run.

M9 gave the example that, if your mother or father worked as an electrician at their company and you are an electrician as well, and apply for a job at the same department it should not become an disadvantage that one of your parents work their during the evaluation. M6 basically brought up the same situation and added that this relative can have the right education and in fact be the right person the company is looking for and thereby it is not reasonable to not consider the applicant due to family ties.

One manager stated that she has experienced when one applicant got disfavored by having a relative at the company and that when anti-nepotism rules has that affect, it is not positive either. She says that if an applicant who has family ties on the company, it is not reasonable to ignore that competence only because of that reason.

M3, a manager at one of the medium-sized companies had the opinion that their company saw difficulties in limiting the possibility of working at their company because of their size and where they are positioned at the market at this moment. He stated that by limiting relatives they might miss out on important competence, which is important for the company’s survival in the long run.

M10, one of the managers working at an innovation company, said that one particular situation where a son or daughter could be disfavored by having family ties at the company, especially when being the child of a high-level manager, was when:

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[...] if you were my daughter and I was the executive manager, and you were walking into the coffee room where other colleagues are sitting and talking negative about the executive manager and when they notice that you are walking in they stop talking. This will most likely result in that you might be excluded from the group.
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4.4 Recruitment valuation and risk

4.4.1 Risk and cost

One theme some participants put emphasis on during the interviews was the risk of recruiting the wrong person, and especially how much that would cost for the company. This made us modify the interview guide with questions regarding how companies value recruitments and what they considered to be the risk when recruiting. Furthermore we asked them about whether they felt a greater risk hiring someone they know, through nepotism, or hiring someone they do not know.
4.4.2 More security when hiring people one know

The executive manager at a forestry company, M4, believed that for a relatively small company as the company where he worked, they were facing more risk when hiring a new employee compared to larger companies due to the fact that they are hiring more people and thus they can afford if some of those recruitments are bad. He stated that the company size has an impact on the selection of people to hire and that the risk is greater when hiring people you do not know. The reason for this he says is that you can feel more security with the people you know compared to the fear of hiring someone you do not know anything about. Moreover, this participant believed that if you feel secure with a person in your private life you can be sure that the person in question will not let you down at the workplace, and this is something that is taken into consideration when recruiting. He gives the example of the situation when you need help from someone in your private life, you rarely ask unknown people, rather you choose someone you know and feel secure with.

During the interview M4 gave us an example of why a company should put great effort when recruiting a new employee, he said:


[[...] actually this is a number of years ago, but then I was told that one should calculate each recruitment as a one million investment. Maybe it is even more today [...]]

He also adds that because of this huge risk when recruiting people might use nepotism in order to feel more secure in the selection. This is something participant M8 agrees with, that smaller companies have to be even more certain of the person they are hiring and that by hiring someone you know you can reduce that risk. One other participant, M7 whom works as a HR manager at a medium company also mentioned the great risk of hiring the wrong person, both because of the pain it will cause and the great cost it will be for the company.

4.4.3 The risk of hiring people you know

M6, working as HR manager at a medium company in the paper industry, thinks that the risk greater when hiring someone you know mostly because that it will cost more if problems with the person occur. She believes that it will take longer time for the company to deal with the problem just because of the reason he or she has a relative, whom might be affected, to take into consideration before taking care of the problem. M6 mentioned an example of this type of delay of taking care of the problem at her company, where one summer worker was a son to an ordinary worker, and this boy did not manage his job very good, however no one told him that they were dissatisfied with him because they did not want to complicate things with his father. This resulted in a problem the next summer when this boy applied for a job there again they were unsure whether to hire him or not because of his work effort last year, but because nobody gave him any constructive critics they did not have any reason not to hire him again. This delay of taking care of problems related to nepotism is something M10 also discussed, where he believe that you would give more chances to someone you know compared to someone you do not know. He also mentions that one have to show more consideration if you hire some employees’ child, and that if problems occur it could get complicated.

4.4.4 Equally high risk hiring unknown compared to known people

Moreover, another manager, felt that it is highly individual whether the risk is greater with someone you know compared to someone you do not know. He stated that the
person who is making the recruitment proposition, for example recommending someone to the company, or if the recruitment managers themselves are hiring someone they know, are being put in a bad situation if the person in question are not living up to the expectations the company have on him/her. However, he also believes that if you feel completely sure about that you know someone who would be perfect for the position that is being advertised, it could be acceptable to recommend that person for the reason mentioned by other participants as well, the security of hiring someone that is known. In conclusion this participant meant that in some cases the risk is greater when hiring someone you know or are related to and sometimes the risk is greater employing someone unknown.

As one can notice the risk valuation and cost appreciation differ between the managers at the different companies. On one hand some believed that the risk was greater hiring people they know or relatives because of the complications that might arise when problems occur and the cost can be higher when delaying these confrontations. On the other hand some participants felt more secure and comfortable by hiring these people and thus believed that the risk was greater employing unknown people. Even though most managers felt that the risk was greater in employing the two categories, people you know and people you do not know, two participants felt that the risk valuation was individual and the risk could be high both when hiring someone you know or are related to, and when hiring someone you do not know.

4.5 Organizational factors that might justify nepotism

In order to examine some specific factors that might affect nepotism we had one section in the interview guide that related to this. One question we asked our participants was about if they believed that the location of the company had any impact on whether nepotism can be justified or not. Another questions was related to company size and from that we wanted to find out if our participants felt that the company size had any relevance in whether nepotism could be justified or not.

4.5.1 Smaller companies face greater risk when recruiting

In the section about risk valuation and cost concerning recruitments one manager mentioned that he believed that smaller companies face higher level of risk when they are recruiting than larger companies, mainly because larger companies first of all have a higher need for employing people thus hire more people and secondly because they can afford it in a higher extent than do smaller companies. Another manager also believes that larger companies can afford to makes mistakes when recruiting, and that it is easier to reassign people to other positions if they end up being not suited for the position they applied for. Furthermore, this is something M6 also talked about, that in a large company reassigning people over the divisions is a good way of solving issues with badly recruited employees. Correlated to what we mentioned in the section of Risk and Cost one of our managers, M8, expressed him self:

And of course in a small company one are from one perspective more vulnerable, and from that perspective I would do even more to be certain that I'm not making a stupid recruitment [...]

4.5.2 Ability to reassign people in larger companies

Moreover, M2 talks about that the larger the company is, the lower efficiency they have, and thus it is easier to hide. What he means by that is the in a larger company it is easier
to hire people with kinship relations or other relations of significance and if these
recruitments are bad it does not affect the company the same way as it would if the
company was smaller. This could be connected to what M6 and M9 talks about when it
comes to the ability for a larger company to reassign people who did not work out the
way they hoped them to. Another manager believes it is more common at larger
companies because then it is easier to hire someone through nepotism and then be able
to hide it due to the total size of the employees.

4.5.3 Stricter recruitment processes in larger companies
Furthermore M9 believes that larger companies today are more professional about
recruitments than they have been in the past and smaller companies might use nepotism
more than larger companies when recruiting. When asking him if some of the factors we
talked about could justify that their company would use nepotism when recruiting, he
answered that it could be justified because they are a relatively large company. Another
participant, M6, also believed that larger companies have some sort central division that
works with recruitment which has recruitment policies and works as some sort of
control function. She also says that nepotism occurs on both smaller and larger
companies, but that it might be harder to stop in smaller firms.

During our interview with M4, he mentioned that in a smaller company you might have
two people to recruit, but the selection of people might be as large as if a larger
company would want to recruit fifteen people. The reason for why nepotism might be
used in this kind of case from the perspective of a smaller company is regarding to M4 a
way to decrease the selection and also that they want to hire someone they feel secure
with.

How the factor company size affects the level of nepotism used is something our
managers’ view differently. Some believe it is more common at larger companies due to
the ability to hide the person in of kinship or with other relation of significance. Others
believed it is more commonly used at smaller firms because of the risk of hiring
someone you do not know in combination with that larger companies might have more
strict policies against it.

4.5.4 More common in smaller cities
Regarding the location of the company, M9 believes that nepotism is more commonly
used in smaller cities, but he also adds that this might only be what we think and not
facts. He continues with that one can be more anonymous in a larger city where
qualifications matter more.

The concept of industrial communities described in an earlier section, some of our
participants have mentioned that nepotism were, and at some places still are, commonly
used. Mainly discussed were industrial communities in a sense where the communities
were relatively small and people growing up there was most likely ending up working
for the local industry. By this we related this to the question about the size and location
of the company and how this affects nepotism.

One of our participants, M1, believed that one cannot draw a parallel between the
locations of the company and how commonly used nepotism is, he said that people
reason in the same way everywhere. With the exception of him the majority of our
participants believed that nepotism is more common in smaller cities. An example of
one reason for why nepotism might be more common in smaller cities came from M2 who said:

\textit{I believe that the mentality is a bit different in smaller cities. I think it is more familiarly, and by that I would guess it is more commonly used in smaller communities, that’s what I believe.}

\textbf{4.5.5 Limited selection in smaller cities}

Three other participants, M5, M8 and M10 talked about that the limited selection in smaller cities might allow for more nepotism. M8 added that if you live in a smaller city you might have made your self a name and from this its easier to get a job, and that people making recruitment decision in those cities have more information about potential people to hire compared to a larger city. This is something M6 stated to, that everyone knows one another in smaller cities and people recommend each other back and forth. However, another view on company location as a factor of why nepotism is used was brought up by M7, where she believes that the anonymity of people in larger cities make companies more eager to employ people they know or people whom are connected to someone in the company.

\textbf{4.5.6 Benefit the community}

Another interesting factor that was brought up by two participants was that nepotism could be used in smaller cities because the company wants to protect and benefit the community, especially in smaller communities. When talking about reasons for why companies in smaller communities might use nepotism, M1 expressed that:

\textit{[...] it is important to continue to hire people who wants to live in our community. This is an important precondition for a positive future for the community.}

\textbf{4.5.7 Industrial communities}

One concept that was brought up by the participants in some of our interviews was industrial communities. One of our participants mentioned that nepotism might have its origins from the industrial communities that commonly existed when they were young and before that. He believed that industrial communities are good examples of why nepotism might be more frequently used in smaller cities, and that in those communities for the people living there it was almost predetermined that you grow up and start to work at the local industry. He speculated in that this pattern could still exist in those small industrial communities that are remaining. Another participant mentioned that nepotism was more frequently used back in the days in these industrial communities at sawmills or factories.

Furthermore, M6 describes the community where the company she works at is located, as an industrial community and that she still can feel the traces of the nepotism that have been used before her time there, especially when it comes to employing summer workers.

\textbf{4.5.8 More common in family-owned companies}

To explore if there was some connection between nepotism and family-owned companies we asked our participant of they believed that there was any difference in the level of nepotism used in family-owned businesses compared to nonfamily-owned
businesses. We also asked if whether they felt that nepotism was more justified in either of the above mentioned businesses.

M9 believed that nepotism is more common in family-owned business and that large listed companies are more controlled in the way they do things and thus must have more clear structures and guidelines for everything they do. The majority of our participating managers agree with M9 that nepotism is more common in family-owned- or private-owned businesses. One in particular mentioned that in a small, family-owned company it is harder to resist hiring your family and that if you work in a larger company you can hide behind the company size when it comes to those situations. M4 says that family businesses are usually smaller and that this could be the reason for why nepotism is more used in those businesses than non-family businesses.

Furthermore, during our interview with M1 he talked about that it is a more natural choice using nepotism in a smaller company especially if it is privately-owned and family-owned, because of the desire to protect your own family. He gives us the example that if you owned a kiosk, it would be peculiar if you did not let your son or daughter run the kiosk while you have your summer vacation, not only to give your offspring something to do but also it allows the revenues to stay within the family.

M1 continues with that in large family-owned businesses the owners might not care that much of employing their children on low-qualification required positions, but rather that they raise their children to overtake the company in the future and making them qualified for higher positions. The reason for doing this is similar to what he mentioned in the kiosk-example, in order to keep the main revenues within the family. This is something mentioned by one other participant as well, where that manager believe that nepotism works differently in family-owned businesses and that in those companies you want to hire family and friends in hope of them overtaking the business in the future.

Moreover, one manager believe that nepotism is more commonly used in family-owned businesses and when we asked her why she believed that she gave the answer:

\textit{It is probably because one wants to have that family feeling.}
\textit{After all you have built it up and then you might want to keep it.}

Overall, the most common attitude towards nepotism in family-owned businesses compared to nonfamily-owned businesses is that the managers believe it is more used and justified in family-owned businesses. The reason for why differed, but in general the fact that those companies are stared and run by family members seem to justify the use of nepotism, especially if compared to a private company owned by different stakeholders with no kinship.

4.6 Use of your network to help your children

One interesting question that arose during the interview was the question of how likely our participants were to helping their children by using their own network. The origin of the question was that we noticed that some participants tended to have negative opinions about nepotism, but when it came to their own children they were regardless of the negative attitude likely to help out.
M2, the site manager at a small company, stated that he would definitely use his own contact network to help his children out, mainly in the hope of them having the best prerequisites to becoming successful. Two other participants also said that they would help their children with network connections when they are about to apply for a job.

One participant was of the opinion that if the child is matching the qualification requirements for a specific job he would definitely help him/her to get a chance on that job. When he talked about helping relatives using his own network he stated:

\[
\text{[...] in eleven cases out of ten I would take that chance,}
\text{but then it’s up to my son, daughter, cousin, brother,}
\text{mother or father to use that chance, but I would give it.}
\]

Another interesting saying when talking about helping children with your own network came from M10, who expressed himself:

\[
\text{Fundamentally we are all egoistic and want to care for}
\text{our own house. If we have the ability to create an advantage}
\text{we usually do.}
\]

Some participants had strong opinions about helping their own children with their network, one manager who is in the executive position at a medium sized company said that if he had children he would never let them work there, both for the reason that he has the position he has, and also that he does not want to face the risk of someone treating them differently or in a bad way because of something he did. Another participant believed that it is important to support and push your children to be independent and strong as human beings and that he would not directly help the child with his network, but if he/she wants to use it is up to the child.

Furthermore, one common answer to the question was that the participants would help their children out with the actual contact, but that the rest is up to the child. One participant said that she wants her children to feel that they have got the job on their own merits. Another manager agrees with that and said that he could consider helping his children to penetrate the working market when it comes to summer jobs, not help in a way where he calls up his connection at the company but rather that he gives his child the number and that the rest is up to him/her. Overall one could notice that the likelihood of helping you children with contacts are highly individual and it does not correlate in all cases to the participants’ general opinions about nepotism.

**4.7 The eternal existence of nepotism**

In the end of each interview we wanted to explore what opinions our participants had on the future of nepotism, and thus we asked them about in what extent they believed that nepotism will exist in around 30 years from now. We also added that they should consider the exponentially growing rate of people with higher-level education, and this in order for the participants to understand more thoroughly our intention with the question.

One manager M1, believed that nepotism will exist for occupations that do not require higher education, but when it comes to higher educational positions, competence will
triumph kinship, and thus the level of nepotism used in those cases will decrease. During the interview he expressed himself:

> [...] if you are searching for qualified people you have to go on competence, thus cannot choose your own- or your neighbors children just because you know the parents.

One manager describes the reason for why nepotism will be used less in the future is because the requirements of jobs become more and more strict as the level of education is increasing, and that earlier one could easily get a job without education. Another manager also talks about that we will always consider education as an important factor when recruiting and that the competition will increase, which could be a reason for why the use of nepotism will decline.

The majority of the participants were of the opinion that the degree of nepotism used might decrease but that it will always exist in one way or another.

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<td>More common in smaller cities</td>
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<td>Right “man” for the job</td>
<td>5</td>
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<tr>
<td>Similarities between parents and their children</td>
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<tr>
<td>Risk of disadvantage against relatives</td>
<td>5</td>
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<tr>
<td>An easy access to references</td>
<td>4</td>
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<tr>
<td>Limited selection in smaller cities</td>
<td>3</td>
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<tr>
<td>Smaller companies face greater risk when recruiting</td>
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<tr>
<td>Ability to reassign people in larger companies</td>
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<tr>
<td>Industrial communities</td>
<td>2</td>
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<tr>
<td>More common in family owned companies</td>
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<tr>
<td>The risk of hiring people you know</td>
<td>2</td>
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<tr>
<td>Equally high risk hiring unknown compared to known people</td>
<td>2</td>
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<tr>
<td>Stricter recruitment processes in larger companies</td>
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<tr>
<td>Risk and cost</td>
<td>2</td>
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<tr>
<td>More security hiring people you know</td>
<td>2</td>
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<tr>
<td>Employee benefits</td>
<td>2</td>
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<tr>
<td>Benefit the community</td>
<td>2</td>
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<td>Table 3. Detected codes</td>
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1. Risk and cost was something mentioned by two participants before we decided to modify our interview guide and added questions about it.
4.8 A comparison of attitude towards nepotism between managers at small- and medium-sized companies in the northern part of Sweden

One objective in this study was for us to be able to make a comparison between the manager’s perceptions at the small companies and medium-sized companies. When we conducted the interview we noticed that in some areas of nepotism it was not possible to compare the managers’ opinions and make the correlation to the company size, in those areas the managers’ individual perceptions of the concept was predominantly.

When coding the findings from the interview we noticed that one aspect was mentioned by six of the managers, that is more than half of the participants. This aspect was the *simplicity* advantage a company has when using nepotism, that it could be seen as a shortcut in the recruitment process. Moreover, out of these six managers mentioning the aspect, four was working at large companies and two at small companies, even though this makes a majority for the medium companies it is hard to make any conclusions about whether this opinion could have some correlation back to the size of the company where they work. However, the medium-sized companies tended to focus more on the efficiency regarding the recruitment process and the facilitation it has on the selection, while the small companies talked about it in a sense of references.

One of the aspects to why nepotism might occur was derived primarily from the managers at the medium companies, which was the aspect of *similarities between parents and their children*. In general, the opinion was that the reputation of the parent had large impact on how one evaluate the child as a potential employee.

Additionally, when asking the managers if they had any policies that restricted the use of nepotism, the predominant answer was no, at both small- and medium-sized companies. However, some participants working at medium companies believed that they had stricter guidelines and more controlled recruitment processes compared to smaller companies. This could be an implication that even though it is not clearly stated that you cannot use nepotism in either of the company types, in larger companies with an independent human resource division other rules of for example discrimination and education requirements might indirect restrict the use of nepotism.

Another very interesting subject that arose during our interviews sessions among a few managers was the risk of disfavoring relatives if the companies implemented stricter rules against nepotism. However, what was mostly interesting about this matter was that only managers’ at large companies was the ones mentioning it.

Furthermore, during the interviews some managers mentioned the aspect of risk and thus we decided it was something we wanted to explore further. Since we did not have the questions regarding risk in our first interview guide, not all participants were able to give answers and this is why a proper comparison on this aspect is hard to conduct. However, we could see a small tendency that the smaller companies felt that it was more risky to hire someone unknown, while the medium-sized companies tended to see a greater risk of hiring people that is known due to problems that might arise if it turns out that the person was not suitable for its position and needed to be confronted about it or worse fired from the organization.
When it comes to the overall attitudes managers in the northern part of Sweden have towards nepotism one could not make any correlation once again between managers at different company types. The general attitude we could observe was negative towards nepotism, and the majority of the managers seem to have mostly negative associations with the concept. One small difference we could detect was that four out of five medium-sized companies believed that nepotism would affect the reputation of the company in a negative way, whilst the opinion amongst the managers at the small companies tended to be unclear with the exception for one manager who believed it was highly negative for the company.

<table>
<thead>
<tr>
<th>Codes</th>
<th>Mentioned by managers at medium sized companies</th>
<th>Mentioned by managers at large sized companies</th>
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<tbody>
<tr>
<td>The simple and fast shortcut</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>An easy access to references</td>
<td>2</td>
<td>2</td>
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<tr>
<td>Employee benefits</td>
<td>1</td>
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<tr>
<td>Similarities between parents and their children</td>
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<td>Right “man” for the job</td>
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<td>Risk of disadvantage against relatives</td>
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<td>Risk and cost</td>
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<td>More security hiring people one know</td>
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<tr>
<td>Benefit the community</td>
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Table 4. Detected codes – a comparison between managers at medium and large companies
Figure 2: How our participants perceived a company’s reputation would be affected by using nepotism (100% is representing five participants, thus 20% equals one)

5. Discussion

The discussion chapter will provide you with summaries and interpretations of the findings of this study followed by discussions derived from our own perceptions on the concept, as well how our findings can be related to previous findings presented in the theoretical framework. The discussion will be divided into similar themes as presented in the findings in order for the reader to find the discussion and empirical study cohesive.

5.1 A modification of the definition of nepotism

One fundamental factor that we had to reconsider in the study, which we first recognized during the interview sessions, was the definition of nepotism. As stated in our theoretical frame of references and topic selection, we and other researchers decide to define nepotism as when a company favors a relative in the recruitment process, while disfavoring a non-relative applicant, despite of their qualifications (Kragh 2012, p. 264).

However, what we noticed was that during the interview sessions our participants tended to focus on nepotism as concerning not only family ties, but friends and other social relationships as well, even though the our primary definition was provided in advance. A definition of nepotism, which includes social ties, can be denoted as cronyism, which we tangent in the theoretical frame of references (Business Dictionary, 2014). Therefore we decided to analyze the interviews from a social relationship perspective as well on nepotism. We figured that it would limit us to only consider family ties in the study.

5.2 Factors to why we use nepotism

More than half of the managers mentioned that the most obvious reason for hiring relatives was because of simplicity and that it could be considered as a positive outlook on nepotism. This positive aspect of nepotism can also be found in the study conducted in the Arab world, explored by Hayajenh et al. (1994, p. 61). The authors of this article
did similar to our study find that nepotism could be recognized as an easy way to find and recruit employees.

Furthermore, what we noticed was that simplicity was associated with lack of time as well. The managers said that recruitments takes time and therefore it is easier to recruit someone that is directly or indirectly known to someone within the company and skip a few evaluation processes in order to save time. However, in our opinion by using nepotism as a shortcut in the recruitment process might increase the risk of making recruitment mistakes and ignore to value the recruitment in the long run, which one manager did highlight.

As our findings shows, many of the managers stated that it is habitual that you make the assumption that the children of employees resemble their parents and therefore imagine that the children possess the same good qualities that their parents have proved at the workplace. For instance qualities like moral, honesty and being ambitious. This factor was also highlighted in a sense in the study conducted on nepotism in the Arab world. However, this article more specifically highlighted that by hiring relatives you believe that it will increase morale and job satisfaction at the workplace (Hayajenh et al., 1994, p. 61).

As mentioned, Hayajenh et al. (1994, p. 61) also found that nepotism could bring job satisfaction by hiring relatives. We found in our study that a few mentioned that a nepotistic recruitment could be considered to be an employee benefit or in Hayajenh’s words job satisfaction. We interpret this as; the companies chose to offer positions, mainly summer jobs, to employee’s children in order to please their employees. For instance it might cause stress for an employee that their children do not have a summer job and therefore the manager offers these children work as a bonus, which indirectly gives a sense of job satisfaction.

One factor that Hayajenh et al. (1994, p. 61) also mentions in their study is that using nepotism is an easy way to find dedicated people. We did not have any managers mentioning this in the exact words, however what they did express was that if you hire an employee’s child, the employee has an indirect duty to make sure their children is dedicated and grateful for the job that has been offered. It could also be seen from the other side, that the children feel like they have to be extra dedicated and grateful because their parents also are employed at the company. In other words, it can be viewed as a sort of quality security, both parts feel obligated to perform well at the workplace.

Additionally, our findings related to references, the fact that managers explained that parents could be a useful reference if these parents were employed at the organization is something that we reacted negatively to. Some of the managers expressed that, the reason for why they sometimes valued if a parent or any other relative or social contact was working at the organization was because they could ask them for an evaluation of the child. Thus, what we considered to be very biased with that is the fact that we do not consider it reasonable for a relative to evaluate his or her own child. Mainly because the parents have little reason to express anything negative about their children that will prevent them from being hired.
5.3 Manager – subordinate relationship

Our findings indicate that the majority of the managers believed that a manager and subordinate relationship is something that should be avoided and definitely has the risk of starting discussions and obstacles within the organization. However, even though many associated the particular relationship with a risk of causing problems, they did not have any policies against nepotism or manager – subordinate relationships at the company. In other words, none of the companies where these managers worked had the anti-nepotism rules regarding prohibition of a supervisor – subordinate relationship that Bierman and Fisher (1984, p. 634) emphasized in their study. We also asked the managers that participated if they had any of the other anti-nepotism rules in Bierman and Fisher’s research, such as rules that prohibit relatives at the same department or facility which none of the companies had either.

As mentioned, basically all managers expressed somehow that nepotism could cause issues at the company, which can be considered to be an obstacle for HR managers and complicate their jobs, which was something mentioned in a study made by Ford and McLaughlin (1993, cited in Vinton, 1998, p. 299). Ponzo et al., (2010, p. 87) is also one author that suggest that in order to prevent issues with nepotism, clear policies and rules is the most effective way of preventing these issues, for instance by having clear requirements of education and qualifications. Especially the larger companies in this study had qualification rules and education requirements. However, in our opinion, by having education requirements and similar qualification requirements are practically anti-nepotism rules in a large sense.

Furthermore, one manager in this study mentioned that salary discussions and promotions of a subordinate when a relative is the supervisor could cause issues. This was also something Bierman and Fisher (1984, p. 634) shared opinion with.

5.4 Main priority should be qualifications and competence

Half of the managers mentioned the importance of having the right “man” for the job. In other words they emphasize qualifications and competence rather than value family ties. Despite the earlier mentioned factor of simplicity as a reason for why it is commonly used, many of the managers, especially the HR managers highlighted that even though nepotism is used it is important that the applicant holds some qualifications and competence. In this case it is hard to determine whether the applicant with family ties was hired because of the simplicity that comes with nepotism or because of holding the right competence and qualifications. Ponzo et al. (2010, p. 78) agrees with this opinion in their study, the difficulties of gathering evidence of whether the recruitment was based on family ties or qualifications if the applicant possessed both.

One manager gave an example that it is possible that the child of an employee look up to his or her parent’s field of work and therefore got inspired in an early age to gather competence in order to be able to later apply for their first job at the same organization as their parent or parents. There is an article which tangent this matter, which tells us that newly graduated student’s first stable job is more likely to be within the same organization as where your parent or parents work. This study also suggested that an organization is more likely to hire a relative than a non-relative applicant. (Kramarz et al., 2007, pp. 3, 20)
Furthermore, in an article written by Frank et al. (2007, p. 42) it is also stated that even though nepotism is used in the recruitment process, the “nepot” (the person favored by nepotism) still need to have certain qualifications in order to obtain the position. From our own perspective, we believe that it is possible than you can obtain a job where your parents work or where they have connections that were in your advantage in the recruitment process, however it is through your own competence and performance that you will be able to keep your position or be promoted at the organization in the long run.

Another interesting factor that aroused from our findings was that the managers felt that too strict policies or policies that entirely prevented family ties within the company could harm the company’s way to success in the long run. The managers highlighted the risk of missing out on important competence if restrictions on family ties were to be implemented. In other words, instead of preventing nepotism you would also prevent the company from hiring the right “man” for the job and disfavor an applicant for having family ties.

It is not reasonable to ignore competence entirely only because the applicant has a parent working within the organization which might go against anti-nepotism rules. Meanwhile, that is why we believe that relevant competence should be the main priority whether you have relatives or not working at the organization. Regarding this matter, Hayajenh et al. (1994, p. 61) writes that by restricting relatives entirely from applying, will decrease the pool of workers and possibility of finding the most suitable person for the job.

However, it is important that if a relative is hired, the organization should be able to provide a reasonable motivation for why this person was the most suitable applicant so that the risk of suspicions of nepotism in the recruitment process can be eliminated or decreased.

5.5 Recruitment valuation and risk

The findings from our interview showed that risk related to recruitment is something that is really important to consider, and that a company usually tries to decrease the risk of hiring the wrong person to the greatest extent as possible. In one article by Vinton (1998, pp. 297-298) she writes about the fact that people might have differered associations with the term nepotism and she furthermore states some positive aspects that it might bring to a company. She states that the aspects of lower risk, lower turnover and better performance can be the advantage of using nepotism. Moreover she talks about that by hiring someone with kinship ties or just someone with other social relation of significance could lead to companies obtaining greater loyalty from those individuals. Two of our participants believed that hiring someone through nepotism could decrease the risk of a recruitment going wrong, for the same reason Vinton is writing about – the loyalty this person might bring to the company.

However, with the exception for these two participants the risk valuation seemed to differ among the companies and some felt the risk is higher when hiring someone you know and others said the risk was equal. The reason for this mixed perception of risk related to recruitment decisions could have multiple reasons, for example factors such
as company size and location which will be discussed later on could have impact on the participants’ opinions.

5.6 Organizational factors that might justify nepotism

During the interviews we wanted to explore what factors might impact the participants’ perceptions on whether nepotism might be justified or not. The factors we focused on were company size, company location and family-owned versus non family-owned businesses. Once again the participants’ opinions were diversified but we could still see some patterns among their answers.

One factor that the majority of our interviewees put emphasis on was the factor of company size, where six out of ten participants believed nepotism was more commonly used in smaller cities. In a study made by Hayajenh et al. (1994, p. 62) they found a correlation between the company size and the accepting of nepotism. Thus this factor seems to be of great relevance to whether nepotism can be justified or not.

The main reason for why our participants perceived that nepotism is more frequently used in smaller cities was the limited selection of potential employees for the reason of a having a small population, which is discussed later on. In our opinion it seems logical that nepotism might be used more in smaller communities, for the same reason that our participants mentioned about the limited selection and also because of that one could probably see traces of historical use of nepotism in those communities more than in larger cities.

Furthermore, it is not peculiar that our participants believed that nepotism is more commonly used in family-owned businesses compared to non family-owned businesses, only by the fact that family is involved in the name of that company type makes one think that the company is consisting from two or more family members. The participants mentioned some reasons for this which was that it might be because; it is a more natural choice, gives more control in larger companies, to keep the money within the family and the wish for the next generation to overtake the company.

On the subject of nepotism in family-owned businesses Hayajenh et al. (1994, p. 61) writes in an article that the major advantages that exists when using nepotism could be that it is a good way to find dedicated workers, it cultivates family-friendly environment and that it could increase the job satisfaction and morale at the company as a whole. The advantages of dedicated workers and job satisfaction are something we also mentioned earlier in the discussion.

One participant mentioned that nepotism might create a “family feeling” and could be the reason for why it is more common in family-owned businesses, and this is coherent with what Hayajenh et al. is talking about. Moreover, another author, just like some participants, are talking about that nepotism are used in ways to pass the torch onto the next generation (Jaskiewicz et al., 2013, p. 121). In review of the book Nepotism in Organizations, the author Corarelli (2012, p. 798) talks about that family-owned businesses tend to be better workplaces and the loyalty among the employees are higher. Compared to other aspects of nepotism, nepotism in family-owned businesses is slightly more explored and thus more literature was to be found on the subject.
The participants in our study whom seem to have mostly negative association with the term nepotism also had a tendency to focus on the negative aspects that it might bring to a company, such as communication problems of the family members working together and also the delay of confrontational problems due to the considering of the relative working there since before. When Hayajenh (1994, p. 61) describes the negative aspects of nepotism in his article, they also talks about that nepotism might allow for rivalry between siblings just like our participants.

Other factors that was brought up by some participants was; stricter recruitment policies at large companies and industrial communities. The two participants talking about that nepotism might have been and are more common in industrial communities was basically talking about the same thing as Vinton (1998, p. 301) is describing in one of her articles, that a correlation exists between the accepting of nepotism practices and agricultural industry, company size and location. In that article she also talks about that companies located in smaller communities might be forced to hire people through nepotism due to the limited selection of labor force in the area, which is also mentioned by three of our participants. Like mentioned previously, the participants emphasized that the limited selection in those smaller cities might allow for more nepotism.

Moreover, one other author, Simon Kragh (2012, p. 260) writes about this same correlation mentioned above between the agricultural sector and nepotism. In contrast to the two authors mentioned this correlation our participants did not necessarily use the word agricultural industry, but more industrial communities, however from the interpretations we got during the interviews it could be reasoned that their meanings about this are similar.

It is easy to assume that the larger the company is, the more policies about recruitment it has. However, from our participants we noticed that none of those companies they worked at used any policies regarding nepotism. The statement about that larger companies have more policies might be true, but since we did not focus on the general policies for recruitments we cannot verify this. The reason for mentioning this is because two of our participants made a correlation between nepotism and the size of the company, where the larger the company is – the stricter policies they have. One author states that with the use of policies and rules a company can restrict nepotism and therefore it being a problem (Ponzo et al., 2012, p. 87). One could by this conclude in a smaller sense that nepotism might be used less if the company in question has clear policies and rules and this could be seen as a logical reason for why nepotism might be more commonly used in smaller companies.

Another thing that was brought up by our participants when talking about what impact the size of the company has on the use of nepotism was larger companies’ ability to reassign people whom are not suited for their position in the company. This could be connected to the risk a company faces when hiring a new employee, that in a smaller company they do not have this ability in the same way as a large company with multiple divisions have. One could argue that from this point of view that smaller companies should be more careful, but whether the use of nepotism to reduce this risk is highly individual depending on whom you are hiring.

Overall the participants’ meanings are more or less coherent with what some authors on the subject are describing. Of course the participants are controlled by their own
emotions and are speaking their own meanings as humans being, and this might cause the major differences in their opinions. Because we wanted to examine the managers’ opinions and did not focus on the companies they are working at we mostly got these personal opinions even though they were not always consistent with that the company as a whole thought. We believe that the answers could have been different if we would have had more focus on only the companies and they were just speaking the company.

5.7 Use of your network to help your children

One thing that caught our interest during the interviews was the question on how likely our participant were to help their own children when they are about to apply for jobs. The interesting part was how contradictory they were when they were talking about this matter, since some participants who had clear negative opinions about nepotism were highly likely to help their own children with his/her contact network. One participant we quoted in the empirical study talked about that humans are egoistic in our origin and that we usually create advantages for our self if we have the opportunity. This could be connected to one article written by Fershtman et al. (2005, p. 373) about discrimination in which he talked about that people are and have always been eager to protect and preserve the “own group”.

This eager to help and protect the own family or group could be one reason for why people thinks nepotism is acceptable when it comes to them self, but in a more general way people might be somewhat afraid to have an opinion that for example could hurt their personal reputation or the company reputation.

5.8 Comparison between the two manager types

In this research our objective was make a comparison between the opinions of managers at small companies and managers at medium-sized companies. However, this turned out to be a complex task since it was not possible to see any clear differences between the two managers. The reason for why this comparison was this hard could be due to the high amount of limitation we had, such as time- and resource limitation. For example, if we would have had 20 or more managers working at the respective company type maybe it could have been possible to see if some differences exist, but in this case where we only had five of each the differences found could be pure coincidences and did not actually say anything about it at all.

Because we wanted to talk to the person at the respective company who had influence or dealt with recruitments it differed between the medium- and large sized companies regarding who talked to. Like mentioned in the section participants under the methodology chapter, at the medium-sized companies we interviewed different HR manager at the human resource department, for example HR strategist or HR specialist, and on the small companies we used the executive manager or site manager, since they are the ones making the most recruitment decisions. Like mentioned in previous parts a study made by Ford and Mclaughlin showed that 75 percent of the participants, consisting of only HR manager, felt that nepotism complicated their jobs and it was an obstacle for them (1993, cited in Vinton, 1998, p. 299). Thus, when comparing the opinions of the managers with focus on what type of company they work at, could in reality be a comparison between the attitude between HR people and executive managers.
5.9 The future of nepotism

One area of nepotism we found interesting was the future of nepotism, and thus we wanted to know what the participants believed on the subject. The majority of the participants thought that the degree of nepotism used might decrease but that it will always exist in one way or another. The main reason for us asking the question on what they believed will happen with nepotism in the future was due to the fact that the rate of people obtaining education at high level is constantly increasing and we personally felt that this had a high correlation with nepotism.

Based on a report published by Statistiska centralbyrån (2011), as of today in Sweden, more people are urbanizing - moving from the countryside to larger cities, and thus we are moving away more and more from the earlier discussed “industrial communities”. We believe that this in some sense could explain the potential decrease in the use of nepotism. As our participants, we also think it is hard to avoid nepotism totally, mainly due to the reason that people will always want to care for their own family and group, however, the increased level of education might generate more specific qualification requirements and by this it will be harder to employ someone only due to kinship ties. We believe that nepotism will continue to exist formally in family-owned businesses and decrease greatly in non family-owned businesses.

5.10 Anonymity

From the beginning of this research we were prepared with the ethical issues that might arise with this subject, as well that our interviewee’s might would prefer not to participate with their personal name or company name in the study. Five out of nine participants that were asked whether they wanted to participate anonymous or not chose to appear as anonymous subjects. The reason for that only nine out of ten participants were asked was due to changes in the empirical study, since half of the participants wanted to be anonymous we decided to denote all 10 managers as anonymous.

As discussed in our ethical considerations that you can find in the methodology chapter, this did not came as a surprise and we had to make a decision in order to present our study as consistent as possible to not confuse the reader.

Some of the managers made the decision even before they were interviewed that they wanted to be anonymous, while others waited until the interview was over and thereafter evaluated if it was appropriate or not for them to be involved with names. A reason for this, from our perspective is that the managers, at least the ones that decided after felt like their answers were more related to their personal perception and not in anyway something that concerned the company, which we respect. However the ones who decided in advance that they did not want to participate with name might only perceive the involvement as ethically sensitive in the light of their company.

Besides, as mentioned in our research question, we did not seek to investigate the company’s perception, we wanted to explore the managers’ perceptions and experiences regarding the topic.
6. Conclusion

In this chapter one can read about what conclusions that can be drawn from this study and it is also in this section the research questions are to be answered.

In this study we aimed to answer the two following research questions: How do managers in the northern part of Sweden perceive nepotism? And what are the differences between the perceptions of nepotism between the managers at small companies and the managers at medium-sized companies? We believe that we were able to answer the first question with help from the findings the interviews gave us, however, the second questions turned out to be somewhat harder to answer due to some aspects we did not consider when we were formulating it and some of the limitations mentioned in the introduction chapter, such as time and a small sample.

When we asked our participant managers about if they have reflected over the concept of nepotism before the interviews the most common answer was no, though they all understood what nepotism was. Like mentioned before, the subject of nepotism is something people do not talk about, even though almost everyone knows what it is, and this is shown clearly in the beginning of the interviews. Another aspect that indicated how unusual it is for people to talk about nepotism was the fact that none of the companies whom our participants worked at had any policies or rules against the recruitment of relatives or against having relatives as managers for each other.

In attempt to answer the first research question about how managers in the northern part of Sweden perceive nepotism, we found that the most general opinion our participants had about nepotism is that it is associated with negative feelings. However, since almost none of them had reflected over the subject before this came to show during the interviews when started to ask them more in-depth questions on the matter. The majority felt that nepotism had more negative associations than positive, and some were of the opinion that if a company used nepotism it might affect the company negatively, and the negative opinions seemed to have organizational roots and was not necessarily their own personal attitude about nepotism. The reason for us stating this is due to the fact that almost all of our participants would be willing to help their own children with their network but from their company’s perspective they did not accept nepotistic recruitments. It is somewhat contradicting to have mostly negative attitude towards nepotism when it was taken about in a general sense, but when it comes to peoples own families they would definitely use it. Though, these are not attitudes that can be generalized on the entire population of managers but rather our small sample showed tendencies of these attitudes.

Moreover, our study showed that even though the attitude was mainly negative towards the subject of nepotism, the participants gave us some relevant and interesting reasons for why companies might use nepotism. The factor what the majority of the participants emphasized was the simplicity of using it, and that companies can decrease the amount of work when recruiting by focusing on people they know or recognize. Other interesting factors brought up was that companies might use nepotism as a form of incentive for the employees, and also that people tend to believe that major similarities exist between children and their parent and thus they saw this as some sort of quality control of the potential employee.
Other contributing factors for why nepotism is used was according to the majority of the interviewees the size of the city the company operated in, and they felt that smaller cities used nepotism in a higher extent compared to larger ones and also that smaller companies use it more commonly. Furthermore, the general attitude of our participants was that nepotism is common and more justified in family-owned businesses.

One thing almost all of the participants agreed on was the fact that if nepotism were to be used, the person in question still had to fill the qualification requirements for the job, and thus could not be employed solely due to kinship. This attitude showed that even though the participants expressed negative associations with the concept, it could be justified if it was conducted under regulated forms.

In attempt to answer the second research question: *what are the differences between the perceptions of nepotism between the managers at small companies and the managers at medium-sized companies?* We realized that it was hard to make this comparison due to several reasons. The first and main reason was the time- and resource limitations that restricted us from having a larger sample. The second one was that since we talked to HR managers at the large companies, and executives or site managers at the smaller ones, this could in reality have been a comparison between the attitudes and perceptions of these two manager types and not be related to the company size.

Furthermore, the findings of this study showed that the use of nepotism are likely to decrease in the future but that it will always continue to exist in a smaller sense. This might be due to the fact that people will always have the need and want to care for their own group and family.

### 6.1 Recommendations for future studies

The subject of nepotism is relatively unexplored and can be seen as a potential area for further future studies. Since our study contained several limitations that restricted the generalizability and comparability of the results we believe that future studies on nepotism should focus on a larger population to get a more accurate view of how the subject is perceived. We believe that if a study on nepotism is conducted with a larger sample and if the general level of resources used is higher, it could be possible to make the comparison between managers at small companies and medium-sized companies. We would also want to recommend conducting future research on a larger geographic area, for example the whole Sweden, in order to get more accurate findings that are representable for the entire population of managers.
7. Quality criteria

The data quality issues associated with our semi-structured interviews could take the forms as reliability, bias, generalizability or validity. Reliability and bias can be categorized as interviewer-, interviewee and response bias. (Saunders et al., 2012, p. 381)

As of interviewer bias, we avoided to express any comments during the interview session. However, sometimes it was necessary to direct the interviewee back to the question and what we thought was relevant. The interviewee tended to wander off in other discussions and topics, which cause us to comment or ask them the question again in order to keep the interviewee to the subject. This might have cause that the disrupted the interviewee and therefore created an interviewer bias. Though we were very careful with expressing comments that in someway could be considered as own beliefs or angled the interviewee’s response to the question. In addition, our interpretations of the interviewee’s responses could cause an undetected bias from our own perspective (Saunders et al., 2012, p. 381).

Furthermore, the opposite form of bias in this study is response or interviewee bias. This bias is concerned with the interviewee’s perception, expectations and interpretations of the interview session and interview questions. It is possible that the interviewee felt uncomfortable in the setting or be sensitive to the interview method. This might cause that the interviewee is less willing to discuss the topic that we want to explore. (Saunders et al., 2012, p. 381)

In our study one example of this could be that one participant misunderstood the type of interview, and he was certain the interview was held by phone when we showed up at his office. This could have caused him to be stressed or confused and thus created an interviewee bias, however, it is impossible to know if and how much this affected his answers to our question.

We experienced that there were a lot of different interpretations of some of questions that were asked. Either they did have very scattered views on the subject or the case could be that our questions were not narrow enough which caused opportunities to interpret the subject from many different perspectives. We also noticed that many of the interviewee’s had not reflected or experienced nepotism to the extent that we expected. We did not provide the participants with the interview guide in advance, only an explanation of the subject in focus and what themes we wanted to explore. One can argue that by sending the interview guide in advance could have given us more responses that have been reflected on, rather than spontaneous responses. However, we made the choice of not sending the questions in advance, for the reason that we wanted to be careful to scare them, since it is and ethically sensitive subject. As we explained in our ethical considerations, this is from a general point of view a sensitive subject and therefore we felt like we needed to be cautious with how we presented the subject and the questions.

One additional interpretation issue that might occur in this study concerns the fact that the interviews were held in Swedish while this study is written in English. This might caused some translation complications. For instance idioms and quotations can be considered very sensitive parts to translate in to other languages. However, we did not
experience any large difficulties in the translation ourselves during the transcribing, but there are chances of our interviewees find part that might be misinterpreted. Our way of preventing misinterpretations of happening in the transcribing is to send the study in advance to the participated managers in order for them to comment and ask for corrections in case of incorrectly interpreted responses.

Moreover, as mentioned earlier we avoided as much comments as possible during the sessions in order to not engage our own opinions and beliefs in what the interviewee’s responded in order to avoid interviewee and response bias. We managed well to ask relevant follow up questions in order to encourage the participant to talk further about a subject and clarify their meanings and opinions so that interpretations got as accurate as possible in the transcribing process. We were also as interviewers attentive in that sense that we linked questions together and smoothly interviewed the questions with previous responses. This hopefully contributed the interviewee with a sense of trust and commitment. Additionally, by being neutral to their responses proved our ability to be professional and committed to the research.
References


Appendix 1

Interview Guide

General thoughts about nepotism
1. Have you heard about the concept of nepotism before this interview?
2. Do you have any positive associations with nepotism? If yes, give examples.
3. Do you have any negative associations with nepotism? If yes, give examples.
4. Which association, positive or negative, affects your overall perception the most?
   a. Have you been favored by nepotism?
   b. Have you ever been disfavored by nepotism?

Consequences of nepotism
5. Do you perceive that nepotism is a sensitive subject to discuss?
   a. If yes, why do you think it is sensitive?
6. Do you believe that nepotism affects a company's reputation?
7. What do you think is the reason for why nepotism is used?

Factors affecting nepotism
8. Do you believe that the size of a company affect in what extent nepotism is justified?
9. Do you believe that the location of a company affect in what extent nepotism is justified?
10. Do you believe that there is a difference between nepotism in family-owned businesses compared to non-family owned businesses? In terms of how nepotism is perceived.

Nepotism in the organization
11. Do you recognize that any of the previous factors mentioned apply to how justified nepotism is in your organization?
12. Do you have any nepotism policies within your company?
13. At which levels is it acceptable according to you to recruit someone by nepotism? (Levels: Executive level (CEO, CFO, CTO), Head of division managers and subordinates without any manager position.
14. Do you think it is acceptable to have a relative as a supervisor?
   a. Is there a case where an employee at your company is their relative’s supervisor?

Future expectations
15. To what extent do you believe companies will perform nepotism in 50 years?

Additional questions that arose during the interviews
16. How does your company value recruitment?
17. What do you consider to be the risk when recruiting?
   a. Do you feel that the risk is greater when hiring a person you know (relatives or other persons with a relationship of significance) or a person you do not know when they both have the same qualifications?
18. If you have children or just hypothetically have children, would you help them with your connections and network when they are in the position of penetrating the labor market?