

Chapter 2: Literature Review

2.1 Nepotism

Nepotism is a type of favoritism that will be discussed in this paper. Wong & Klemmer defined Nepotism as ‘the hiring and advancement of unqualified or under qualified relatives simply by virtue of their relationship with an employee, officer, or shareholder in the firm’ (Wong & Klemmer, 1994, p. 123). The word nepotism comes from the Latin word for nephew due to the hiring of an in-law or relation.

The word itself is surrounded by negative connotations, even in its definition it states the giving of unqualified or under-qualified relatives. Many authors have written anecdotal evidence on the topic and talk of its negatives (Wong & Klemmer, 1994) (Laker & Williams, 2003).

On the other hand, many authors look at the positives of nepotism, i.e. Bellow, in his book *In Praise of Nepotism* (Bellow, 2003). In order for this research to be objective, we must assume that nepotism is neither good nor bad. Bellow explains that it is not the practice that is bad, but indeed the way it is practiced that determines the negatives or positives outcomes. For the purpose of this paper, nepotism will not be viewed in either a positive or negative manner. The research will instead try to gain a full understanding of the practice. Mulder also explains that ‘‘It is also important to note that this study’s definition of nepotism does not include close family friends, despite the fact that a reasonable argument could be made for their inclusion in a definition of nepotism’’ (Mulder, 2008, p. 54). This type of favouritism can be referred to as cronyism. But it will not be the focus of this study as the variables are too difficult to determine in such a case. In a more specific paper, Khatri and Tsang discuss the various antecedents and consequences of cronyism when it is operating within organisations, they discuss the difference between two different types of cronyism, horizontal and vertical. Firstly, they discuss horizontal cronyism as ‘‘Horizontal cronyism occurs among peers, such as business associates, friends, and colleague’’ (Khatri & Tsang, 2003, p. 299). Secondly, they discuss vertical cronyism as ‘‘vertical cronyism is based on a superior-subordinate relationship within the organisation. Here, cronyism involves exchange of patronage downward with personal loyalty upward’’ (2003, p. 299). This study of cronyism will not be included in this research due to the variables being too complex to determine such a relationship.

Ford and McLaughlin pose the question "Is nepotism good or bad?" They explain that "it depends on the size and ownership of the organisation" (Ford & McLaughlin, 1986, p 60) They go on to argue that policies on the subject and the way these policies are managed will determine the negative or positive effects of the practice

2.2 Four Perspectives of Nepotism

In their paper, Laker and Williams talk about the four different perspectives of nepotism. The first of these perspectives as explained by Laker & Williams, "views nepotism as the hiring of a relative of the owner of the business. From this perspective, nepotism is usually viewed in an unfavourable light" (Laker & Williams, 2003, p 192). The second perspective deals with the legalities of nepotism. As outlined by Laker & Williams, the perspective deals exclusively with "the hiring of a spouse of an existing employee (paired employees or PEs)" (2003, p 191). This is due to the large number of female employees now in the work place. This increase of female employees called for equality legislation as anti-nepotism policies affected them worse than men. The third perspective focuses much more on the political side of nepotism and as discussed by Laker & Williams, "The third perspective comes from the press reporting on the political nature of nepotism. Articles such as *Nepotism A little more than kin* which appeared in the Economist, and is just one of many that discuss the handing down of political power to a politician's relatives or offspring. "The result of this usually furthers corruption" (2003, p 193). The fourth and final perspective focuses much more on the management of human resources within the organisations. As described by Laker & Williams, "The effect of nepotism on employee satisfaction and organisational goals" (2003, p 194). The task of the HRM function is to ensure that organisational policies are fair and equal, but also to ensure that employees view these as fair and equal. This is because this unfairness can lead to organisational commitment and employee satisfaction being negatively affected as explained by Laker and Williams.

For the purpose of this paper, the researcher will base most of the research on the fourth perspective of nepotism. In their paper, Padgett and Morris explain that the selection of family members from two or more generations of family is "what might be referred to as cross-generational nepotism" (Padgett & Morris, 2005, p 35). This is the type of nepotism that this paper will focus on.

2.3 Nepotism in an Irish Context

A good example of nepotism in Ireland comes in the form of government politics. Political parties like Fianna Fail have had their roots in political dynasties. Eamon de Valera, the founder of the party, still has representation of that political dynasty in the same party by his nephew, Eamon O Cuiv. Brian Cowan left the party only to be replaced by Barry Cowan, his brother. John Gibbons wrote in an Irish Times article “THE HOLY trinity of corruption, cronyism and nepotism seems to be about all we have to show for a decade and more of Fianna Fail-led government” (Gibbons, 2009). Nepotism is a part of Irish society and many other cultures across the world. In relation to nepotism that is connected to HRM managers and how they deal with policies in an organisation, they must ensure that this practice is a fair and equal one, in other words, the fourth perspective. There is very little empirical or anecdotal evidence of this in Irish Literature.

2.4 World Context

Nepotism is a practice that can be identified across many spectrums. A study conducted by the Society for Human Resource Management found that 88% of the 432 responding companies employ workers that were related in some way. They also found that 83% of employees are married. Another significant statistic arising from this was the fact that 73% of companies that employ married couples have policies that prohibit one from supervising the other (O'Brien, 1993). One paper highlights the global nature of nepotism. According to Mese's research “Among all the businesses, 90% in the USA, 80% in Spain, 95% in Italy, 85% in Switzerland and 95% in Turkey, are family businesses and are identified as using nepotistic practice” (Mese, 2005, p. 1). Another author explains the reason for this, Develi outlines, “The reason for bringing family members into management positions instead of professional people in family firms is that trust is prioritized over expertise” “But these applications create serious motivation problems for other workers” (Develi, 2008, p. 24). In her paper, Morrissey illuminates the negative effects of such a practice “In fact, an INC.com poll found that 48 per cent of respondents to a survey believed the number one reason people got ahead in a company was nepotism. Only 25 per cent said success came from hard work” (Morrissey, 2006). But not only does nepotism curtail itself to corporate business and family owned firms, it also spreads across to other areas as enlightened by Butte “Today nepotism has become a widespread reality in politics, publications and sports” (Butte, 2011, p. 189).

2.5 Sporting Organisations

For the purpose of this paper, the research will focus on nepotism in sporting organisations. More particularly the research will focus on the organisation of the Gaelic Athletic Association (G A A). It is important to note that the researcher is unaware of any similar study already in existence. This means that empirical and anecdotal evidence are non-existent in relation to nepotism occurring in the particular organisation. Therefore, the researcher will give examples of nepotism occurring in other sporting organisations and also using anecdotal evidence where necessary. The first piece of anecdotal evidence that is apparent is recorded by Ford and McLaughlin, "even in a place seemingly innocent as a little league softball diamond nepotism can be a problem", "just consider the situation in which dad, the coach, is perceived as favouring his son Johnny in the pitching rotation. The ensuing problems are evident "and if those feelings are problematic in a summer softball game, it isn't difficult to imagine the potential difficulties caused by those same feelings in a more complex environment" (Ford & McLaughlin, 1986, p. 57). This is the basis of researchers' arguments about the family connection in sports as demonstrated by Ford & Williams, i.e. how these nepotistic connections can affect organisations and how they can affect non-family connected players and family connected players.

Nepotism and sport go hand in hand. Many different authors have recorded the practice in many different sports. In an economist article on South African rugby football union, the article states "Mr Mandela's government is now so incensed at what it sees as the continuing racism and sleazy nepotism of the South African Rugby Football Union (SARFU) that it is demanding the resignation of its executive committee and an investigation into its finances" (1998:35). Other authors have recorded nepotism in Australian cricket (Gregory, 2007). A much more recent example of nepotism in Irish sport is an example from the ladies 4 x 400 metre relay team that represented Ireland in the London 2012 Olympics. One member, Catriona Cuddihy was dropped to be replaced by another member, Joanna Mills. Cuddihy was then reinstated and Mills dropped again. This was in spite of the fact, as reported on *rtnews.ie*: "On the track, Cuddy's personal best was 54.59 this season 0.18secs slower than Mills' seasonal best at that stage (R.T.E News, 2012). The fact that Catriona Cuddihy has a double family connection may indicate that nepotism was practiced here. Cuddihy's sister Joanne is a team member and her father is the team doctor. This indicates the practice of

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nepotism in amateur Irish sport Even the Olympic Council of Ireland in their statement illuminates how devastating this practice can be, “We also have to acknowledge that the past three weeks has been enormously difficult for the athletes involved in this appeal process, their families, supporters and friends ” (R.T E News, 2012) This indicates that nepotism is at work with amateur associations in Ireland and this possibly gives grounding that it is practiced in other amateur associations as well as the G A A

A major article recording nepotism in sporting organisations is in relation to NASCAR racing The authors explain how children follow parents into NASCAR racing They state that parents transfer their knowledge, skills and experience to children through human capital transfer, “that focus on sibling career following in the NASCAR cup series, human-capital transfer, physical-capital transfer, nepotism, and brand name could all play a role in why a child follows their parent into a racing career” (Groothuis & Groothuis, 2007, p 252) He explains the unfair advantages of being a son of an already established driver and how human capital transfer is key here “Overall, there are many reasons for career following that are not mutually exclusive Human capital transfer contends that family members that have access to learning make drivers more productive at a younger age” (2007, p 264) He also argues about the brand name “This result suggests that second brothers may free ride on the first brother’s reputation. This result also supports the brand name model with second brothers following first brothers into racing and being able to extend their careers longer, because of their family name ” (2007, p 264)

This research would suggest that family members that are established within sporting organisations have the advantages of human capital transfer and family name when being selected for team positions and careers The researcher hopes to address this in this study All of these papers identify that nepotism is alive in sporting organisations This gives incentive to the area of sporting organisations, particularly the G A A being the area of study

2 6 Antecedents of Nepotism

There can be many circumstances that give rise to nepotism within an organisation. These antecedents have been recorded by many authors In her paper, Mulder explains that nepotism has changed over the past decades and it can now be differentiated by the old and new, “Old nepotism characterizes the notions that have historically been associated with the

term nepotism, the idea that parents hire or find jobs for their children, often forcing them into the family business regardless of merit or job qualifications. In contrast, modern nepotism is what Bellow (2003) argues is a more accurate way to think about the practice in today's times. Modern nepotism occurs when children *choose* to follow in their parents' footsteps" (Mulder, 2008, p. 28). Conway (2004) goes on to explain that old nepotism promotes dynastic values over merit selection. Here selection is based on individual upbringing and family ties while modern nepotism is one where merit applies to nepotism and that these nepotees are subjected to higher standards and suffer greater disappointment from society on failure.

(1) Experience and education is considered to give rise to nepotism. Mulder explains "the nepotees' prior work experience and education are two important factors in modern-day situations of nepotism" (2008: 28). She explains that nepotees are very often seen as unable and incompetent in doing their jobs. But according to Bellow this is quite the opposite: "Nepotees tend to possess a great amount of knowledge and resources because they have often times been raised in and around the business, moreover, under the context of new nepotism" (2008: 28). He argues that a nepotee would not take a position that he is highly unqualified for as this would only result in huge embarrassment if he failed. Therefore, experience and education are factors that give rise to nepotism.

The next major circumstance according to Bellow (2003) is opportunism. According to Mulder "Modern nepotism is opportunistic, meaning that children only need to be motivated to take advantage of their family name and privileged birth" (2008: 29). They explain that nepotees will only take advantage of practice such as nepotism due to non-related factors, this, Mulder argues "The willingness to take advantage of a situation such as nepotism has been related to a motivational need called self-determination" (2008: 29).

Finally Stout (2006) differentiates between self-determined nepotism and coercive nepotism. "Self-determined nepotism occurs when an individual decides to take a job in a family business only when they strongly believe that the job offered is a personal choice and a desired career path" (Stout, 2006: 53). Coercive nepotism, on the other hand, "occurs when the nepotee accepts a job out of feelings of coercion, because they were forced into taking the job by a family member" (Stout, 2006: 61). This would largely reflect Bellow (2003) version of old nepotism. Using the work of Stout (2006) and Bellow (2003) we can identify the circumstance under which nepotism occurs as "education/experience, opportunism, self-determination and coercive nepotism".

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In the context of a G A A club education will not be relevant but experience will come to play for positions such as Team Captain and other important positions. All other recorded antecedents will be identified by researcher where possible and to the extent that one may do so. For example to identify coercive nepotism will be a very tough task indeed and the research will not focus on antecedents.

2.7 Benefits of Nepotism

Although many negative feelings are attached to the phenomenon, some authors argue that there are as many benefits to the practice as drawbacks. Ford and McLaughlin state that “despite the feelings and the many historical abuses of the practice, there are as many arguments for nepotism as there are against” (Ford & McLaughlin, 1986, p. 57). They explain that there are three main arguments used to defend its practice.

The first argument is that nepotism is good for small family-owned firms as it provides an efficient way to identify dedicated personnel to staff such an organisation. Barmash pointed out that new firms would not have the financial resources to pay top salaries or to fund huge recruitment drives and that nepotism was a good means to gaining an actual committed employee that wanted to see the success of the organisation (Barmash, 1986). The second argument put forward by Ford & McLaughlin is that if nepotism is freely practiced “It allows the extension of the talent pool, because if nepotism was banned there would be a large pool of people excluded due to relationship” (1986, p. 57). This is reiterated by Abdulla et al., who state that “permitting nepotism allows consideration of all potential employees who might be effective contributors to the organisation rather than arbitrarily excluding a large pool simply because they are related by blood or marriage to an existing employee” (Abdalla, et al., 1998, p. 557). The third argument is that nepotism tends to foster a positive family type environment that boosts morale and job satisfaction for all employees, relatives and non-relatives alike. One final argument made by Bellow, explains another benefit of nepotism is that it can be an effective means for succession leadership and selection against scientific merit. Bellow believes that nepotism can be more effective as leadership succession tool than scientifically based practices (Bellow, 2003).

In their paper, Ford & McLaughlin explain that many small organisations such as G A A clubs cannot afford separate personnel with a specific individual responsible for training, adopting proper selection and many other tasks associated with HRM. None the less, Ford &

McLaughlin explain that “small organisations need as good employees as larger organisations. Consequently, they often rely on nepotism to meet this need” (1986, p 59). This statement is still applicable to sporting organisations such as small G A A clubs.

2.8 Drawbacks of Nepotism

Nepotism has been recorded across various organisations and seems also to be an integral part of society. This paper will focus much more on the organisational context in relation to sporting organisations in the G A A, and the effects that this type of favouritism has on members. Many authors have recorded the possible drawbacks of a nepotistic firm in regards to non-related staff and for the organisation as a whole.

Wong & Klenier explain that nepotism can cause firms to lose valuable senior management and render them from attracting new ones. “Nepotism can cause a company to lose valued executives and to be unable to attract new ones” (Wong & Klenier, 1994). This is because non-family staff have less commitment for the organisation and see their positions as temporary. “When a family member rises to the top, it can discourage the non-family managers and lessen their commitment and dedication to the firm.” Adding to this, Ichniowski explains that “Allowing nepotism lowers morale for those people who supervise relatives of high-level executives, those who must work with them, and those who feel that promotions and rewards are given unjustifiably to a relative” (Ichniowski, 1988) and both of these inhibit high quality talent from joining the firm. This causes problems because if nepotism can discourage talented individuals from joining the firm, it reduces the talent pool from which the company can draw on. This means that the right people might not be in the right position for the company as outlined by Wong & Klenier, “Even though a son or daughter shines in certain fields, he or she may not offer the right skill mix and talents that a company needs at a crucial moment in its history. If management stagnates, so does corporate performance” (1994).

According to Ford & McLaughlin, the drawbacks that come with nepotism can be categorized into three broad sections. The first drawback is that such a practice can have an effect on the employee morale, the second is that business and personal affairs get mixed up together. Toy et al (1988) argued that it can expose family fights, but more importantly, it can deter talented managers from getting to the top because there is no blood line. Not only will these managers quit but it also discourages new talented individuals from joining the firm.

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Ichniowski highlights that “Permitting nepotism needlessly exposes the organisation to problems of family fighting, sibling rivalry over managerial succession and improper combinations of family and business in the decision-making process” (Ichniowski, 1988, p 107)

The final area is that people never know why they achieve promotions, or why they do not get selected. Is it for their merit or their connections? Again, Ichniowski explains that “Nepotism puts incredible and unfair pressure on the "nepotee" It can be an awful burden for the relative never to be sure if organisational rewards were earned by what he or she did or only because of who he or she is” (1988, p 107)

Favoritism as a whole seems to be negative for an organisation. Grove (1984) explains how important it is to keep favouritism etc out of evaluation as it can be a problem for organisational effectiveness and hinder organisational goals. He also explains that it is worth the time the supervisors spend doing this correctly, as they can keep and choose the right people for promotion and for the organisation. Ford and McLaughlin (1986) found a significant relationship between nepotism and the size of the organisation. In addition, they found that nepotism has an effect on the functions and policies of HRM's and on HRMs in their own jobs.

2.9 How to work with Nepotism

In her article, Morrissey explains that “although nepotism is viewed as a negative in organisations regardless of the type of organisation where the phenomenon is taking place” (Morrissey, 2006, p 161). She believes that if practiced correctly, it can quickly become positive, “as you will see, family-run business can turn the issue of nepotism from a hot button topic into a non-issue by following some simple guidelines” (2006, p 161). Through this article, Morrissey explains that organisations that use nepotism can use her 11 guidelines on how to work with nepotism. (See Appendix 6). Through these guidelines, organisations can use nepotism in a positive manner rather than in a negative one by making the practice a fairer one.

2.10 THE HRM function V's NEPOTISM

Ginseng-Prophal illuminates the effects of the practice on the HR function "It can be harder, and even more necessary for HR to establish and clearly communicate business philosophies, policies and practices and to apply them consistently across organisations when employees, perhaps even top executives are related Nepotism can have an impact on virtually all functions of HR" (Ginseng-Prophal, 2007, p 30) Mulder (2008) explains in her paper, that many HR selections, practices and policies are norms How a company chooses to recruit and what methods are used in the selection process predict several outcomes, including which applicants choose to apply, which applicants are hired, and even future job performance and turnover She goes on to say that it is possible that a nepotee may be selected because they are by far the best candidate for the job She states, "Like any other situation, if there are other, more qualified applicants, the potential nepotee may not be selected based upon this alone" (Mulder, 2008, p 55) But the assumption in her paper is that kinship can sometimes overrule HR practice as outlined "However, nepotism implies preferential treatment, so one would assume that Kinship would at the very least keep an individual in the selection process if not completely open the door to that individual in the final outcome Exactly how far kinship will take a person in an organisational selection process will more likely depend upon the company's selection policies and history with nepotism" (2008, p 56)

Many authors seem to refer to nepotism as the darker side of HRM selection practices, and many more talk about how it is very lightly covered by the literature In his article, Fiebig discusses the negatives and positives of nepotism as a selection practice of merit based selection. Fiebig explains that "human resources are a very important function for deterring this, as nepotism is not justifiable" (Fiebig, 2000, p 18) He goes on to evaluate the possibility of nepotism and explains that in order for nepotism to be acceptable, "human resource professionals must constantly evaluate policies to ensure they are consistent with meeting the goals and objectives of an organisation, ensuring these are met along with being sensitive to the work environment, are the only tools available in deciding whether or not to use nepotism in the hiring process" (2000, p 19), provides justification for study on nepotism Another major article by Arasli et al. discusses nepotism, and how it affects the HR function, state, "In heavily nepotism-oriented businesses, if nepotism is felt intensively, the human resource management practices cannot work independently Due to this, it is not possible to have meritocracy in the organisation" (Arasli, et al, 2006, p 296) This is a major factor in nepotistic firms and affects the possibility of equity and fairness in the selection practice for nepotistic organisations whether they are sporting or business organisations The

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importance of HR is stressed in this article also “Human resource management in an organisation is very important. These activities include recruitment, selection, training, career development, compensation, and performance appraisal. They are the basic functions of an organisation (2006, p 297). Many others explain that HR practices can provide an organisation with competitive advantage through the use of its people. They explain that HR can increase job/player satisfaction while it can deter and reduce the people’s intention to quit. If people then have a good experience with their perspective organisation this will reduce negative word of mouth due to good practice (Burke, 2003, Pare, et al, 2001, Bond, 2004). It is obvious from the literature that if a company’s HR function is not effective, an employee will lack commitment, will not be satisfied with their job and their performance will not be 100%. Astrachan et al explain “Lack of trust to business causes the demoralization of employees” (Astrachan, et al, 2002, p 46).

The importance of HR was highlighted by research carried out by Pfeffer (1998). This research proved that through a combination of policies, practice and tools, that the HR function could act as a total system bringing synergy to the organisation to produce the highest levels of employee commitment and sustained company business success. He identified seven dimensions that companies have that are making profit through people and one of the most notable of these was selective hiring. Pfeffer explains that selection is crucial to success. He argues “the real sources of competitive leverage’ are the culture and capabilities of the organisation that are derived from the way people are managed” (Pfeffer, 1998, p 45). Many authors seem to see HR as a means to keeping employees and members of the organisation satisfied and committed to the organisation. Others seem to think that nepotism can have the opposite effects as discussed in the literature above. So, are anti – nepotism policies effective?

2.11 Evidence that anti-nepotism can benefit a firm

Nepotism is a non-strategic decision that affects performance for all organisations. In their paper, Zheng et al. explore the influence of ownership on human resource management (HRM) practices by SMEs. The paper shows enterprise ownership determines both strategic choice and the level of complexity in the application of HRM practices. They explain in their paper that “owned enterprises and collective owned enterprise were still emerged in non-strategic methods in relation to HRM ” (Zheng, et al., 2007, p 30). Their

approach to HRM was still dominated by traditional practices, with “less focus on strategic selection and performance evaluation” (2007, p 30) According to Huang and Duncan (1997), SOEs that had adopted the enterprise reforms and changed the ways they managed their staffing through various contracting and responsibility systems tended to perform better Biffi (1998) also attributed poor performance among SOEs to nepotism. Hence, moving away from the traditional practices, and the adoption of some 'transformational' HRM practices, such as strategic employee selection and performance evaluation, this might help these enterprises to improve their efficiency and effectiveness This could apply to individual clubs of the G A A as they are small organisations

2 12. Empirical Research

A major article in relation to HRM and nepotism conducted research on the perceptions of HR managers towards nepotism. Abdalla et al. (1994) outline that they found a connection between nepotism and the size, sector and region. Unlike other authors, they found that larger organisations were theatres for nepotism. The research also showed that HR managers found nepotism only complicated their job in relation to organisation policies and functions They also found that it can be hard to deal with respondents that are close friends as well, and this, as already discussed comes in the form of cronyism Other implications of the research showed that there were negative feelings in the organisation if nepotism was present Finally they found that organisations that prohibit nepotism are more effective and that nepotism effects equal opportunity employment or violates this

Finally Abdalla et al. explains that if nepotism is allowed to flourish “Overall, such organisations would not be able to achieve organisational goals, objectives and effectiveness This would generate low morale, frustration and stress, regarding both employees generally and human managers Finally, a serious outcome of such a situation could be a brain-drain” (which is taking place now) from the Third World countries to the advanced, industrial nations” (1994, p 60) It is important to note that in further research carried out by Abdalla et al., they found that not all nepotism was negative “HRMs in developed and less-developed countries tended to be less positive about advantages of nepotism. In contrast, they tended to be more negative about disadvantages of nepotism Cultural differences between HRMs slightly affected their perception toward nepotism. The results of this study suggest that the responding HRMs in both countries include HRMs who had bad experiences, others who had

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no experiences, and some who had good experiences with situations involving nepotism” (1998, p 570)

The majority of the literature reviewed in this study has been solution based. As discussed already, the study will focus on the 4th perspective of nepotism provided by Laker and Williams, “The effect of nepotism on employee satisfaction and organisational” Again, it seems to be up to the HRM department to control the practice and how it occurs. From the review we can presume that nepotism can be an effective tool for management whether that be sporting or business organisation, but it is hard to substantiate such comments until we can show actual research carried out. According to Vinton, “nepotism is one of the least studied and most poorly understood human resource practices” (Vinton, 1998, p 298)

Laker and Williams believe that “nepotism can affect an employee’s job satisfaction through their perception of fairness and equity and that these perceptions will also affect an employee’s commitment to the organisation” (2003, p 192). This study aims to prove that this research will be transferable to a sporting organisation. Laker and Williams also explain what organisation commitment is, “Organisational commitment (OCQ) represents the extent to which the employee identifies with the organisation and its goals and the desire to retain membership in the organisation and continue to pursue its goals” (p 195). Organisational commitment is vital to the success of any organisation. Laker and Williams found through their research that if nepotism is present there will be favouritism. This will cause inequity and employee dissatisfaction which will lead to lower commitment and subsequently higher labour costs, another major benefactor to commitment is trust.

Nepotism causes mistrust in organisations. This was found by Keles et al., where they found that unfair selection methods such as nepotism, cronyism and favouritism reduce organisational trust. Keles et al. argue that “the results of the study shows that nepotism, favoritism and cronyism reduce organisational trust in family business” (Keles, 2011, p 13). They explain that there can be many consequences to this “distrust in the management that leads to confrontations between employees and can negatively reduce performance” (p 14).

The work of Araslı et al. (2006) shows the effects of nepotism on human resource management in the case of three, four and five star hotels in Northern Cyprus. This research

was very significant. They found that nepotism had significant negative effects on the three variables. Firstly it affected job satisfaction. This had an effect on the employee's intention to quit and because they had a bad experience of the phenomenon, it caused negative word of mouth for the hotels. This, in turn, led to high turnover of staff, and poor employer brands. They also found that nepotism was not only affecting existing employees, but ambitious managers that wished to join the sector. The research found that HRM "with the evidence of this study, which suggests that HRM boosts job satisfaction and organisational performance if HRM works properly" (Arasli, et al, 2006, p 304). The study also found that job satisfaction had a serious effect on eradicating negative word of mouth and quitting intent. This study suggests in the case of hotels in north Cyprus, that in order to improve organisation performance they need to improve HRM, use Total Quality Management and reduce and eradicate nepotism. Arasli et al state that "unfair incidents occurring because of Nepotism in an organisation such as selection, promotion, delivering equipment, shifting, and rewarding of a family member probably reduce the level of employee satisfaction" (2006, p 307).

Padgett & Morris conducted research on the effects of nepotism in the hiring process and who benefitted from it. They explain that "we found that nepotism was perceived as a less fair hiring process than hiring on the basis of merit" (Padgett & Morris, 2005, p 42). They also found in their paper that nepotism affected job satisfaction and the commitment that members of the organisation gave. Finally, Padgett & Morris found that "subordinates also viewed their managers as less effective due to nepotism selection methods" (2005, p 43).

In his paper, Butte (2011) discusses the issue of nepotism across different parts of the world and gives facts and figures to show that nepotism is alive and kicking all over the world. Ford & McLaughlin found many of the same effects attached to nepotism as other authors. They also identified that "today the concept of nepotism is used for people who misuse their position for the benefit of their families" (1986, p 57). This can be in a sporting organisation or any type of organisation. In his research, Butte found that "working under the instructions of an incapable superior is a disturbing situation for a superior non-family member person. An inequality between the parties occurs here" (Butte, 2011, p 14). Other results of the study show that "lack of confidence, which appears under these circumstances, affects job satisfaction, motivation and performance negatively" (p 14). This leads to poor performance.

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as reiterated by Butte “Nepotism in these organisations affects the employees’ working performances” (p 14)

A major finding here was that nepotism affects job satisfaction in a negative way. This then affects word of mouth and quitting intention in a negative manner also. This is in line with the work of Araslı et al, (2006) as previously reviewed. Although, Araslı et al. found that HRM practice could have the opposite effect of that of nepotism, if conducted properly. This was in relation to job satisfaction, word of mouth and quitting intention. Many authors have recorded the practice of nepotism across many different organisations as explained “Today nepotism has become a widespread reality in politics, publications and sport” (Joffe, 2004, p 74), family firms (Dyusleroglu, 2006) and the service sector (Araslı et al., 2006, p 296). In reality, the work of Butte (2011) and Araslı et al. (2006) will be applied to sporting organisations.