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by
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Abstract

The aim of this study was to examine the effect of anti-nepotism policies on perceptions of favoritism and intent to turnover. It was hypothesized that the presence of an anti-nepotism policy would result in lower intent to turnover after participants read a vignette describing being passed over for a promotion that went to a family member of the business owner. It was also hypothesized that the presence of an anti-nepotism policy would lead to lower perceived favoritism based on the vignette. Data were collected from a sample of 150 participants. Independent-samples t-tests were used to test both hypotheses. Neither yielded significant results, however the results have both theoretical and practical implications. Additionally this study yielded these interesting findings. Coming from a family that owns a business may affect perceptions of favoritism, but working for a family business or having personally been impacted by favoritism in the past did not significantly affect perceptions of favoritism. These implications are discussed, along with limitations and future research directions.
Chapter I

Review of the Literature

Favoritism is a construct that goes back hundreds of years, found in several domains such as politics, psychology, and business (Muchinsky, 2012; Pelletier & Bligh, 2007). When an employee is treated favorably for non-performance reasons, favoritism within an organization may be occurring. This pattern of preferential treatment can be present in several forms including: cronyism, sexual, and generalized favoritism--with one of the most common being nepotism, or favoritism based on familial relations (Jaskiewicz, Uhlenbruck, Balkin, & Reay, 2013). Favoritism in organizations is a common concern among employers and employees alike.

Perceived favoritism can result in a multitude of negative consequences such as lower job satisfaction, lower job performance, and higher turnover rates (Arasli & Tumer, 2008); therefore, it should be prevented whenever possible. Favoritism is considered ambiguous in the sense that people believe they know it when they observe it, but quantifying favoritism is often difficult. In addition, empirical evidence supporting the prevention of favoritism in organizations is lacking. The present study sought to empirically study perceptions of favoritism in the workplace, as a means to stimulate further research on the topic. First, research on favoritism is reviewed, focusing on nepotism and cronyism. Cronyism occurs when one party shows favor to another party based on a shared membership in a social network (Khatri, Tsang & Begley, 2006).
Next, one means of preventing a specific form of favoritism, explicit anti-nepotism policies, is considered. Finally, one possible outcome of experiencing or observing nepotistic favoritism, turnover intentions, is reviewed.

**Nepotism and Cronyism**

Nepotism (from the Italian word for “nephew”) is favoritism shown to relatives by providing work positions or rewards based entirely on the relationship, not merit. Discussion of nepotism can be traced to the 1600s, when newly elected popes would appoint relatives and provide them with the resources needed to preserve their newly acquired social status (Muchinsky, 2012). According to Astrachan and Shanker (2003), there are 3 million family businesses in the United States. These businesses make up 27% of the workforce and employ 36 million people. To qualify as a family business, a company must be multigenerational, typically including a grandparent founder, two or three offspring in top management positions, and additional relatives at entry-level positions. Those opposed to nepotistic practices claim that family-run organizations are held back because nepots are granted promotions simply because of their relation to those in higher positions, not because they have the required skills and abilities. This promotion that is based on who someone is rather than what he or she knows has the potential to place an incompetent employee in a key role. At the same time, a superior candidate may be prevented from advancing in the organization (Muchinsky, 2012).

Organizations that have a high percentage of nepots are likely to experience destructive conflict among them (Muchinsky, 2012). Organizations are especially vulnerable to destructive conflict when succession planning occurs. The principle of primogeniture, which entitles the firstborn son to the family power and authority, is often
followed in nepotistic organizations (Mhatre, Riggio, & Riggio, 2012; Muchinsky, 2012). Advocates for primogeniture claim that the firstborn son typically has more years of experience in the business and was more than likely mentored directly by the founder; together, this adds merit to the succession. However, in practice, primogeniture can evoke conflict between siblings, creating structural damage to the family business. When jealousy and anger surface in a nepotistic organization, a toxic environment is likely. Family businesses are more prone to open expression of conflict than non-nepotistic organizations, because nepots are less likely to worry about losing their job and therefore are less worried about resolving conflict -- or at least developing more subtle mechanisms for it (Muchinsky, 2012). Bloom and Van Reenen (2007) found that businesses that follow the rules of primogeniture significantly underperformed other companies. Finally, there is always a risk that entitled nepots will exploit the family firm resources for personal gain, rather than working towards benefitting current and future family firm owners (Jaskiewicz et al., 2013). Sometimes organizations exhibit favoritism in selection decisions not based on family relationships but based on group membership. These behaviors are sometimes referred to as quasi-nepotistic (Muchinsky, 2012).

Cronyism is the preferential treatment of long-standing close friends. Like nepotism, cronyism is characterized by appointments to positions without consideration of qualifications (Arasli & Tumer, 2008). Cronyism has traditionally been thought of in terms of corrupt politics; specifically, it tended to be observed right before the changing of leaders in office. A spike in appointments in the months prior to leaving office might occur because having friends in office would presumably secure the politician’s interests. The appointing of cronies has been bad for many cities historically. One of the most
common examples is Chicago, which publically struggled with the results of corrupt politics. Gradel et al. (2011) traced the city’s path of corruption back nearly 150 years, although the authors primarily focused on the past 30 years. The report contained references to countless convictions including bribery, contract rigging, and theft. Many government agencies were involved, and the city lost much money and respect from the scandals (Gradel et al., 2011). The same negative ramifications that happened due to cronyism in politics occur in other organizations. Organizations that frequently experience quasi-nepotistic or cronyistic episodes are highly subject to corruption. Social Learning Theory (SLT) states that people learn much of their behavior from observing others (Bandura, 1977). Hanna, Crittenden, and Crittenden (2013) studied the impact of Social Learning Theory (SLT) on ethical behaviors in the office. Consistent with SLT, they found that potential unethical behavior by future business leaders is highly dependent on the behaviors they observe in the business world. Therefore, it is possible that when top leaders of an organization are seen exhibiting cronyism, middle-level managers will often follow suit. This establishment of counterproductive norms is likely to violate the procedural justice expectations of those employed (Mhatre et al., 2012).

Pelletier and Bligh (2008) were inspired by the 2001 Wall Street scandals, specifically the corruption in Enron, to examine employee attributions and emotional reactions to a highly publicized corruption scandal in a county government agency. The researchers had participants complete an ethical climate assessment followed by answering open-ended questions seeking employees’ perceptions of ethics within the organization. In analyzing references to organizational politics, aspects of nepotism and cronyism were referred to in 76% of the responses. Examples of the manifestation of
politics included: preferential treatment for in-group members, questionable hiring practices, and questionable promotion practices. Many respondents felt that policies and practices had been inconsistently administered. Employees reported that they were angry at being required to attend ethics training when top management was excused, and many employees felt as though those in top management needed the training most. One employee stated, “We’ve had ethics crammed down our throats; the peons are not the ones with the scruples of a swamp rat” (Pelletier & Bligh, 2008, p. 838). Many of the respondents felt that had a lower ranking employee committed the unethical acts, he or she would be fired immediately. Several respondents felt as though the organization was tracking the responses and that by being honest they were risking retaliation from the company. In fact, many people cited cases in which managers would retaliate against those who voiced concerns about ethical practices by putting in involuntary transfers. Those who witnessed retaliation against coworkers felt less comfortable about questioning the ethical practices of leaders.

Pelletier and Bligh’s (2008) survey highlights the emotional damage that corruption (specifically nepotism and cronyism) in the workplace can cause. Many of the survey respondents displayed low levels of self-efficacy and high levels of cynicism. Negative feelings such as cynicism, pessimism, and fear may decrease job satisfaction and job performance (Arasli & Tumer, 2008; Pelletier & Bligh, 2008).

Arasli and Tumer (2008) examined the relationship of nepotism and cronyism with job stress, job satisfaction, word of mouth, and intention to quit. The researchers, focusing on the banking industry of North Cyprus, found a positive relationship for both nepotism and cronyism with job stress. In a series of regression analyses using nepotism
ANTI-NEPOTISM POLICIES

and cronyism as predictors, and word of mouth, job satisfaction, and intention to quit as criteria, job stress consistently served as a mediator of the relationships. Perceived favoritism can make employees dissatisfied, which harms the company in multiple ways. First, dissatisfied employees are more likely to talk negatively about their organization. In an age when websites like Glassdoor.com allow the public a glimpse at what an organization is like on the inside, this can lower consumers’ loyalty towards a company. This may in turn lower profit margins or other key outcomes. Dissatisfaction can also increase intention to quit, and large turnover in a company can be costly. Also, it may limit who may be willing to work for a company in the future. If an applicant sees high turnover, he or she may be hesitant to accept a position or even apply for a position within that organization. It must be highlighted, though, that this hesitancy is an extrapolation from prior research, and should be considered as a potential question for future research to examine. Taken in total, the various forms of favoritism may damage the ability of current and prospective future employees to trust the organization, with such mistrust having been studied in other contexts (Pelletier & Bligh, 2008). Mistrust was included for exploratory purposes in the current study. Because of the negative consequences associated with nepotistic and quasi-nepotistic organizations, many organizations have implemented anti-nepotism policies (van Hooft & Stout, 2012).

**Anti-Nepotism Policies**

Anti-nepotism policies are rules adopted by organizations that are intended to prevent the favoring of relatives from occurring. These policies can come in many forms and vary in breadth. Some policies prevent relatives from working together in the same department, whereas others just restrict the direct supervision of a relative (Reed, 2008).
These policies are typically inclusive of relatives by blood as well as marriage. More organizations in the United States have chosen to adopt these policies as organizations become aware of the problems associated with having a nepotistic organization (van Hooft & Stout, 2012).

Mark Funkhouser, the mayor of Kansas City, Missouri, faced the city’s anti-nepotism policy. Although the policy was originally enacted to protect Kansas City from the corruption that Chicago had faced, Funkhouser was affected by it personally. His wife, Gloria Squitiro, was his former campaign manager and personal assistant. Even though she was volunteering her time and receiving no compensation from the city, she was viewed negatively by city hall employees. The city passed a “volunteer ordinance” which prevented relatives from working in city hall on a regular basis. Funkhouser did not let the policy stop him from using his wife as a personal assistant; he instead moved meetings to the public library since she was not allowed in city hall (Masudam & Visio, 2012). As such, although anti-nepotism policies are designed to eliminate negative consequences of nepotism, they may not work as intended. Given the changes in society, researchers have started to question the benefits of anti-nepotism policies for the long run (Howard, 2008). One potential issue relates to the domain of work-family conflict.

Work-family conflict issues. As a public example of wanting to have family involvement in the workplace, Funkhouser’s feelings are not uncommon. As employees stay in the workforce longer and more women enter the workforce, many more employees encounter relatives in the workplace, whether it is a parent, sibling, child, or spouse. With longer work weeks and hours, there is a heavy burden of work-family conflict taking place. Researchers have found work-family conflict to have a negative
relationship with job satisfaction and positive relationships with turnover intentions, psychological strain, depression, and burnout (Masuda & Visio, 2012). Three types of work-family conflict were identified by Greenhaus and Beutell (1985). The first is strain-based conflict, which occurs when stress experienced in one domain spills over into another domain. The second is time-based conflict, which is the classic dilemma of not having enough time in any given day. The time spent on getting ahead at work is time spent away from time with the family and vice versa. Finally, behavior-based conflict describes how a behavior in one domain may be used in the other domain. Behavior-based conflict can arise because individuals have different ways of managing the boundaries between work and family.

Clark (2000) used the concept of borders to describe strategies people employ to deal with this conflict. Individuals sometimes focus on the physical boundaries between work and family, which include rules on how to manage the space used for the two activities. Someone who is cautious about physical boundaries will restrict working from home to one area of the house, such as a home office. When he or she is in the home office, work is the focus. Any other area of the home is off limits to work. Other individuals are focused on the temporal borders between domains. These are rules about how time is spent. Finally, some people focus on psychological borders, motivated in managing emotions and thinking. Clark mentioned that for some people, these borders vary in permeability. Some people have borders that are weaker or more flexible than others. Some individuals choose to keep work and family completely separate whereas others allow work friends to join in at non-work functions.
Anti-nepotism policies are thought to decrease work-family conflict by making stronger borders for individuals (Masuda & Visio, 2012). If family is kept away from work, it may be easier for some employees to manage their emotions and thinking. Organizations that implement such policies are attempting to limit the amount of spillover between work and family domains. In some cases, these policies may help eliminate some inter-role conflict. However, in other cases, organizations may be limiting work-family enrichment (Masuda & Visio, 2012).

**Work-family enrichment.** Work-family enrichment is “the extent to which experiences in one role improve quality of life in the other role” (Greenhaus & Powell, 2006, p. 73). Theoretically, the knowledge gained in a family context can be applied to a work setting. For example, if a couple discussed a problem one of them was experiencing at work over a family dinner, the one experiencing the problem could gain a different perspective from the partner. This new insight could potentially solve the issue at hand, thereby improving work performance and increasing job satisfaction. The integration of work-family roles is commonly found in nepotistic organizations. The integration of roles may enhance work-family enrichment because it allows the transfer of resources between roles (Masuda & Visio, 2012).

Dunn and O’Brien (2013) found further support for the model presented by Greenhaus and Powell (2006). Dunn and O’Brien examined the extent to which resources generated at work and positive affect were associated with enrichment. Specifically, the authors examined the indirect effect of workplace organizational support on family satisfaction through positive affect at work. The researchers found that perceived organizational support for work-family balance was positively related to
positive affect for both genders, and that positive affect at work had a positive relationship with family satisfaction for females. These results support the existence of a spillover effect from work to family.

McNall, Nicklin, and Masuda’s (2010) meta-analyses provided evidence that employees who experienced work-family enrichment also experienced higher satisfaction with their jobs, higher organizational commitment, higher family satisfaction, and better health both physically and mentally. One key organizational variable that may also be related to these outcomes is turnover.

**Turnover Intentions**

Turnover is the act of an employee leaving an organization. Turnover can either be voluntary or involuntary. Voluntary turnover occurs when an employee chooses to leave an organization for whatever reason whereas involuntary turnover occurs when an organization chooses to discontinue employment whether it is through layoffs or firings. Turnover rate is equal to a company’s total number of “separations” (that is, incidents of either voluntary or involuntary turnover) divided by its total number of employees (SHRM, 2005).

The United States Department of Labor reported 4.6 million total separations in November of 2014. Of those separations, 2.6 million were quits. The Society for Human Resource Management (SHRM) estimated that each time a salaried employee leaves, it costs the organization six to nine months’ salary (SHRM, 2013). As such, it is likely less expensive to retain a good employee than it is to replace that employee. Although turnover can cost companies thousands of dollars per day, much of the cost goes unseen.
Turnover costs include, but are not limited to severance, loss of productivity, advertisement, hiring, and training (Joinson, 2000).

Intent to turnover measures an employee’s inclination to leave an organization. Turnover intention has been found to have a strong positive relationship with turnover (Licklider, 2011). Past research has also found turnover intention to be negatively related to job satisfaction (Dailey & Kirk, 1992; Lambert, Hogan, & Barton, 2001). Dailey and Kirk (1992) also found a negative relationship between an employee’s perception of procedural justice in planning and feedback and turnover intention.

Quantifying turnover intentions is beneficial to organizations in multiple ways. Turnover intention data make it easier to gain support from upper management for human resource strategies targeted at retention. This support is necessary when looking at initiatives and implementations that will cost the organization money. Additionally, issuing a turnover intention survey gives the human resource department measurements it can re-examine after it has implemented changes. Before making major changes to an organization, it is potentially wise to collect information because otherwise it is hard to pinpoint which interventions worked and which ones provided little improvement.

Higher intention to turnover may be a result of perceived favoritism. However, higher intention to turnover may also be a result of work-family conflict. Past research has found a positive relationship between perceived favoritism and intent to turnover (Arasli & Tumer, 2008). This finding, coupled with other negative consequences of nepotism, has influenced many organizations to institute anti-nepotism policies. These policies are intended to protect employees from experiencing favoritism; however, there is little research on how effective these policies are. Anti-nepotism policies may decrease
intent to turnover for some, but may increase it for others. Work-family enrichment has been found to be positively related to job satisfaction (McNall, Nicklin, & Masuda, 2010) and job satisfaction has been found to be negatively related to turnover intent (Dailey & Kirk, 1992; Lambert, Hogan, & Barton, 2001). If anti-nepotism policies do not actually improve perceptions of favoritism, but do take away from others’ job satisfaction, they could be doing more harm than good. The purpose of this study is to test if the presence of an anti-nepotism policy will have a significant effect on self-reported intent to turnover and perceived favoritism.
Chapter II

Rationale and Hypotheses

Past research has indicated that people are likely to perceive favoritism or preferential treatment in the workplace (Muchinsky, 2012; Pelletier & Bligh, 2007). Several negative consequences have been found to follow these perceptions, including lower job satisfaction and productivity, and higher absenteeism and turnover (Arasli & Tumer, 2008; Pelletier & Bligh, 2008). The main goal of any organization is to succeed in its core mission. Practices that predictably lower performance should be prevented. If different types of favoritism lead to predictable negative outcomes, favoritism in organizations should be prevented.

Some organizations have attempted to prevent negative consequences of nepotism by adopting specific anti-nepotism policies (van Hoof & Stout, 2012). Research has yielded mixed results as to whether these policies actually benefit the organization (Masuda & Visio, 2012). These policies have the potential to stunt work-family enrichment while failing to protect the organization from harmful effects of perceived favoritism. Therefore, it is worthwhile to explore the perceptions individuals have regarding the presence of anti-nepotism policies in organizations. If an individual knows that an organization has these policies in place, that individual may be less likely to consider turning over than if the organization does not have such policies. It may also be the case that employees who perceive favoritism occurring will be more likely to turn
over than employees who do not perceive favoritism. Based on the mixed findings, the following are hypothesized.

*Hypothesis 1:* The presence of an anti-nepotism policy will have a significant effect on self-reported intent to turnover such that participants who read a vignette with the presence of an anti-nepotism policy will report significantly lower intent to turnover than participants who read a vignette in which an anti-nepotism policy is absent.

*Hypothesis 2:* The presence of an anti-nepotism policy will have a significant effect on perceived favoritism such that participants who read a vignette with an anti-nepotism policy will report significantly lower levels of perceived favoritism within that context than participants who read a vignette in which an anti-nepotism policy is absent.
Chapter III

Method

Participants

The present study utilized a two-group between-subjects design. Participants were required to live in the United States in order to prevent views on favoritism from being potentially confounded by cultural norms and values. No other demographic exclusions were utilized, in order to capture the most diverse possible sample of U.S.-based participants. Participants were recruited using Amazon Mechanical Turk (MTurk), with the research materials posted on Qualtrics.com for participants to complete. Each participant must have had a minimum of 50 HITs completed with a minimum 95% HIT approval rate. According to Barger, Behrend, Sharek, and Sinar (2011), data collected from MTurk are at least as reliable as data collected using traditional methods. Data were collected from 180 participants, but only 150 were used in the final analyses. One participant failed the quality check, and 28 failed the manipulation check. Because of the high rate failure of fact checks, a second data collection wave took place. A participant from the first wave completed the study again during the second wave; therefore, the second set of data from that participant was also discarded. The final groups had 72 participants in the “policy present” group and 78 for the “policy absent” group. About 73% of the total sample was male (see Table 1 for demographics). All participants (N = 150) were 18 years or older and lived in the United States.
Table 1 *Demographics of Sample*

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Note. *N = 150*
Participants were compensated $0.40 for participation in the study if they passed all relevant quality checks.

**Materials and Measures**

**Vignettes.** The participants were asked to read one of two brief scenarios that manipulated the presence/absence of an anti-nepotism policy. One group of participants saw a vignette that mentioned the organization had an anti-nepotism policy. The other group of participants saw a vignette that mentioned that the organization did not have an anti-nepotism policy. The participants were then asked questions relating to the scenario they just read. A copy of the vignettes is included in Appendix A.

**Perceived favoritism and competence.** The first measure utilized in this study assessed if the participant perceived favoritism in the vignette assigned to him or her. This was examined by using the following item: “In the scenario I just read, Charles displayed favoritism toward Alex.” This was scored on a 5-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). Participants were also asked to answer, “In the vignette I just read, I perceived Alex to be competent.” This was also scored on a 5-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). Because answering either the perceived favoritism question or competency question first could potentially change the participant’s response to the second question, the order of these two questions was randomized.

**Intent to turnover.** Turnover intentions (see Appendix B for source information; Kinnunen, Feldt, & Mäkikangas, 2008) were evaluated by two items including, “If I worked as a senior staff member in the scenario I just read, I would often think about leaving. These items were measured on a 5-point scale adapted from the one used. This
scale ranged from 1 (Strongly disagree) to 5 (Strongly agree). The items were adapted to make them fit the vignette-based design of the present study. When used by these previous researchers the Cronbach’s alpha coefficient for the turnover intentions scale was .81. In the present study a Cronbach’s alpha coefficient of .84 was found.

**Mistrust.** Mistrust was measured using the mistrust scale as part of the CAT-PD Static Form (see Appendix C for source information; Simms, Goldberg, Roberts, Watson, Welte, & Rotterman, 2011). A tendency to mistrust others was included for exploratory purposes in this study. People who scored high on a mistrust scale may have differed substantially from the general population. This may have led the participant to have higher perceptions of favoritism in general, which may have skewed the results. The mistrust scale was retrieved using the IPIP database. This scale consists of six statements including, “I suspect hidden motives in others” and “I believe that people are basically honest and good” (reverse scored). This scale was scored on a 5-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). The reported coefficient alpha for the mistrust scale as part of the CAT-PD Static Form is .83. The mistrust scale had a coefficient alpha of .87 in the present study.

**Demographics.** A number of demographic variables were collected. Age, race, gender, and highest level of education completed were collected for classification purposes. Additionally, each participant was asked how many jobs he or she has held and whether he or she has worked for a family-run organization as well as if his or her family owns or operates a business. Each participant was also asked, “Have you ever personally been affected by favoritism in the workplace before?” as well as “Are you currently employed?” If the participant answered yes to being employed, they were also asked,
“Currently, how satisfied are you overall in your job?” All demographics were analyzed for potential use as covariates. In addition, participants were asked to report their MTurk worker ID number so that payment could be processed. All MTurk worker IDs were deleted after payments were made and prior to any analyses being run, in order to protect participant identities. A copy of the demographic items is included in Appendix D.

**Procedure**

IRB approval was obtained from Xavier’s Institutional Review Board (see Appendix E). This study utilized a two-group between-subjects design. Participants were randomly assigned to one of two groups (presence or absence of an anti-nepotism policy). Recruitment information that was displayed as part of the MTurk user interface is included as Appendix F. Once users accepted the HIT and connected to the survey on Qualtrics.com, they were shown an informed consent form (see Appendix G). Clicking to continue indicated acceptance of the terms. Each participant then read a vignette and answered whether or not he or she perceived favoritism in the scenario as well as whether or not he or she would intend to turnover in that situation. The vignettes were identical, except one clearly stated the presence of an anti-nepotism policy whereas the other clearly stated the absence of an anti-nepotism policy. The instructions for the vignette informed participants that they would be asked one or more fact-based questions about the scenario, and that if they did not answer those questions correctly, they might not be compensated. A fact check question was included, but participants were paid whether or not that question was answered correctly so that characteristics of individuals who failed the fact check in the presence of a strong warning could be assessed. Analyses were run both with and without individuals who failed the fact check question, and the target
sample size of 64 per group required 64 who passed the check per group, to ensure sufficient power for all analyses.

Once the participant answered the initial questions relating to the vignette, the demographic items were displayed (including the fact check question) as well as the mistrust scale items. Participants who passed the quality check item on the demographic scale and who answered all required questions were paid $0.40.
Chapter IV

Results

To rule out mistrust as a potential covariate, an independent-samples $t$-test was run. Results indicated that participants who read a vignette with the presence of an anti-nepotism policy did not report significantly higher levels of mistrust ($M = 2.79$, $SD = 0.75$) than participants who read a vignette in which an anti-nepotism policy was absent ($M = 2.82$, $SD = 0.87$); $t(148) = -0.18$, $p = .86$. Therefore there was no reason to utilize mistrust as a covariate. There were no significant demographic differences on either perceived favoritism or intent to turnover. Independent-samples $t$-tests were used to explore gender differences in perceived favoritism and intent to turnover. There were no significant differences between males ($M = 4.32$, $SD = 0.72$) and females ($M = 4.33$, $SD = 0.62$) on the perceived favoritism item, $t(147) = -0.03$, $p = .98$. No significant differences occurred between males ($M = 3.29$, $SD = 0.93$) and females ($M = 3.50$, $SD = 1.03$) on intent to turnover either, $t(147) = -1.17$, $p = .25$. Correlations were used to explore age effects on perceived favoritism and intent to turnover. The correlation between age and perceived favoritism was not significant, $r(150) = -.06$, $p = .46$, as was the correlation between age and intent to turnover, $r(150) = .08$, $p = .33$.

Because no covariates were needed to test the hypotheses, an independent samples $t$-test was conducted to test Hypothesis 1, which stated that participants who read a vignette with the presence of an anti-nepotism policy would report significantly lower intent to turnover than participants who read a vignette in which an anti-nepotism policy
is absent. Results indicated that participants who read a vignette with the presence of an anti-nepotism policy did not report significantly lower intent to turnover \((M = 3.25, SD = 1.08)\) than participants who read a vignette in which an anti-nepotism policy was absent \((M = 3.45, SD = .83)\); \(t(148) = -1.48, p = .14, d = .21\). Therefore, Hypothesis 1 was not supported, and the effect size was small.

To test Hypothesis 2, which stated that participants who read a vignette with an anti-nepotism policy would report significantly lower levels of perceived favoritism within that context than participants who read a vignette in which an anti-nepotism policy is absent, an independent samples \(t\)-test was utilized. Results indicated that participants who read a vignette with the presence of an anti-nepotism policy did not report significantly lower levels of perceived favoritism \((M = 4.19, SD = 0.79)\) than participants who read a vignette in which an anti-nepotism policy was absent \((M = 4.40, SD = 0.67)\); \(t(148) = -1.69, p = .09, d = .29\). Therefore, Hypothesis 2 was not supported, and the effect size was small.

Additionally, several exploratory analyses were run, beginning with the relationship between perceived competence and perceived favoritism. The correlation between perceived competence and perceived favoritism was not significant, \(r(150) = -.08, p = .31\). An independent-samples \(t\)-test was run to explore differences in perceived favoritism between participants who have personally been affected by favoritism and those who have not. Results indicated that participants who had been affected by favoritism did not report significantly different perceptions of favoritism \((M = 4.33, SD = 0.78)\) from participants who had not been personally affected \((M = 4.27, SD = 0.70)\); \(t(148) = 0.46, p = .64\). Another independent-samples \(t\)-test was run to explore differences in perceptions
of favoritism between participants who have worked for a family-owned company and participants who have not. Results indicated that participants who have worked for family owned organizations did not report significantly different perceptions of favoritism ($M = 4.23$, $SD = 0.76$) from participants who have not worked for a family owned organization ($M = 4.38$, $SD = 0.72$); $t(148) = -1.20$, $p = .23$. Finally, an independent samples $t$-test was run to explore the differences between participants whose family owns or operates a business and participants whose family does not own or operate a business. Participants whose family owns or operates a business were significantly less likely to perceive favoritism ($M = 3.94$, $SD = 0.87$) than participants whose family does not own or operate a business ($M = 4.35$, $SD = 0.71$); $t(148) = -2.20$, $p = .03$. 
Chapter V

Discussion

For years, nepotism has carried a negative connotation leading many organizations to implement anti-nepotism policies (van Hooft & Stout, 2012). Additional research has asked whether anti-nepotism policies cause more harm than good (Masuda & Visio, 2012). Therefore, the purpose of the current study was to examine the effects of the presence of an anti-nepotism policy on an individual’s perception of favoritism and intent to turnover.

This study found no support for Hypothesis 1, which stated that participants who read a vignette with the presence of an anti-nepotism policy would report significantly lower intent to turnover than participants who read a vignette in which an anti-nepotism policy was absent. These results indicate that, surprisingly, having an anti-nepotism policy does not significantly affect self-reported intent to turnover in a simulated environment.

Additionally, Hypothesis 2, which stated that participants who read a vignette with an anti-nepotism policy would report significantly lower levels of perceived favoritism within that context than participants who read a vignette in which an anti-nepotism policy was absent, was not supported. Again, it appears that having an anti-nepotism policy does not have a significant impact on perception of favoritism in a simulated environment. Though given the mean values observed for perceived favoritism
anti-nepotism policies across groups ($M_{policy} = 4.19$ vs. $M_{no\ policy} = 4.40$), more attention to this question is warranted.

**Contributions and Implications**

The lack of significant differences between the two groups is a fascinating finding in itself. From a practical standpoint, several immediate explanations for the lack of support of both Hypotheses 1 and 2 exist. The first is that nepotism may not have as great of an impact on intent to turnover (or on perceptions of favoritism) as past research (Arasli & Tumer, 2008) has led us to believe. If this is the case, past research should be examined for alternate causes of the negative effects found with regards to job satisfaction, job stress, and intent to turnover (Arasli & Tumer, 2008).

The second explanation is that anti-nepotism policies are ineffective. If people perceive favoritism, even with a policy in place, that policy must not be the preventative measure that many organizations believe it to be. This explanation provides a couple of practical implications moving forward. The first is that organizations need to focus more on policy writing. Organizations may utilize policy as a protective measure in the legal world. Unfortunately, some policies exist solely as a means to protect the company, not the people who work there. When lawsuits arise, one of the first things that may be examined is the employee handbook, and any policies that have been previously put into place that state the employer is not to be held liable. This attitude of protecting the organization first, then the employee, may mean that policies are drafted to appear to be effective without actually being effective. If this is the case, organizations should take the extra steps to provide a policy that is as protective in actuality as it appears to be on the surface.
Based on the prior logic, it is possible that no matter how well-written a policy is, there is no way to make it work. A major issue with favoritism is that it is an intangible problem. Because there is no concrete way of defining favoritism, there are few ways to draft a policy that will actually cover everyone. People’s perceptions in general are challenging because they reflect subjective interpretations of a situation. An organization can say “No favoritism allowed!” but it is quite possible favoritism, or at least the perception of favoritism, will still occur.

Third, it is possible that there are differences based on the presence or absence of a policy, but that the effect was too small to result in statistical significance given the present sample size. The results were in the hypothesized direction, meaning that there is the chance that significant results would be found in a bigger sample. The effect sizes for Hypotheses 1 and 2 were $d = .21$ and $d = .29$, respectively, which are small effects. Prior to collecting data, the target sample size was calculated based on the assumption of a medium effect size. If these effect sizes are accurate, then a larger sample size would have resulted in statistical significance in the hypothesized direction.

Practically speaking, statistical significance is potentially important regardless of the effect size. There are multiple factors considered when determining a company’s culture. Even if each factor causes a small amount of conflict within the organization, together they have the chance to cause havoc. If this is one of the predictable factors that can be dealt with to prevent the stacking up of negative factors, organizations should do what they can to help. It is also important to consider the potential harmful effects associated with nepotism on outcomes not included in this study. There may be a small effect on intent to turnover, but a large effect on incivility; this represents a direction for
future research. Finally, because this study used vignettes it is possible that the methodology used was unable to pick up as strong effects as a real-life sample would yield.

Finally, as previously mentioned it may be that the vignette-based methodology did not provide a meaningful test of the research hypotheses, because vignettes may or may not possess high psychological fidelity or meaningfulness. However, given that the means for both hypothesis tests were in the expected direction and that the effects were simply smaller than anticipated (leading to an inability to reject the null hypothesis), it seems that the vignettes captured something meaningful, but that the effect (in the lab, the real world, or both) may be more subtle than was expected. It may be that people are less likely to feel as strongly towards a fictional situation as they would towards a situation that is impacting them directly.

It was surprising that the relationship between perceived competence and perceived favoritism was not significant. It was speculated that had both Alex and the reader had similar credentials, the promotion of Alex could be attributed to something other than his relationship to the President. However, Alex was described as having lower credentials than the reader. This difference in credentials was thought to make onlookers seek an explanation for why the decision was made. It was thought that one obvious conclusion would be that Alex was promoted based on his relationship; however, although results across the board indicated participants perceived a low level of competence and a high level of favoritism, the correlation analysis did not yield significant results, \( r(150) = -.06, p = .46 \).

It was also surprising that working for a family business did not yield significant
differences from not working for a family business in terms of perceptions of favoritism. It was thought that working for a family business may affect perceptions of favoritism positively; that is, those who work for a family-owned organization would differ in terms of reported favoritism from those who do not work for a family-owned organization. The thought behind this was that those who work for a family-owned organization would be more likely to experience this scenario in real life. It is possible that some participants have had negative experiences working for a family-owned organization. If this is the case, they may have responded more negatively, in which case the results would have balanced out. Without looking at individual responses, this theory cannot be examined. This finding highlights that just asking the ownership status of their organization does not suffice; rather it must be taken a step further to examine the respondent’s perception of fairness within their current organization. This step would help determine if the family-owned status does in fact have an impact on perceptions of favoritism. This could be further explored in a future study.

Although there were no significant differences in working for a family-owned business, exploratory analysis did reveal a significant difference in perceptions of favoritism from those participants whose family owns or operates a business and those whose family does not own or operate a family business. It seems that owning a family business would negatively affect the perceptions of favoritism; that is, those who own a family business would be less likely to report perceptions of favoritism. A family business owner may be less inclined to notice, or at least admit, that unethical decisions are being made.

Perhaps most surprising was that personally being affected, positively or
negatively, by favoritism did not have a significant impact on reported perceptions of favoritism. It was thought that if someone had been favored in the past he or she may be less likely to report favoritism occurring. However, if someone had a negative experience with someone else benefitting from favoritism in the past, he or she may be more sensitive to favoritism and therefore may have elevated perceptions of favoritism. Contrary to these expectations, results indicated that participants who have been affected by favoritism ($M = 4.33$, $SD = 0.78$) and participants who have not been affected by favoritism ($M = 4.27$, $SD = 0.70$) both perceived elevated levels of favoritism. Since everyone saw this scenario as favoring Alex, based on the high means in both groups, it is possible a ceiling effect was present that affected the results.

**Limitations and Future Directions**

The present study is not without limitations. First, MTurk provides access to a sample of workers; however, participants could complete the study anywhere there was internet access, minimizing researcher control. Data indicate that more than 70% of participants in the present study completed it in one minute or less. Perhaps rushing through the survey limited participants’ capacity to internalize the vignette.

There is also no way of verifying participants’ eligibility to participate. For example, one of the study requirements is that participants resided in the United States. As long as a participant has registered a United States address with MTurk and passed the quality checks, he or she was included even if he or she might presently reside in a different country. Unfortunately, there is no reliable way to assess whether a participant was inaccurate in reporting their location to MTurk, since such an individual could subsequently lie on any self-report question about her or his location in order to retain
eligibility. Despite its limitations, because it offered diverse workers with significant work experience, MTurk was the best data collection method for this initial study.

Another possible limitation, noted earlier, is the use of vignettes. There is always a risk with vignettes that the participants will not feel as strong of an emotional connection as they would with a real-life situation. An alternative to vignettes would have been for participants to have self-reported past experiences, but that would have been hard to control for. It would have been difficult to assess the magnitude of impact one company’s anti-nepotism policy had versus another company’s anti-nepotism policy. Given that not all policies (nor their enforcement) are created equal, the results from a self-reported study might have been less clear than results from a more controlled experimental method.

There is also the possibility that intent to turnover is too strong of a reaction to test, especially through vignettes. A person could be unhappy with perceived favoritism, but still have a variety of reasons to remain with the organization. If the organization provides great benefits, is in a good location, or the employee genuinely enjoys most of his or her coworkers, they may not intend to leave even if their perception of favoritism is high. A possible direction for future research is to examine perceptions of favoritism with some weaker reactions such as incivility, absenteeism, or perceptions of organizational justice. It might also be interesting to look at economy as a moderator variable. In a bad economy people may be less inclined to leave a job, even in the worst situations, because it is harder to find a new job. I think few people would be willing to leave a job without a new job lined up, especially in a bad economy.
Finally, the fact check failure rate is a limitation. The fact check question read, “Did the organization described in the scenario you read have an anti-nepotism policy in place?” and 17% of participants failed to answer it correctly and were subsequently excluded from all analyses. Analyses were run both with and without those who failed, with identical patterns of results emerging. It is possible that the use of vignettes was not a strong enough manipulation for some to pick up on. It is also possible that some rushed through the survey and did not read as carefully as was hoped. If they did in fact rush through the reading or answering of questions, this could have affected the results. The median response time was one minute; therefore a lack of focus could be a concern.

Although comparing two actual organizations (one with an anti-nepotism policy and one without) would in some respects have been ideal, attempts to identify willing organizations were not successful. Ideally, future research would involve employees in a real organization. Participants would likely feel more strongly to a real-life scenario versus the vignette set-up used in this study.

In the future, it would also be interesting to examine if job satisfaction would be a contributing factor to perceptions of favoritism. Although current job satisfaction was measured in this study, it might have been too much of a disconnect for satisfaction to spill over into perceptions of favoritism presented in the vignette. In a real-life scenario, it is possible that if someone is satisfied going to work every day and genuinely enjoys his or her occupation, he or she might be less likely to see problems even if they do exist.

Future research should also examine anti-nepotism policies more in-depth. It would be interesting to gauge people’s perceptions on policies and how that affects their perceptions of favoritism. As previously mentioned, not all policies are created equally. If
there are in fact policies that have been put in place solely to protect the organization and not the employees, would someone pick up on that? And if an individual perceived a policy as a protective measure for the organization, not the individual, would that then lead to higher perceptions of favoritism or lower perceived organizational justice?

Another possible direction for future research is to look further into competency. Is seems possible that blanket anti-nepotism policies have the potential to backfire. Some relatives may deserve promotions and power in the organization. Just because someone is related to the decision maker, does not necessarily mean that this individual is not the most qualified for the position. An anti-nepotism policy may strip the organization of a well-deserving leader in this instance. Is it really nepotism if the recipient of the promotion is hard-working and knowledgeable?

Finally, how does the industry affect one’s perception of favoritism? Historically, people are less likely to trust some industries more than others. For example, there is a tradition of people not trusting the government. Would a study focused on government policies and perceptions of favoritism yield different results from an industry that is not associated with mistrust?

**Conclusion**

This study yielded some interesting findings. Coming from a family that owns a business may affect perceptions of favoritism, but working for a family business or having personally been impacted by favoritism in the past did not significantly affect perceptions of favoritism. More central, however, were the findings showing that the presence of an anti-nepotism policy did not significantly affect perceptions of favoritism or intent to turnover. It may be, however, that this effect is real, but smaller than
anticipated. The present study was conducted targeting a sample size calculated for a medium effect size, but the observed effect sizes for the hypothesis tests were small. Future researchers should replicate the present study with a larger sample size to determine if this potentially meaningful (even if small) effect is both replicable and present in other contexts. Practitioners should also be aware that simply asking for ownership status of a current employer is not enough. Instead, practitioners should take the extra step and examine perceived fairness within the respondent’s current role.
Chapter VI

Summary

Past research has indicated that people are likely to perceive favoritism or preferential treatment in the workplace (Muchinsky, 2012; Pelletier & Bligh, 2007). Several negative consequences have been found to follow these perceptions, including lower job satisfaction and productivity, and higher absenteeism and turnover (Arasli & Tumer, 2008; Pelletier & Bligh, 2008). The main goal of any organization is to succeed in its core mission. Practices that predictably lower performance should be prevented. If different types of favoritism lead to predictable negative outcomes, favoritism in organizations should be prevented.

Some organizations have attempted to prevent negative consequences of nepotism by adopting specific anti-nepotism policies (van Hoof & Stout, 2012). Research has yielded mixed results as to whether these policies actually benefit the organization (Masuda & Visio, 2012). These policies have the potential to stunt work-family enrichment while failing to protect the organization from harmful effects of perceived favoritism. Therefore, it is worthwhile to explore the perceptions individuals have regarding the presence of anti-nepotism policies in organizations. If an individual knows that an organization has these policies in place, that individual may be less likely to consider turning over than if the organization does not have such policies. It may also be the case that employees who perceive favoritism occurring will be more likely to turn
over than employees who do not perceive favoritism. Based on this logic, the following are hypothesized.

Hypothesis 1: *The presence of an anti-nepotism policy will have a significant effect on self-reported intent to turnover such that participants who read a vignette with the presence of an anti-nepotism policy will report significantly lower intent to turnover than participants who read a vignette in which an anti-nepotism policy is absent.*

Hypothesis 2: *The presence of an anti-nepotism policy will have a significant effect on perceived favoritism such that participants who read a vignette with an anti-nepotism policy will report significantly lower levels of perceived favoritism within that context than participants who read a vignette in which an anti-nepotism policy is absent.*

**Method**

**Participants**

Data from 150 participants were used to test the hypotheses. The groups included 72 participants in the “policy present” group and 78 in the “policy absent” group. Participants were required to live in the United States in order to prevent views on favoritism from being potentially confounded by cultural norms and values. Participants were recruited using Amazon Mechanical Turk (MTurk), with the research materials posted on Qualtrics.com. To take part in the study, participants must have been at least 18 years old, and had a 95% HIT approval rate and a minimum of 50 HITs completed on MTurk. Participants were compensated $0.40 for participation in the study if they passed all relevant quality checks.

**Vignette**
Participants were asked to read one of two brief scenarios that manipulated the presence/absence of an anti-nepotism policy. The participants were then asked questions relating to the scenario they just read.

Measures

Perceived favoritism and competence. The first measure assessed if the participant perceived favoritism in the vignette. This was examined by using the following item: “In the scenario I just read, Charles displayed favoritism toward Alex.” This was scored on a 5-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). Participants were also asked to answer, “In the vignette I just read, I perceived Alex to be competent.” This was also scored on a 5-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree).

Intent to turnover. Turnover intentions (Kinnunen, Feldt, & Mäkikangas, 2008) were evaluated by two items measured on a 5-point scale adapted from the one used. This scale ranged from 1 (Strongly disagree) to 5 (Strongly agree). The items were adapted to make them fit the vignette-based design of the present study. In the present study a Cronbach’s alpha coefficient of .84 was found.

Demographics. Age, race, gender, and highest level of education completed demographics were collected for classification purposes. Additionally, each participant was asked how many jobs he or she has held and whether he or she has worked for a family-run organization as well as if his or her family owns or operates a business. Each participant was also asked, “Have you ever personally been affected by favoritism in the workplace before?” as well as “Are you currently employed?” If the participant answered
yes to being employed, they were also asked, “Currently, how satisfied are you overall in your job?”

**Procedure**

This study utilized a two-group between-subjects design. Participants were randomly assigned to one of two groups (presence or absence of an anti-nepotism policy). Each participant then read a vignette and answered whether or not he or she perceived favoritism in the scenario as well as whether or not he or she would intend to turnover in that situation. The vignettes were identical, except one clearly stated the presence of an anti-nepotism policy whereas the other clearly stated the absence of an anti-nepotism policy. Once the participant answered the initial questions relating to the vignette, the demographic items were displayed as well as the mistrust scale items.

**Results**

There were no significant demographic differences on either perceived favoritism or intent to turnover. Having ruled out the need to covary any demographic factors, an independent samples *t*-test was conducted to test Hypothesis 1. Results indicated that participants who read a vignette with the presence of an anti-nepotism policy did not report significantly lower intent to turnover (*M* = 3.25, *SD* = 1.08) than participants who read a vignette in which an anti-nepotism policy was absent (*M* = 3.45, *SD* = .83); *t*(148) = -1.48, *p* = .0.14, *d* = .21. Therefore, Hypothesis 1 was not supported.

To test Hypothesis 2, an independent samples *t*-test was again utilized. Results indicated that participants who read a vignette with the presence of an anti-nepotism policy did not report significantly lower levels of perceived favoritism (*M* = 4.19, *SD* = 0.79) than participants who read a vignette in which an anti-nepotism policy was absent.
(M = 4.40, SD = 0.67); t(148) = -1.69, p = 0.09, d = .29. Therefore, Hypothesis 2 was not supported.

Additionally, several exploratory analyses were run, with only one statistically significant result resulting. An independent samples t-test was run to explore the differences between participants whose family owns or operates a business and participants whose family does not own or operate a business. Participants whose family owns or operates a business were significant less likely to perceive favoritism (M = 3.94, SD = 0.87) than participants whose family does not own or operate a business (M = 4.35, SD = 0.71); t(148) = -2.20, p = .03.

**Discussion**

For years, nepotism has carried a negative connotation; however, recent studies have suggested that maybe not all nepotism is bad. Additional research has asked whether anti-nepotism policies cause more harm than good. Therefore, the purpose of the current study was to examine the effects of the presence of an anti-nepotism policy on an individual’s perception of favoritism and intent to turnover.

This study found no support for Hypothesis 1, which stated that participants who read a vignette with the presence of an anti-nepotism policy would report significantly lower intent to turnover than participants who read a vignette in which an anti-nepotism policy was absent. These results indicate that, surprisingly, having an anti-nepotism policy does not significantly affect self-reported intent to turnover in a simulated environment.

Additionally, Hypothesis 2, which stated that participants who read a vignette with an anti-nepotism policy would report significantly lower levels of perceived
favoritism within that context than participants who read a vignette in which an anti-nepotism policy was absent, was not supported. Again, it appears that having an anti-nepotism policy does not have a significant impact on perception of favoritism, though given the mean values observed for perceived favoritism across groups ($M_{policy} = 4.19$ vs. $M_{no\ policy} = 4.40$), more attention to this question is warranted.

**Contributions and Implications**

The lack of significant differences between the two groups is a fascinating finding in itself. From a practical standpoint, several immediate explanations for the lack of support of both Hypotheses 1 and 2 exist. The first is that nepotism does not have as great of an impact on intent to turnover (or on perceptions of favoritism) as past discussion (Arasli & Tumer, 2008) has led us to believe. If this is the case, past research should be examined for alternate causes of the negative effects found with regards to job satisfaction, job stress, and intent to turnover (Arasli & Tumer, 2008).

The second explanation is that anti-nepotism policies are ineffective. If people perceive favoritism, even with a policy in place, that policy must not be the preventative measure that many organizations believe it to be. This explanation provides a couple of practical implications moving forward. The first is that organizations need to focus more on policy writing. Organizations may utilize policy as a protective measure in the legal world. Unfortunately, some policies exist solely as a means to protect the company, not the people who work there. If this is the case, organizations should take the extra steps to provide a policy that is as protective in actuality as it appears to be on the surface.

Based on the prior logic, it is possible that no matter how well-written a policy is, there is no way to make it work. A major issue with favoritism is that it is an intangible
problem; therefore there are few ways to draft a policy that will actually cover everyone. People’s perceptions in general are challenging because they reflect subjective interpretations of a situation. An organization can say “No favoritism allowed!”, but it is quite possible favoritism, or at least the perception of favoritism, will still occur.

Third, it is possible that there are differences based on the presence or absence of a policy, but that the effect was too small to result in statistical significance given the present sample size. The results were in the hypothesized direction, meaning that there is the chance that significant results would be found in a bigger sample. The effect sizes for Hypotheses 1 and 2 were $d = .21$ and $d = .29$, respectively, which are small effects. Prior to collecting data, the target sample size was calculated based on the assumption of a medium effect size. If these effect sizes are accurate, then a larger sample size would have resulted in statistical significance in the hypothesized direction.

Finally, it may be that the vignette-based methodology did not provide a meaningful test of the research hypotheses, since vignettes may or may not possess high psychological fidelity or meaningfulness. However, given that the means for both hypothesis tests were in the expected direction and that the effect were simply smaller than anticipated (leading to an inability to reject the null hypothesis), it seems that the vignettes captured something meaningful, but that the effect (in the lab, the real world, or both) may be more subtle than was expected.

It was surprising that the relationship between perceived competence and perceived favoritism was not significant. It was speculated that had both Alex and the reader had similar credentials, the promotion of Alex could be attributed to something other than his relationship to the President. However, Alex was described as having lower
credentials than the reader. This difference in credentials was thought to make onlookers seek an explanation for why the decision was made. It was thought that one obvious conclusion would be that Alex was promoted based on his relationship; however, although results across the board indicated participants perceived a low level of competence and a high level of favoritism, the correlation analysis did not yield significant results \(r(150) = -0.06, p = .46\).

It was also surprising that working for a family business did not yield significant differences from not working for a family business in terms of perceptions of favoritism. It was thought that working for a family business may affect perceptions of favoritism positively; that is, those who work for a family-owned organization would differ in terms of reported favoritism from those who do not work for a family-owned organization. The thought behind this was that those who work for a family-owned organization would be more likely to experience this scenario in real life.

Perhaps most surprising was that personally being affected, positively or negatively, by favoritism did not have a significant impact on reported perception of favoritism. It was thought that if someone had been favored in the past he or she may be less likely to report favoritism occurring. However, if someone had a negative experience with someone else benefitting from favoritism in the past, he or she may be more sensitive to favoritism and therefore may have elevated perceptions of favoritism. Contrary to these expectations, results indicated that participants who have been affected by favoritism perceptions of favoritism \(M = 4.33, SD = 0.78\) and participants who have not been affected by favoritism \(M = 4.27, SD = 0.70\) both perceived elevated levels of favoritism. Since everyone saw this scenario as favoring Alex, based on the high means
in both groups, it is possible a ceiling effect was present that affected the results.

Finally, exploratory analysis revealed a significant difference in perceptions of favoritism from those participants whose family owns or operates a business and those whose family does not own or operate a family business. It seems that owning a family business would negatively affect the perceptions of favoritism; that is, those who own a family business would be less likely to report perceptions of favoritism. A family business owner may be less inclined to notice, or at least admit, that unethical decisions are being made.

**Limitations and Future Research**

The present study is not without limitations. First, MTurk provides access to a sample of workers; however, participants could complete the study anywhere there was internet access, minimizing researcher control. Data indicate that more than 70% of participants in the present study completed it in one minute or less; perhaps rushing through the survey limited participants’ capacity to internalize the vignette.

There is also no way of verifying participants’ eligibility to participate. For example, one of the study requirements is that participants resided in the United States. Unfortunately, there is no reliable way to assess whether a participant was inaccurate in reporting their location to MTurk, since such an individual could subsequently lie on any self-report question about her or his location in order to retain eligibility. Despite its limitations, because it offered diverse workers with significant work experience, MTurk was the best data collection method for this initial study.

Another possible limitation, noted earlier, is the use of vignettes. There is always a risk with vignettes that the participants will not feel as strong of an emotional
connection as they would with a real-life situation. An alternative to vignettes would have been for participants to have self-reported past experiences, but that would have been hard to control for. It would have been difficult to assess the magnitude of impact one company’s anti-nepotism policy had versus another company’s anti-nepotism policy. Since not all policies (nor their enforcement) are created equal, the results from a self-reported study might have been less clear than results from a more controlled experimental method.

Finally, the fact check failure rate is a limitation. The fact check question read, “Did the organization described in the scenario you read have an anti-nepotism policy in place?” and 17% of participants failed to answer it correctly and were subsequently excluded from all analyses. It is possible that the use of vignettes was not a strong enough manipulation for some to pick up on. It is also possible that some rushed through the survey and did not read as carefully as was hoped. If they did in fact rush through the reading or answering of questions, this could have affected the results. The median response time was one minute; therefore a lack of focus could be a concern. Although comparing two actual organizations (one with an anti-nepotism policy and one without) would in some respects have been ideal, attempts to identify willing organizations were not successful. Ideally, future research would involve employees in a real organization. Participants would likely feel more strongly to a real-life scenario versus the vignette set-up used in this study.

In the future it would also be interesting to see if job satisfaction would be a contributing factor to perceptions of favoritism. Although current job satisfaction was collected in this study, it might have been too much of a disconnect for satisfaction to
spill over into perceptions of favoritism presented in vignette. In a real-life scenario it is possible that if someone is satisfied going to work every day and genuinely enjoys his or her occupation, he or she might be less likely to see problems even if they do exist.

**Conclusion**

This study yielded some interesting findings. Coming from a family that owns a business may affect perceptions of favoritism, but working for a family business or having personally been impacted by favoritism in the past did not significantly affect perceptions of favoritism. More central, however, were the findings showing that the presence of an anti-nepotism policy did not significantly affect perceptions of favoritism or intent to turnover. It may be, however, that this effect is real, but smaller than anticipated. The present study was conducted targeting a sample size calculated for a medium effect size, but the observed effect sizes for the hypothesis tests were small. Future researchers should replicate the present study with a larger sample size to determine if this potentially meaningful (even if small) effect is both replicable and present in other contexts.
References


International personality item pool: A scientific collaboratory for the development of advanced measures of personality traits and other individual differences (http://ipip.ori.org/). Internet Web Site.


Please read the following paragraph carefully; you will be asked one or more factual questions about its content at the end of the study. If you do not answer those questions correctly, you may not be paid for your participation and your hit may be rejected.

Nepotism: Favoritism shown on the basis of family relationship in which an employee is granted special treatment based solely on the family relationship.

Version A (policy):
Imagine that you have been with a family-run, regional restaurant chain for eleven years, during which time you obtained your MBA and became a senior member of management for the chain. The organization has seen tremendous growth and expansion in the last few years. With the growth of locations and employees, several vice president positions have been added. Charles is the owner and president of the chain, and one of his sons is interested in a recently-added VP position. However, the organization has an anti-nepotism policy in place. This policy requires that all members of senior management must approve these new vice president position appointments.

Charles’s senior staff includes you, his first-born son (Alex), and three others. All five of you enjoy various benefits including company cars, paid vacations, and health club memberships. With the exception of Alex, all of the senior level staff have advanced
degrees. You recently learned that Alex currently has five more days of paid vacation than any other member of the senior staff, as well as the newest car. One of the new VP positions is that of Vice President of Production. You and Alex both applied for the position, and last week, you learned that Alex received the VP position.

**Version B (no policy):**

Imagine that you have been with a family-run, regional restaurant chain for eleven years, during which time you obtained your MBA and became a senior member of management for the chain. The organization has seen tremendous growth and expansion the last few years. With the growth of locations and employees, several vice president positions have been added. Charles is the owner and president of the chain, and one of his sons is interested in a recently-added VP position. The organization currently does not have an anti-nepotism policy in place.

Charles’s senior staff includes you, his first-born son (Alex), and three others. All five of you enjoy various benefits including company cars, paid vacations, and health club memberships. With the exception of Alex, all of the senior level staff have advanced degrees. You recently learned that Alex currently has five more days of paid vacation than any other member of the senior staff, as well as the newest car. One of the new VP positions is that of Vice President of Production. You and Alex both applied for the position, and last week, you learned that Alex received the VP position.
Appendix B

Source for Intent to Turnover Items

Appendix C

Source for Mistrust Scale

International personality item pool: A scientific collaboratory for the development of advanced measures of personality traits and other individual differences

(http://ipip.ori.org/). Internet Web Site.
Appendix D

Demographic Items

Please provide answers to the following questions about yourself. This information is used for classification purposes and will be reported on an aggregated basis only.

Age: ______

Gender: Male    Female    Prefer not to respond

Race/Ethnicity: White or Caucasian
  Black or African American
  American Indian or Alaska Native
  Asian
  Native Hawaiian or Other Pacific Islander
  Hispanic or Latino
  Other _______________
  Prefer not to respond

Level of Education: Below High School
  High School Diploma or equivalent
  Some college, no degree
  Associate’s Degree
  Bachelor’s Degree (e.g., BA)
  Master’s Degree (e.g., MBA)
  Doctoral Degree (e.g., PhD)

How many jobs (part-time or full-time) have you held total? ______

Fact-check question: Did the organization described in the scenario you read have an anti-nepotism policy in place?  Yes   No

Have you personally ever been affected (positively or negatively) by favoritism in an organization?  Yes   No

Please select Boston from the following list

Chicago    New York    Cincinnati    Boston

Have you ever worked for a family owned/operated business before? Yes   No

Does your family own/operate a business? Yes   No
Are you currently employed? Yes No

Thinking now of the job you currently hold, and NOT the job described in the scenario, overall, how satisfied are you with your job in general?

1  2  3  4  5
Extremely Dissatisfied  Extremely Satisfied

MTurk Worker ID number: ___________________
Appendix E

IRB Approval Letter

June 15, 2015

Margaret Hess
3501 Section Road Apt. 303
Cincinnati, OH 45237

Re: Protocol #14-010, The Effect of Anti-Nepotism Policies on Perceptions of Favoritism and Intent to Turnover

Dear Ms. Hess:

The IRB has reviewed the materials regarding your study, referenced above, and has determined that it meets the criteria for the Exempt from Review category under Federal Regulation 45CFR.46. Your protocol is approved as exempt research, and therefore requires no further oversight by the IRB. We appreciate your thorough treatment of the issues raised and your timely response.

If you wish to modify your study, including the addition of data collection sites, it will be necessary to obtain IRB approval prior to implementing the modification. If any adverse events occur, please notify the IRB immediately.

Please contact our office if you have any questions. We wish you success with your project!

Sincerely,

Kathleen J. Hart, Ph.D., ABPP
Vice Chair, Institutional Review Board
Xavier University

KJH/sb
Appendix F

MTurk Interface

[Study of work-related attitudes and experiences]

Please note that you will have to enter your MTurk ID TWICE, once HERE and once at the END of the study in order to be compensated, if eligible.

1. Please enter your unique identifier located on the MTurk Dashboard, You must enter your MTurk ID HERE:

[Box for ID number will be included here]

Also, please remember your MTurk ID because you will be required to enter it once again AT THE END OF THE STUDY.

2. Please click the following link in order to access the survey. After you complete the survey, click the “Submit” button below.

[Survey link will be included here]

[SUBMIT]
Appendix G

Informed Consent Form

You are being asked to participate in a thesis project conducted by Margaret Hess at Xavier University. The purpose of this study is to investigate work-related attitudes and experiences.

In this study, you will be asked to read a brief scenario and answer questions that relate to it. The total time to complete this task should be no more than 10 minutes, but you will be given 60 minutes to complete the entire survey.

There are no known risks associated with this study. Participation in this study is entirely voluntary. You are free to withdraw from the study at any time without penalty. However, please note that if you do not complete all required items or if you do not pass the quality checks, you will not be eligible for compensation and your HIT may be rejected, so please read carefully. Refusal to participate in this study will have no effect on any future services you may be entitled to from Xavier University. You will be paid $.40 for participating in this study provided your data pass all relevant checks. You must be at least 18 years old to participate in this study and reside in the United States.

Although you will be required to enter your MTurk unique worker ID at the end of the survey to receive compensation if eligible, the researchers will not be able to access any identifying information you provided to Amazon or MTurk. Moreover, the researchers will not release any of your survey responses to Amazon or MTurk, and only the researchers conducting this study will have access to your responses. Therefore, your responses will remain anonymous. Finally, no analyses of any kind will be conducted prior to the removal of all MTurk ID numbers from the data set.

If you have any questions at any time during the study, you may contact the principal investigator at hessm4@xavier.edu, or the faculty advisor, Dr. Morrie Mullins at mullins@xavier.edu. Questions about your rights as a research participant should be directed to Xavier University’s Institutional Review Board at 513-745-2870.

By clicking “Next,” you agree to the following statement: I have been given information about this research study and its risks and benefits. I freely give my consent to participate in this study.