

Nepotism and Job Performance in the Private and Public Organizations in Kenya

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Abstract- Performance in any business enterprise is the major concern of every entrepreneur whose objective is to make profits and grow. The differentiating factor is the type and nature of recruitment practices that is strategically put in place to create job fit for effective productivity and performance. Many studies have been conducted to explore the impact of recruitment and performance. However we find no known study conducted to identify Nepotism and how it impacts on performance of both public and private institutions. The purpose of this study was therefore to examine how nepotism impacts on individual job performance in both public and private organizations in Kenya. Data was collected through a sample of 357 respondents from various public and private institutions. A deductive approach was employed to construct the conceptual framework and accordingly a hypothesis was formed, and data analyzed using SPSS. The hypothesis was tested using Correlations and Regression analysis. Findings revealed that nepotism significantly affects negatively job performance of employees in Kenya. In addition a new concept thus, the tribal labour theory (TLT) was discovered by this study. Discussions, managerial implications and the research propositions were suggested for future studies and conclusion made.

Index Terms- Nepotism, Job performance, Organizations in Kenya.

I. INTRODUCTION

T1.1 Historical Background of the Study

The world wide economic downturn is increasingly shrinking job opportunities to the ever growing millions of qualified candidates in the labour market. Organizational competition pressures and corporate governance issues push off underperforming organizations to extinction thereby leaving few enterprises in entrepreneurial grid to experience the scramble for fewer job opportunities hence the breeding ground for nepotism. Most studies have shown that nepotism lead to decreased employee satisfaction and commitment (Bellow, 2003). On the other hand, human resource management is crucial to organizations to create competitive advantage but only when there is a highly competent workforce to utilize (Boxall, 1998). This is supported by the resourced based view school of thought that argues that a firm can only create a sustainable competitive advantage through its human capital pool. Both Bellow (2003) and Boxall (1998) point out that organization's behaviour

manifested in nepotism may influence individual employees' behaviour and performance.

Nepotism is widespread and worldwide phenomena today and because of its very nature, it is difficult to document. A growing number of reports find that parents tend to facilitate the hiring of their children and other relatives in the firms in which they work, even when family members exhibit lower observable qualities and capabilities. Other evidence shows that, in many contexts, managers and those responsible for recruitment decisions hire people with whom they are socially connected regardless of their ability or qualifications (Alesina, 2007). Such practice disadvantages qualified candidates who as a result miss out on job and growth opportunities.

According to one known theory on cronyism by Rushton (1984), genetically similarity (GST) proposed genetic similarity detection as a mechanism by which organisms are attracted and repelled by each other. Rushton hypothesized that genetically similar people have a tendency to seek each other out and provide mutually supportive environments; while genetically dissimilar people have a tendency to form natural antipathies and provide mutually hostile environments (Rushton, Russell, & Wells, 1984). That is the way nepotism works by attracting cronies and repelling strangers in that sense.

Wong & Klemer (1994) 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. Kenya has not been left behind in serious cases and reports about nepotism. A report on independent commissions showed most state organizations don't comply with the National Cohesion and Integration (NCI) Act, (2008) that treats nepotism as ethnic or racial contempt. Reports show nepotism in Kenya as a big orchestrated syndrome. In some counties, politicians from big clans' plot among themselves on whom among chief officers they want impeached on frivolous grounds due to the devolved tyranny of numbers in political hierarchy. They must approve any appointment and sanction all projects to be undertaken in a county and this includes falsification of academic certificates to recruit the intended person. This has made working for state organizations at an executive level more risky. The report urged the National Cohesion and Integration Commission (NCIC) to now re-focus its energy from tribalism to clannism, nepotism and individual behaviour to help Kenyan leaders know how to employ labour fairly (Office of Ombudsman, 2014).

1.1 Nepotism

According to Boadi (2000) history shows the term nepotism as ancient and originated with the assignment of nephews to important positions by [Catholic popes](#) and [bishops](#). Today [trading political employment for favours](#) is a modern day example of nepotism. Empirical studies explain the term nepotism came from Italian word nepotismo, which is based on Latin root nepos meaning nephew. Since the [Middle Ages](#) and until the late 17th century, some [Catholic](#) popes and [bishops](#), who had taken vows of [chastity](#), and therefore usually had no legitimate offspring of their own, gave their nephews such positions of preference as were often accorded by fathers to son (Gianvittorio et al ,2002). Several popes [elevated continuing a papal dynasty. For instance, Pope Callixtus III, head of the Borgia family, made two of his nephew's nephews](#) and other relatives to the [cardinalate](#). Often, such appointments were a means of cardinals; one of them, Rodrigo who later used his position as a cardinal to step into the papacy, becoming Pope Alexander VI. Alexander then elevated Alessandro Farnese, his mistress's brother, to cardinal; Farnese would later become Pope Paul III. Paul III also engaged in nepotism, appointing two of his nephews, aged 14 and 16, as cardinals (New Catholic encyclopedia, 2007). The practice was finally stopped when Pope Innocent XII issued the Papal bull Romanum decet Pontificem, in 1692. The papal bull prohibited popes in all times from bestowing estates, offices, or revenues on any relative, with the exception that one qualified relative (at most) could be made a cardinal. That decree to large extent criminalized nepotism and agreeing with the ancient Indian philosopher, Valluvar that nepotism is both evil and unwise (Anura Guruge, 2010).

While recruitment is the process of identifying and attracting potential candidates from within and outside an organization and to evaluate them for employment, selection begins with choosing the right calibre of candidates (Bloom, 2007). However, most recruitment and selection processes have elements of subjective judgment inherent in them. Treating job applicants in a professional and positive manner is more likely to leave them, whether they are successful or not, with a positive view of the organization.

Studies confirm that the success of the organization is directly linked to the performance of those who work for it, and under-achievement can be a result of workplace failures through hiring the wrong people or failing to anticipate fluctuations in hiring needs (Djabatey, 2012). It has also been argued that in order for the enterprise to build and sustain the competitive advantage, proper staffing is critical. Thus, recruitment and selection have become imperative in organizations because individuals need to be attracted on a timely basis, in sufficient numbers and with appropriate qualifications. According to the Resource- Based View, organizations should constantly evaluate their employees to ensure that they have the right people with the right skills in the right places to ensure sustained competitive advantage (Bloom, 2007) and that firms should constantly employ appropriate recruitment and selection criteria. The theory confirms that the major part of any firm's strength or weakness stem from the caliber of the people employed and the quality of their working relationships and such negates nepotism.

1.1.2 Job Performance

Performance is the effective effort made by an employee to achieve a planned goal successfully by conducting and concluding a task effectively. Performance is evaluated by quantitative and qualitative scores of a individual employee, teams or the organization based on pre-determined targets for a certain period (Baş and Artar 1990). Performance is determined an employees knowledge, skills, ability and capabilities in order to reach his targets or expectations through an evaluation process. The reason for performance evaluation is to make decisions on an employee about salary increment, promotion or discipline in line with the performance evaluation results.

Borman and Motowidlo (1997) divided performance into a dual concept of task performance and contextual performance. Task performance is defined as the effectiveness with which job incumbents perform activities that contribute to the organization's success. Contextual performance is defined as performance that is not formally required as part of the job but that helps shape the social and psychological context of the organization and further confirms that such can only be achieved through fairness in recruitment. Objective recruitment brings job fit and justice to all employees in the organization.

To achieve this it calls for organizational justice. Organizational justice refers to perceptions of fairness within an organizational setting (Greenberg, 1990). It has become an area of focus by researchers and is widely accepted that organizational justice contributes to employee performance. Adams' equity theory indicates that an individual can alter his quality and quantity of work to restore justice when he perceives the outcome/input ratio to be unjust (Adams, 1965). Interestingly, some empirical studies have found that individuals decrease their performance to reduce input when they are underpaid, and increase their performance to produce more input when they are overpaid (Greenberg, 1990). Some studies have also shown that underpayment or overpayment is a result of nepotism to greater extent. The equity theory has provided a theoretical explanation to the distributive justice's effects on performance.

1.1.3 Public Sector in Kenya

Public sector in Kenya is those institutions owned by the government whose employees are paid with tax payer money. In Kenya the public sector covers the education sector, the judiciary, public administration, devolved county's, the health sector among others. Recruitment in the public sector was centrally being done by the public service commission until devolution allowed county governments to be recruiting some county staff. The Public Service Commission was established under Section 106 of the Constitution of Kenya which provides for a Chairman, Deputy Chairman and 15 Commissioners. The role of the Commission is therefore to ensure that the Civil Service is manned by qualified personnel for efficient and effective delivery of quality services to the public through placement, promoting and retention of the right personnel and the promotion of impartiality, equity, justice and objectivity in the recruitment process, advancement and discipline in the public service. (Source: The Republic of Kenya - The Public Service Commission).

1.1.4 Private Sector in Kenya

The private sector is the part of the economy, sometimes referred to as the citizen sector, which is run by private individuals or groups, usually as a means of enterprise for profit, and is not controlled by the [State](#). It encompasses all for-profit businesses and owned, controlled and managed by private individuals or enterprises. The private sector employs workers through individual business owners and is responsible for allocating most of the resources within an economy (Heinrich, 2013).

1.2 Statement of the Problem

Unemployment level among qualified people in Kenya has really increased today more than ever despite the fact that organizations require qualified and skilled manpower for good performance. In the same wavelength many organizations in Kenya whether public or private are facing business hardships that are related to governance and performance regardless of the fact that there are more qualified personnel in the job market. This is the situation Kenya is faced with today, where businesses are failing due to corporate governance issues and more to it is the trend in the recruitment process that is perceived to be biased and attributed to nepotism (IEA Kenya, 2003). The resource-based view infers that employees are engaged on criteria that their skills and qualifications are valuable, rare, inimitable, and non-substitutable (Barney, 1991). For organizations to succeed in better recruitment and job performance there is need to address the recruitment process of this valuable asset, hence the need to address aspects such as nepotism which have an impact on employees' performance.

Empirical studies by Allesina (2011) show that intense preferential treatment, kinship, friendship or other forms of relationship replace the principles of merit, such as knowledge, skills, ability, competence, experience or level of education, in the recruitment and promotion of employees (Keles, 2011). The lack of confidence that creeps in such circumstances negatively affects job satisfaction, organizational commitment and individual performance (Büte, 2009). In heavily nepotism-oriented organizations, the human resource management practices cannot work independently. Thus, under such conditions, appointments based on competence and knowledge accumulation seem impossible. It is very difficult to promote employees, if they compete with the one who has a family member, relative or friends at the higher-level position in the organization (Abdala, Maghrabi - Al- Dabbagh, 1994) thereby killing the hopes of many qualified job seekers. Earlier studies have shown that the climate of unfair competition arising from nepotism and favoritism adversely affects job satisfaction of employees leading to weakening in organizational commitment hence performance. This study therefore intends to answer the question: Does nepotism affect job performance in the public and private organizations in Kenya?

1.3 Research Objective

The objective of this study is to investigate the effects of nepotism on job performance in the private and public sectors in Kenya.

1.4 Value of the Study

It is expected that the findings of this study will contribute to the existing body of knowledge by providing a better understanding of the effects of nepotism on job performance in the public and private organizations in Kenya. Given that there is a dearth of studies in this area, this study will provide a general insight about nepotism and job performance in the Kenyan context. The study will also be a rich field for further academic research. Researchers and Scholars in social studies will find this valuable for review and analyze the gaps that may not have been captured in this study. It is also anticipated that the results of the study will help managers of private organizations and public institutions understand the effects of nepotism on job performance. Policy makers such as Human Resource Managers will use the results of this study to address specific challenges in the areas of nepotism in recruitment and job performance.

II. LITERATURE REVIEW

2.1 Introduction

This chapter discusses literature on the theoretical grounding of the study, the first part focusing on perceptual behaviors at recruitment, promotions, rewards, training and development and job performance of employees in both public and private organizations in Kenya. The second part will discuss literature showing relationships between nepotism and job performance and the third and last part discussing the conceptual framework and the hypothesis to be tested.

2.2 Theoretical Grounding.

This study is guided by the Genetic Similarity Theory (GST) Hamilton (1964) and Equity Theory (Adams, J. S. 1963).

2.2.1 Genetic Similarity Theory

Hamilton (1964) says genetic similarity theory (GST) seeks to explain a number of pro-social behaviors including ethnic affiliation by generalizing the theory such that genetic similarity alone elicits affiliative behavior without knowledge of genealogical kinship. Studies on sensitivity of ethnic nepotism to culture (Kurzman, Tooby, and Cosmides, 2001), found that participants in an experiment were prone to categorize others by race/tribe when the others' race/tribe did not correlate with coalition membership. The same was true of categorization by sex, which remained robust even when coalitions contained men and women. It then concluded that race is a proxy for coalition, a formulation compatible with ethnic categorization being automatic and invariably strong. The theory similarly showed nepotism relationships between beggars and race /tribe linkages thus, ethnic similarity was seen to affect charitable donations to strangers in need. Field studies of street beggars in Eastern Europe found that passersby gave more generously to beggars of the same ethnicity than the opposite (Butovskaya, Salter, Diakonov, & Smirnov, 2000).

Rushton (1989) speculated about how similarity could give rise to ethnocentric ideology. He reviewed the literature on extended phenotypic effects of genes, focusing on the idea that epigenetic development can incline people towards constructing and learning ideologies that increase their ethnic likeness. The theory suggests that group selection in humans has been led by cultural/ethnic strategies for succession. Socialization pressure

could have included mutual moralistic aggression that helped shape an optimum degree of ethnocentric ideology that replicated group genes most successfully. Thus, it concluded under such conditions, appointments based on competence and knowledge accumulation seem impossible. It is very difficult to promote employees, if they compete with the one who has a family member, relative or friends in the higher-level position in the organization (Abdala, Maghrabi, 1994).

2.2.2 Equity Theory

Equity theory is built-on the belief that employees become de-motivated, both in relation to their job and their employer if they feel as though there is unfairness in the employment practices. Employees can be expected to respond to this in different ways, including de-motivation, reduced effort, becoming disgruntled, or in more extreme cases being disruptive. Much like the five levels of needs determined by Maslow and the two factors of motivation as classified by Herzberg (intrinsic and extrinsic), the Adams' Equity Theory (1965) of motivation states that positive outcomes and high levels of motivation can be expected only when employees perceive their treatment to be fair.

Equity theory has been widely applied in business settings by industrial psychologists to describe the relationship between an employee's motivation and his or her perception of equitable or inequitable treatment. According to Adams (1965), Equity theory introduces the concept of social comparisons, whereby employees evaluate their own input/output ratios based on their comparison with the input/outcome ratios of other employees (Carrell and Dittrich, 1978). Inputs in this context include the employee's time, expertise, qualifications, experience, intangible personal qualities such as drive and ambition, and interpersonal skills. Outcomes include monetary compensation, perquisites, benefits, and flexible work arrangements. Employees who perceive inequity will seek to reduce it, either by distorting inputs and/or outcomes in their own minds called cognitive distortion, directly altering inputs and/or outcomes, or leaving the organization (Carrell and Dittrich, 1978). These perceptions of inequity are perceptions of organizational justice, or more specifically, injustice. Subsequently, the theory has wide-reaching implications on nepotism and employees' efficiency and performance.

2.2.3 Perceptual Behaviours of Nepotism in the Recruitment Process

Meritocratic recruitment is usually seen to be objective and achieved through the use of educational requirements for employment, combined with competitive formal job interviews. Managers in some cases find it possible to circumvent these requirements, for instance by making special appointments to suit their interests (Cheng, Haggard & Kang 1998). However, such behaviours lower discretion in hiring, thereby making patronage and nepotism easier to accomplish. The strength of nepotism in recruitment is however also its weakness. Proponents of Management science have criticized the rigidness and inflexibility in hiring, arguing that it only serves to make recruitment of the most suitable people harder hence managers choose to hand-place their cronies as opposed to subjecting them to rigorous interviews where they may not get a chance following

meritocracy (Lewis 2008). There is thus a tradeoff between flexibility, risk for patronage and nepotism (Schick 1998). Laker and Williams (2003) talked about four different models of nepotism at recruitment stage.

2.2.3.1 The first model is hiring of a relative of the owner of the business.

According to Laker and Williams (2003) nepotism at work can mean increased opportunity at a job, attaining the job or being paid more than other similarly situated people. Arguments are made both for and against employment granted due to a family connection, which is most common in small, family run businesses. On one hand, nepotism can provide stability and continuity. Critics cite studies that demonstrate decreased morale and commitment from non-related employees, and a generally negative attitude towards superior positions filled through nepotism. An article from Forbes magazine stated that there is no ladder to climb when the top step is reserved for people with a certain name. Some businesses forbid nepotism as an ethical matter, considering it too troublesome and disruptive (Arash et al 2008).

Studies by Ozler et al (2007) show that in China, for the past 3,000 years, nepotism was common in clan and extended family based culture. Confucius wrote about the importance of balancing filial piety with merit. The [clan](#)-based feudal system collapsed during [Confucius'](#) lifetime, yet nepotism have continued through the modern age. For instance, Zhang Hui, was believed to have his career expedited through the intervention of his uncle, Li Jianguo, Vice Chairman and Secretary General of the National Peoples Congress. Hui was made the youngest member and secretary of Jining's Municipal Standing Committee at the age of 32 years.

2.2.3.2 The second model is the hiring of a spouse of an existing employee (paired employees)

In Australia, [Anna Bligh](#), who won the 2009 Queensland State election, was accused of nepotism by giving her husband Greg Withers a position as the Office of Climate Change head. Shortly after his appointment as the Anglican Archbishop of Sydney in 2001, [Peter Jensen](#) was accused, in an Australian Broadcasting Corporation interview, of nepotism after nominating his brother [Phillip Jensen](#) as Dean of Sydney and appointing his wife Christine Jensen to an official position in the Sydney diocese (Edward Behr 1991).

2.2.3.3 The third model is political nature of nepotism, whose results usually furthers corruption.

Bandiera et al (2009) confirmed that nepotism is a common accusation in politics when the relative of a powerful figure ascends to similar power seemingly without appropriate qualifications. The British expression, Bob's your uncle is thought to have originated when Robert Arthur Talbot Gascoyne-Cecil 3rd Marquess of Salisbury, promoted his nephew, Arthur Balfour, to the esteemed post of chief secretary of Ireland, which was widely seen as an act of nepotism. Brenden Gallagher (2017) in the history of nepotism at white house reiterated similarly that, in 1979, Bill Clinton, within weeks of being newly elected as Governor of Arkansas, appointed his wife Hillary to chair the Rural Health Advisory Committee. In 1993, newly elected as

President of the United States, he again [appointed](#) his wife to chair a Task Force on National Health Care Reform. In 2017, the president-elect Donald Trump appointed his son-in-law Jared Kushner as a senior adviser to the president. He then announced on 29 March 2017 that his eldest daughter, Ivanka, would also become an official White House employee. Both the Clinton and Trump presidential appointments raised ethical and legal questions about whether they conflict with a 1967 federal anti-nepotism law.

According to Egweni (2012) in Africa, the Liberian Central Bank, in a controversial decision appointed Charles Sirleaf as its interim governor. Charles, son of the country's president, Ellen Johnson Sirleaf, was formerly the deputy governor of the apex bank and he replaced John Mills Jones who stepped down as governor earlier. However, this latest appointment seems to support the idea harboured by some Liberians, that Ellen Johnson only appoints her family members to key posts in order to consolidate her presidency. In 2012, rivals in her ruling party accused her of nepotism. She allegedly had 17 of her family members working in the country's government. Another son of hers was the head of Liberia's National Security Agency, while another was Chairman of the National Oil Company of Liberia. In Angola, Jose Eduardo Santos has been accused of hiring his daughter Isabel to head the government-owned mining company and an international diamond company. Her half brother, Jose Filomeno dos Santos is the chairman of Angola's Sovereign Trust Fund Company, Fundo Soberano de Angola.

2.2.3.4 The fourth model focuses much more on the management of human resources within the organizations.

Adam (2004) confirmed that the task of the HRM function is to ensure that organizational policies are fair and equal, but also to ensure that employees view these as fair and equal. In December 2012, a report from the Washington post indicated various nepotism practices from the [District of Columbia](#) and Northern Virginia's Metropolitan Washington Airports Authority (MWAA), including one family with five members working for the MWAA. One of the reasons given by the associate general counsel to defend the alleged nepotism was that if the employees are qualified and competed for the positions on their own, then there was no problem with relatives working in the same organization. The inspector general of the U.S. Department of Transportation and the U.S. Congress pressured the MWAA to resolve practices of nepotism. Authority employees are no longer allowed to directly or indirectly influence hiring or promotion of relatives, as documented in their employment ethics policy.

Reports by V. Kimutai (2013) said that in Kenya, a senior manager at the Kenya Pipeline Company admitted that nepotism is deeply entrenched in the company. He admitted all senior and middle level managers had recruited many of their relatives in various departments. The engineering manager at the time Bramwel Wanyalikhha agreed his daughter was employed in the company and he was not the only senior manager in KPC with relatives. In defense the manager claimed he did not influence the employment of his daughter as she was picked externally though the recruitment that had been advertised internally. Mr Wanyalikhha told the Parliamentary Committee on Energy chaired by Kigumo MP Jamleck Kamau that he did not sit in the

committee that recruited his daughter and as such had no influence over the matter.

There are many cases of husband and wife working in the company. There are those with sons, daughters, brothers, sisters, cousins, nieces and nephews the manager admitted and the same case is a common trend in most public and private organizations in Kenya (Kimutai, Standard Newspaper, 2013). Most organizations we observed in Kenya have no anti-family nepotism policy. Therefore relative nepotism is nearly as frequent an occurrence as playing favorites. Playing favorites is simply the act of providing preferred attention, incentive, opportunity, and assignments that is out of alignment with employee performance. In other words, the nepotism in playing favorites is simply the act of giving someone who is in the club better treatment and consideration that is in excess of their performance.

2.2.4 Nepotism and Staff Promotions

Studies by Longenecker et al. (1987) and Bjerke et al. (1987), examined determinants of promotion evaluations in a US company and the US Navy respectively. Both studies claim that company political considerations rather than true performance were the basis of promotion evaluation. Nepotism is more often the cause of conflict in case of promotion of an incompetent family member/tribesman (Abdalla et al., 1998) and further suggests that this type of conflict can be reduced by applying formal anti-nepotistic practices.

Studies show that nepotism has implications not only for management development, promotion, and control, organizational image and public relations of business, but also for executives who have or would like to have relatives in management positions. The family or kinship influence in the organization leads to the promotion of relatives or tribesmen, not based on competence but nepotism. It was concluded specifically, that nepotism negatively influences the performance of organizations, when family members without high competency, are promoted to senior positions in the company due to their relatedness and not on merit or training and experience (Perez-Gonzalez, 2006).

2.2.5 Nepotism and Staff Rewards

Empirical studies reveal that traditionally, job specifications, levels of compensation in the job market and the need to maintain equity among employees were used to determine workers pay. Then later on the level of reward was determined by individual performance using bonus systems and individually bargaining power based on past experiences and on individual skills and qualifications. This may not be true today where an individual's pay is augmented by nepotism based on the employee's relationship with the superiors within or outside the organization (Goldenberg, 1982).

Studies show that nepotism in staff reward as a kind of conflict of interest. It means providing unearned income in an unethical way to a relative or somebody from family connection (Boadi, 2000). This happens when an employee is rewarded just because of his family connections, ignoring his characteristics and without considering some factors such as education level, capabilities, abilities and accomplishments or performance.

2.2.6 Nepotism and Staff Training and Development

Training and development of employees is always meant to close the gap between current performances and expected future behaviour after a successful performance appraisal (Weil & Woodall 2005). They noted that training and development activities are focused to either improve performance on the present job of the incumbent, train new skills for better performance or for succession planning and future growth of both individuals and organization so as to be able to meet organization's strategic objectives.

Studies by Weil and Woodall (2005) found the focus of training on cronies to have different objective. Cronyism is a preferential treatment to long-standing friends regardless of their skills, competence, performance or level of education, especially due to sharing the same tribal or political preference. The ill-functioning nature of superiors in organizations coupled with persistent corruption exacerbates the circumvention of the noble intentions for training. In many organizations managers will engage in bribery or some other sort of corruption-related activities in order to pass or register some favourites for training. Mauro (2004) further confirmed that corruption in many cases tends to grease the wheels and expedite the process of recruitment for training. Therefore training and development in nepotism perspective is seen as a conduit for tour, earn per diems or falsify receipts for financial gains.

2.3 Impact of Nepotism in Organizations

Studies by Breuer (2010) showed that the workplace has evolved over the years to reflect the diversity of the people from different backgrounds and viewpoints. However, the sad reality is that office nepotism is still present and it dictates different company processes like recruitment, promotions, salary increase, among others. It is a potent threat to a company's growth, as well as individual career progress. In situations where jobs are hard to find, nepotism can be quite demoralizing to notice that someone else is getting a job you deserve or the promotion you have been eyeing, all because they knew someone in the management. This practice is rampant in almost all organizations private and public in Kenya. The biggest downside of office nepotism is that most often than not, it locks out qualified people who would have greatly impacted on performance, and gives the undeserving few an edge. It should be noted that workplace nepotism mostly enhances the hiring of people with fewer skills, qualifications, and experience into positions based on their relationship with the hiring manager, other managers or the overall boss (Allen and Meyer, 1990).

2.3.1 Micro Effects of Nepotism in Organizations

Brown (2003) in his work on organizational commitment identified four key negative effects of nepotism in organization thus, i) Low staff morale: Members of staff may feel less motivated to give their best performance as they feel like the favored member of staff gets all the credit. Internal sabotage: Other members of staff may intentionally try to undermine the favored member as they constantly question his qualifications and motives. ii) High staff turnover: Members of staff may be locked out of promotions and pay increments in favor of the boss's favorite and this demotivates them. In some cases, it can lead to a high turnover. Locking out potential employees,

Favoritism may also result in low productivity, as the boss overlooks a qualified person and thus fails to harness his/ her skills for the job and the company's growth. iii) Mistrust in the team: Favoritism may result in the staff member's segregation and forming the us and them' mentality. This erodes trust and harmony in the organization and breeds hostility. iv) Employee conflicts: Favoritism erodes the confidence of a team on management since they view all other decisions made by management as biased. Workers question the employer's judgment and decisions in relation to promotions, punishments, and fairness in the event of a conflict. It also becomes a source of conflict in the organization among employees.

There is no doubt that nepotism have a negative effect on the morale of employees who are obliged to transact business and work with the relatives of high level executives or feel that a family member of the bosses is being promoted and awarded higher perks without merit (Asunakutlu and Avci, 2010). Nepotism harm employee relations by weakening the bonds between employees to an extent of causing a general inefficacy in the work environment leading to a negative impact on the satisfaction level of employees (Araslı et al., 2006). Studies by Barney (1998) show that the negative effects of employee favoritism and nepotism are many and potentially include a combination of the following: Low Personal Accountability , Low Employee Accountability , Low Productivity , Poor Employee Morale , Low Trust Relationships , Diminished Customer Experiences and High Performer Turnover .

2.4 Dealing with Nepotism in the Organization

Under Chapter Six article 73 of the constitution of Kenya (2010), it is illegal to hire people based on one's relationship with them. Nevertheless nepotism has become hard to notice as many organizations try to keep a national outlook with severe reservations even though there are some pointers to nepotism such as a person of little qualification is hired to fill a particular position. An individual who is not hard working and has no qualification is promoted while the person with a higher qualification or superior skill is overlooked. The boss constantly gives an unqualified employee the best or most visible tasks so as to make him or her to get accolades for the job even if he does not perform well. Unmerited praise for a job done even if the outcome is low or the person being praised did not necessarily have a large impact on the outcome. When a job advertisement is being placed you may notice that the qualifications listed tend to bend towards people of a certain group and this fosters nepotism from the recruitment stage (Carless, 2004).

2.5 Dimensions of Nepotism in Organizations.

Nepotism occurs when relations are more significant than the qualification or competency, skills, and experience and it affect the performance of employees as well as performance of the organization. It involves in hiring and firing of employees just to give priorities to their favorite ones. Nepotism is common in developing and developed country as well (Arash & Tumer, 2008). Nepotism is manifested in various dimensions that includes;

i) Relative Nepotism - This one is obvious. Relative nepotism is one of the most insidious forms.

ii) Friend Nepotism - This one is relatively obvious. The boss is good friends with some employees and not-so-good friends with others. This type of nepotism is a real morale killer because it is so blatantly unfair to the not-so-good friends of the boss.

iii) Connection Nepotism - By virtue of a shared experience such as attending the same high school (not necessarily at the same time), the connection nepotism turns a blind eye to poor Job Fit and Low Employee Performance. The connection may be by virtue of being from the same community, attended the same high school, members of the same fraternity/sorority, interest in the same sports team, and/or served in the same branch of the armed forces to comrades who drink in the same club.

iv) Contribution Nepotism - A good example is a sales person who three years ago, landed a big account that made the organization much more successful as well as a big commission for the sales person. Three things happen. One - The sales person lives off of the big commission for life. Two - Management feels a sense of gratitude and obligation to the sales person and therefore does not punish current or future poor performance because of past contributions. Three - Management promotes the sales person to a higher position as a reward creating the Peter Principle.

v) Referral Nepotism – this involves HR managers asking their trusted high performers if they know someone looking for a job. This is a natural employee hiring strategy. After all birds-of-a-feather-flock-together. The problem is that what makes your high performer a high performer may be the exact missing "ingredient" that their best friend needs most. Hire the low performer who is attached to a high performer through friendship. Then try to terminate the low performer friend at the peril of upsetting your high performer (Arasli & Tumer, 2008).

2.6 Relationship between Nepotism and Job Performance

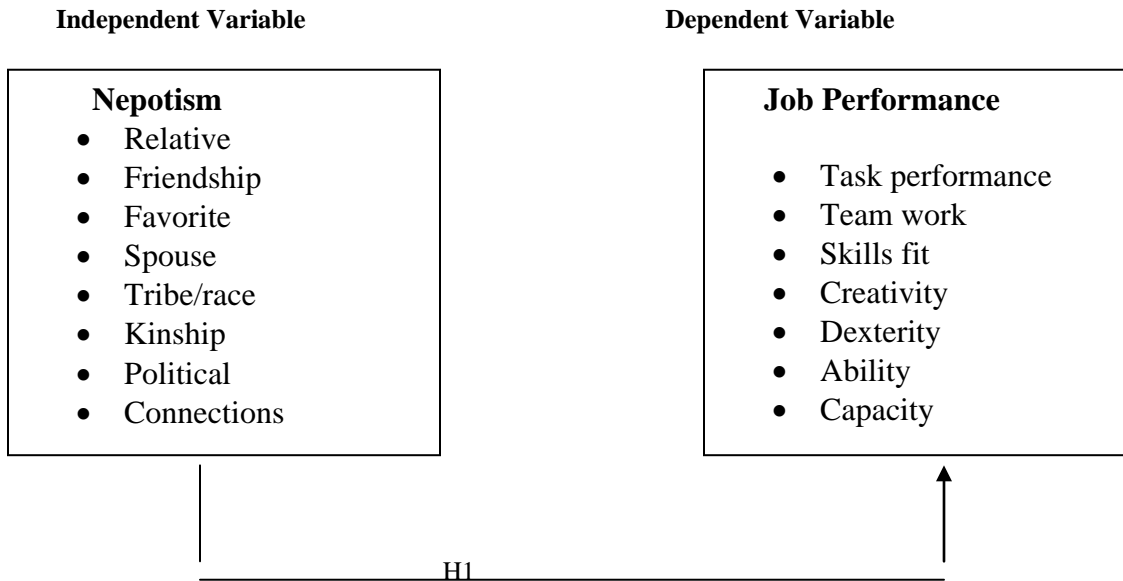
The relationship between nepotism and job performance has not been extensively shown and is not clear from the various studies done and we cannot therefore assume that nepotism leads to high performance or that high performers are necessarily relatives or friends of the senior staff. Studies done by Baodi (2000) found there is but negative directional relation between nepotism and employee commitment. It is thought that in case there is a more strong relation between nepotism applications and employee performance, this relation will be negative directional, in other words relative or acquaintance partiality will have negative influence on the employee performance. The more nepotism exists, the more the employee commitment will decrease.

Studies by Ozler (2007) found that the thought that nepotism would have a positive effect on the employees recruited through this method was not been supported. Getting a job as a relative or acquaintance of a manager, or being known in any way did not have an impact at raising the employee performance. In another related study by Arasli and Tumer (2008) carried to find out the relationship between nepotism and job satisfaction the findings showed negative relationship between favoritism and job satisfaction.

2.7 Conceptual Framework on Nepotism and Job Performance

From the empirical literature, Studies show that there is a relationship between nepotism and job performance. A question arises as to whether the relationship is positive or negative. The conceptual model in Figure 2.1 below depicts this relationship and seeks to show whether it is positive or negative. H1 shows that there is significant direct relationship between nepotism and job performance.

Fig 2.1 Conceptual Framework



(Source author)

2.8 Hypothesis 1:

Nepotism has no significant effect on job performance in the private and public organizations in Kenya.

III. RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the methods and approaches that were adopted in conducting this study. The methodology includes the philosophical foundation, research design, study population and sampling approaches. The type and sources of data are explained, as well as the methods of data collection and how reliability and validity was ensured. The chapter also provides an explanation of how study variables were measured. Data was analyzed using SPSS and presented in tables and graphs.

3.2 Philosophical Orientation

This study adopted the positivist approach given the approach is methodologically quantitative and value free (Easterby-Smith et al 2002). The approach works well with observable social reality and that the end product of such research can be generalized into law (Remenyi, et al, 1998). The emphasis was on quantifiable observations that lend themselves to statistical analysis. It is also works well with hypothesis testing and use of Questionnaires for data collection and analysis.

3.3 Research Design

The objective of this study is to give an accurate profile of the effects of nepotism on job performance. To achieve this, the use of a descriptive research design was used for the survey. This is because nepotism and job performance can be measured as they naturally occur. According to Robinson (1994) descriptive approach is a means to an end but not an end in itself, and if the research was concerned with finding out the strength of the relationship between nepotism and job performance, then descriptive research design was found to be the most appropriate.

3.4 Target Population

Records from the registrar of companies show that there were 310,000 registered private companies in Kenya by December 2015 though only 65 companies had been listed by then. From the Kenya gazette issue of 28 April 2015, Kenya had 147 state corporations/ Parastatals. Therefore the target population is all staff working in the formal 65 private organizations and 147 public organizations. According to the wage bill economic survey of 2013 Kenya a civil service population of 655300 employees. Reports by economic policies and employment programmes in Kenya showed the formal private sector had 12.1million employees. Factor analysis as a statistical tool used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors was used to obtain lower subsets that created a total target population of 5000 employees form both private and public sectors to work with.

3.5 Sample Design

Due to costs and time involved it may not be practical to interview all the 5000 targeted employees in both sectors but a sample was chosen at random from different organizations in both sectors. A ratio of 1:3 public to private organization representation was calculated for the survey giving a total target population of 5000 employees for both sectors. According to the table for determining sample size of research activities by Krejcie and Morgan (1970) recommended a sample of 357 for a population of 5000 (Appendix 2). A sample of 357 will therefore be chosen for this study and picked randomly from 40 organizations as shown in the table below.

Table 3.1: Sampling size

| Sector | Number of Organizations | Population | Sample |
|---------|-------------------------|------------|--------|
| Private | 30 | 3750 | 268 |
| Public | 10 | 1250 | 89 |
| Total | 40 | 5000 | 357 |

3.6 Data Collection

The study relied on primary data collected using questionnaires. The questionnaires sought views on various types of nepotism and job performance from staff in organizations. The questionnaires were structured to capture nominal scale and five point likert scale data and was developed and classified into three sections capturing demographic profile, Nepotism and job performance profiles.

3.7 Reliability Tests

The reliability of the study was ensured by the use of similar questionnaire instruments that have been used before for a similar study and also by use of the Cronbach’s Alpha coefficient (α) to measure internal consistency and stability of scales used in the study. Nunnally (1978) suggested that as a rule of the thumb, a reliability coefficient value of above 0.7 is statistically acceptable for a study. This study adopted the rule of the thumb to the extent the factors measured individual latency of the variables under study.

3.8 Validity Test

This study was tested for validity by both face and construct validity tests. To ensure face validity the draft questionnaires was given to a few selected persons knowledgeable in research to ascertain its suitability in obtaining information in accordance to the study’s objective. Content validity was ensured by pre-testing the questionnaires on a section of the study sample and appropriate modifications made to ensure clarity, comprehensiveness, relevance, meaning and requisite depth (DeGroot, 1970). This was to ensure that the study instruments measured what they were purported to measure and therefore reduced systematic and non- random errors.

3.10 Data Analysis

Descriptive analysis was done by use of SPSS. Factor analysis was done for the purpose of sample reduction before testing the analytical model. The purpose of Factor analysis was to reduce large data and to identify a small number of factors that would explain most of the variance observed in a much larger number of manifest variables. Regression analysis was conducted

to determine the relationships between Nepotism and job performance.

IV. DATA ANALYSIS, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

The objective of this study was to investigate the relationship of nepotism and job performance in the private and public sectors in Kenya. This chapter provides data analysis, findings and discussions of the results based on the objectives of the study. Primary data was used for this research and was collected from both categories of employee in either public or private organizations by use questionnaires.

4.2 Response Rate

A total of 357 questionnaires were distributed to both public and private sectors at random in the ratio specified so as to achieve uniformity and 304 questionnaires were collected back. The return rate was 85 percent and that gave a clear confidence as the rule of the thumb is that a higher response of over 70 percent is highly representative and strongly significant. Compared to other studies we reviewed, the response rate was higher than the studies conducted by Munjuri (2013) at 61 percent, Muindi (2014) at 72 percent, and Wakaisuka (2016) at 69 percent. Table 4.1 below shows the response distribution by sector.

Table 4.1: Response distribution by nature of the institution

| Nature of the institution | Frequency | Percent |
|---------------------------|-----------|---------|
| Private sector | 114 | 32 |
| Public sector | 190 | 53 |
| Total | 304 | 85 |

4.3 Reliability Test Results

Reliability tests on instruments by Cronbach’s alpha gave overall results as summarized in table 4.2 below and showed Nepotism practices had 24 items with a reliability coefficient of 89.7 percent and performance practices had 9 items at 90 percent coefficient. The reliability coefficients for all the study variables were above 70 percent, which is high and acceptable as confirmed by George and Mallery’s criteria (2003). The range of the coefficients was between strongly true and strongly false which signifies a high level of internal consistency of the data collection instrument.

Table 4.2: Overall Cronbach's Alpha

| | |
|--|------|
| Cronbach's Alpha | .897 |
| Cronbach's Alpha Based on Standardized Items | .902 |
| N of Items | 33 |

4.4 Frequency Statistics

The respondents were asked to state their levels of employment. The objective was to find out at what level is nepotism prevalent. Over half 54.6 percent of the respondents were in middle management, 43.4 percent in junior levels while 6 percent senior managers.

Table 4.3: Distribution by level of employment

| Level of employment | Frequency | Percent |
|---------------------|-----------|---------|
| Junior | 132 | 43.4 |
| Middle | 166 | 54.6 |
| Top | 6 | 2.0 |
| Total | 304 | 100.0 |

Table 4.4: Distribution by nature of employment

| Nature of employment | Frequency | Percent |
|----------------------|-----------|---------|
| Full-time | 278 | 91.4 |
| Contract | 26 | 8.6 |
| Total | 304 | 100.0 |

Of the respondents 91.4 percent were permanent employees and 8.6 percent were on contract employment.

Table 4.5: Distribution by work experience

| Work experience | Frequency | Percent |
|-----------------|-----------|---------|
| 0-4 years | 137 | 45.1 |
| 5-9 years | 93 | 30.6 |
| 10-14 years | 37 | 12.2 |
| 20-24 years | 34 | 11.2 |
| Not indicated | 3 | 1.0 |
| Total | 304 | 100.0 |

Respondents were asked about their length of service in their various organizations in order to establish performance based on longevity. As shown in Table 4.5, majority of the respondents (45.1 percent) had worked for 4 years, 30 percent for 9 years, 12 percent 14 years and 11 percent 24 years. This could be sign of early leaving due to poor performance or shaky patronage.

Table 4.6: Distribution by current position

| Current position | Frequency | Percent |
|--------------------------|-----------|---------|
| Journalist | 5 | 1.6 |
| ICT Officer | 20 | 6.6 |
| Executive Assistant | 8 | 2.6 |
| Doctors | 8 | 2.6 |
| Librarian | 8 | 2.6 |
| Human Resource Assistant | 8 | 2.6 |
| Accountant | 12 | 3.9 |
| Lectures | 12 | 3.9 |
| Pension Officer | 12 | 3.9 |

| | | |
|-------------------------------|-----|-------|
| Analyst Policy and Planning | 12 | 3.9 |
| Planning Officer | 12 | 3.9 |
| Technician | 24 | 7.9 |
| Supervisor | 12 | 3.9 |
| Driver | 18 | 5.9 |
| Administrator | 23 | 7.6 |
| Manager | 10 | 3.3 |
| Advocate | 13 | 4.3 |
| Principal Prosecution Counsel | 5 | 1.6 |
| Clerical Officer | 20 | 6.6 |
| Cleaner | 10 | 3.3 |
| Police Officer | 20 | 6.6 |
| Not Indicated | 32 | 10.5 |
| Total | 304 | 100.0 |

Table 4.6 shows distribution of current position of respondents across the country in both private and public sectors.

Table 4.7: Distribution by highest level of education

| Highest level of education | Frequency | Percent |
|----------------------------|-----------|---------|
| Certificate | 41 | 13.5 |
| Diploma | 62 | 20.4 |
| 1st degree | 116 | 38.2 |
| Masters degree | 85 | 28.0 |
| Total | 304 | 100.0 |

Fig. 4.7 above showed that 20.4 percent of the respondents had attained Diploma level of education while 13.5 percent were Certificate holders. 38.2 percent were holders of First Degrees and 28 percent had Masters Degrees.

Table 4.8: Distribution by gender

| Gender | Frequency | Percent |
|---------------|-----------|---------|
| Male | 156 | 51.3 |
| Female | 110 | 36.2 |
| Not indicated | 38 | 12.5 |
| Total | 304 | 100.0 |

The study sought to identify the gender composition of the respondents for the reason to find out which gender engaged in nepotism practice than the other. Though not focusing on gender equity, the frequency reflected that the sample was biased towards male. As shown in Figure 4.8, majority of the respondents (51.3 percent) were male and 36.2 percent were female though 12.5 percent didn't indicate their gender.

Table 4.9: Distribution by age

| Age | Frequency | Percent |
|-------------|-----------|---------|
| 18-25 years | 19 | 6.3 |
| 26-33 years | 136 | 44.7 |
| 34-41 years | 105 | 34.5 |
| 42-49 years | 44 | 14.5 |
| Total | 304 | 100.0 |

As shown in Table 4.9, majority of the respondents 44.7 percent were between the age of 26 and 33 years old. 34.5 percent were in the age bracket of 34 to 41 years while 14.5 percent were between 42 to 49 years of age. A few 6.3 percent were between 18 to 25 years old.

4.5: DESCRIPTIVES STATISTICS

This section reported the analysis of nepotism factors in public and private organizations in Kenya. The factors were rated as strongly false, 1 false, 2 neutral, 3 true 4 and strongly true 5. A score of ≤ 1.5 was interpreted to mean strongly false, while a score 1.5 to ≤ 2.5 implied that is false and 2.5 to ≤ 3.5 was interpreted to mean neutral opinion. A mean score of $3.5 \leq 4.5$ was interpreted to mean that is true opinion while a score of ≥ 4.5 was interpreted to mean strongly true. A standard deviation of ≤ 1 was interpreted to mean that respondents had a consensus in the rating of the statement while a standard deviation greater than 1 was interpreted to mean that the respondents differed in their perception about the statement.

4.5.1 NEPOTISM PRACTICES

Table 4.10: Nepotism Practices Analysis

| | N | Min. | Max. | Mean | Std. Deviation | Skewness | | Kurtosis | |
|--|-----|------|------|------|----------------|-----------|------------|-----------|------------|
| | | | | | | Statistic | Std. Error | Statistic | Std. Error |
| Do you have a friend /Relative who works in this organization? | 304 | 1 | 5 | 2.52 | 1.671 | .476 | .140 | -1.509 | .279 |
| Were you recruited through public job advertisement in the press? | 297 | 1 | 5 | 3.82 | 1.467 | -.858 | .141 | -.764 | .282 |
| Did any of your friends or relatives introduce you to the job in this institution? | 304 | 1 | 5 | 2.17 | 1.416 | .909 | .140 | -.631 | .279 |
| Have you ever been promoted in the last three years? | 304 | 1 | 5 | 1.98 | 1.240 | 1.010 | .140 | -.372 | .279 |
| Was the promotion influenced by any one close to you in the organization? | 266 | 1 | 3 | 1.21 | .527 | 2.518 | .149 | 5.237 | .298 |
| Do you feel liked that you are able to move up the ladder very fast in a short period of time? | 304 | 1 | 5 | 2.68 | 1.471 | .395 | .140 | -1.213 | .279 |
| Was/is any of your parents worked /working in the institution? | 292 | 1 | 5 | 1.84 | 1.333 | 1.576 | .143 | 1.083 | .284 |
| Was/is any of your friends worked/working in this institution? | 292 | 1 | 5 | 2.04 | 1.321 | 1.051 | .143 | -.245 | .284 |

| | N | Min. | Max. | Mean | Std. Deviation | Skewness | | Kurtosis | |
|---|-----|------|------|------|----------------|-----------|------------|-----------|------------|
| | | | | | | Statistic | Std. Error | Statistic | Std. Error |
| Was/is any of your friends/relatives known to any employee worked /working in this institution? | 292 | 1 | 5 | 1.95 | 1.232 | 1.237 | .143 | .519 | .284 |
| Do you believe majority of employees here come from one region/tribe/race? | 304 | 1 | 5 | 2.40 | 1.003 | .717 | .140 | .152 | .279 |
| Do you agree employees who get promotion come from the majority tribe/race/region? | 304 | 1 | 5 | 2.46 | 1.011 | .514 | .140 | -.319 | .279 |
| Is it true mother tongue from majority tribe/race/region forms third language of communication in this institution? | 304 | 1 | 5 | 2.55 | 1.223 | .410 | .140 | -.858 | .279 |
| Is it true majority of leaders here come from same tribe/race/region? | 304 | 1 | 5 | 2.49 | 1.034 | .378 | .140 | -.432 | .279 |
| Do the majority of supervisors also come from same tribe/race/region of the managers? | 304 | 1 | 5 | 2.44 | 1.010 | .686 | .140 | -.164 | .279 |
| Do the majority of shop floor leaders also come from same tribe/race/region as supervisors / managers? | 304 | 1 | 5 | 2.47 | 1.037 | .491 | .140 | -.409 | .279 |
| Is it true you can tell that one tribe/race/region is dominating the employee population? | 304 | 1 | 5 | 3.00 | .993 | .339 | .140 | -.466 | .279 |
| Is it true you can claim that there is a minority tribe /race/region employee? | 304 | 1 | 5 | 3.60 | 1.176 | -.535 | .140 | -.654 | .279 |
| Is it true that the institution does not have employees from other major regions/race/tribe in Kenya? | 292 | 1 | 5 | 2.68 | 1.114 | .301 | .143 | -.351 | .284 |
| Is it true some of your peers earn far more than yourself due to patronage? | 296 | 1 | 5 | 2.88 | 1.280 | .171 | .142 | -1.187 | .282 |

| | N | Min. | Max. | Mean | Std. Deviation | Skewness | | Kurtosis | |
|---|------|------|--|------|----------------|-----------|------------|-----------|------------|
| | | | | | | Statistic | Std. Error | Statistic | Std. Error |
| Is it true that some employees pay were fixed from above? | 304 | 1 | 5 | 2.72 | 1.234 | .277 | .140 | -1.000 | .279 |
| Is it true that there is generally disquiet that some preferred staff earn more than other staff? | 296 | 1 | 5 | 3.02 | 1.325 | -.055 | .142 | -1.181 | .282 |
| Is it true that all managers/supervisors/junior leaders have superior qualifications better than all other employees? | 304 | 1 | 4 | 2.13 | 1.053 | .526 | .140 | -.936 | .279 |
| Is it true that all employees are recruited based on certain set high academic criteria? | 304 | 1 | 5 | 2.97 | 1.214 | -.166 | .140 | -1.094 | .279 |
| Is it true that most preferred employees may have no high or reasonable academic background? | 304 | 1 | 5 | 2.47 | 1.134 | .458 | .140 | -.759 | .279 |
| Cronbach's Alpha | .774 | | Cronbach's Alpha Based on Standardized Items | | | .788 | N of Items | | 24 |

The results in Table 4.10 reveal that Cronbach's alpha was 0.774 based on the 24 items of nepotism practices. That showed the study had high internal consistency and variable correlation significance. Cronch's Alpha based on standardized items had a significance value score of 0.79 qualifying the variables for analysis. The individual item statistical analysis on having a relative who works in the same organization was Mean 2.52, SD 1.67. This implied that the respondents were neutral about nepotism practices in their organizations but had mixed perceptions. This result could have been caused by fear of reprisal as evidence can be revealed by SD <1 which means respondents had different perceptions on the items of analysis. Response on whether one was recruited through public job advertisement in the press had a Mean of 3.82 and SD 1.46 showing great significance. Response on whether there is general disquiet that some preferred staff earn more than other staff, had Mean 3.02 SD 1.32, meaning it was confirmation of the nepotism statement. Response on whether one could claim that there is a minority tribe/race employees in the organization, had Mean 3.6 SD 1.7, meaning this nepotism statement was confirmed.

Response on whether one tribe/race/ dominates the employee population, had Mean 3.0 SD 0.99 meaning there was high consensus respondents perceive one tribe/race is dominant at their work places. The analysis of the nepotism factors revealed that both private and public organizations have high nepotism challenges.

4.5.2: Performance Practices

This section reports the analysis of performance factors in public and private organizations in Kenya. The factors were rated as Strongly False, 1 False, 2 Neutral, 3 True 4 and Strongly True 5. A score of ≤ 1.5 was interpreted to mean strongly false, while a score 1.5 to ≤ 2.5 implied that is false and 2.5 to ≤ 3.5 was interpreted to mean neutral opinion. A mean score of $3.5 \leq 4.5$ was interpreted to mean that is true opinion while a score of ≥ 4.5 was interpreted to mean strongly true. A standard deviation of ≤ 1 was interpreted to mean that respondents had a consensus in the rating of the statement while a standard deviation greater than 1 was interpreted to mean that the respondents differed in their perception about the statement.

Table 4.11 Performance factors

| | N | Min. | Max. | Mean | Std. Deviation | Skewness | | Kurtosis | |
|---|-----|------|------|------|----------------|-----------|------------|-----------|------------|
| | | | | | | Statistic | Std. Error | Statistic | Std. Error |
| Is it true some staffs in your organization are pampered when it is clear they don't perform well while others are being punished for poor performance? | 304 | 1 | 5 | 2.34 | 1.132 | .515 | .140 | -.438 | .279 |
| Is it true some staffs that perform dismally are promoted while handworkers are ignored or dismissed? | 304 | 1 | 5 | 2.41 | 1.134 | .673 | .140 | .015 | .279 |
| Is it true that some staff enjoy protection from elsewhere and others are easily touchable? | 296 | 1 | 5 | 2.84 | 1.264 | .180 | .142 | -.925 | .282 |
| Is it true that some staff can be absent without permission for days and resume work normally later while others may be punished for absence? | 304 | 1 | 5 | 2.26 | 1.153 | .668 | .140 | -.375 | .279 |
| Is it true that some staffs can report to work very late and one asks while other will be questioned? | 304 | 1 | 5 | 2.42 | 1.166 | .521 | .140 | -.726 | .279 |
| Is it true that some staffs are perceived to be earning for free and no one bothers while others do a lot of work under threats? | 304 | 1 | 5 | 2.73 | 1.188 | .226 | .140 | -.841 | .279 |
| Is it true that you have trained a newly recruited boss who is far less qualified than yourself? | 304 | 1 | 5 | 2.32 | 1.249 | .691 | .140 | -.593 | .279 |
| Is it true that you work with some staffs whose skills are very questionable but you can't dare question? | 304 | 1 | 5 | 2.27 | 1.050 | .700 | .140 | -.087 | .279 |
| Is it true that you work with some staff who were "just brought in" nobody knows when or how they were recruited? | 304 | 1 | 5 | 2.66 | 1.333 | .512 | .140 | -1.040 | .279 |

| | N | Min. | Max. | Mean | Std. Deviation | Skewness | | Kurtosis | |
|------------------|------|--|------|------|----------------|-----------|------------|-----------|------------|
| | | | | | | Statistic | Std. Error | Statistic | Std. Error |
| Cronbach's Alpha | .910 | Cronbach's Alpha Based on Standardized Items | | | | .913 | N of Items | | 9 |

The results in Table 4.11 showed a Cronbach's Alpha score of 0.91 and Cronbach's Alpha based on standardized items, a score of 0.913 meaning internal consistency items measurement indicate performance have significance correlation effects to nepotism. The statistics showed that the respondent were generally neutral on the performance factors asked. This can as

well be attributed to the fear of reprisal as it can be clearly seen that all the SD were <1.0 meaning the respondents had different perceptions about performance statements. The analysis of the performance factors revealed that both private and public organizations have problems with performance related to nepotism.

Table 4.12: Overall Descriptives

| | N | Min. | Max. | Mean | Std. Deviation | Skewness | | Kurtosis | |
|--|-----|------|------|------|----------------|-----------|------------|-----------|------------|
| | | | | | | Statistic | Std. Error | Statistic | Std. Error |
| Nepotism Practices and Performance Practices | | | | | | | | | |
| Overall | 304 | 1.23 | 4.13 | 2.50 | 0.63 | .756 | .140 | 1.094 | .279 |

The results in Table 4.12 showed an overall relationship between nepotism and performance. The overall mean score was 2.5. This means that the respondent were neutral on the indicator statements asked. The SD 0.63 showed the respondents had a strong consensus that nepotism does affect performance as the

standard deviation is >1. The overall analysis of nepotism and performance factors revealed that both private and public organizations have problems with nepotism and performance that employees fear talking about.

Table 4.13: Correlation of Indicators

| | Recruitment and Selection | Promotion and Growth | Kinship Friendship | Organizational Culture | Leadership Positions | Employee Formation | Reward and Recognition | Training and Development | Discipline and Performance | Time Management | Competency Levels | Nepotism Practices | Performance Practices |
|---------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|----------------------|--------------------|------------------------|--------------------------|----------------------------|-----------------|-------------------|--------------------|-----------------------|
| Recruitment and Selection | r = 1 p = N = 304 | | | | | | | | | | | | |
| Promotion and Growth | r = .014 p = .812 N = 304 | 1 | | | | | | | | | | | |
| Kinship Friendship | r = .217** p = .000 N = 292 | r = .579** p = .000 N = 292 | 1 | | | | | | | | | | |
| Organizational Culture | r = .113* p = .049 N = 304 | r = -.194** p = .001 N = 304 | r = .314** p = .000 N = 292 | 1 | | | | | | | | | |
| Leadership Positions | r = .237** p = .000 N = 304 | r = .071 p = .215 N = 304 | r = .521** p = .000 N = 292 | r = .487** p = .000 N = 304 | 1 | | | | | | | | |

| | | | | | | | | | | | | | | |
|----------------------------|---|---------|---------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|-----|
| Employee Formation | r | .250** | .209** | .156** | -.014 | .259** | 1 | | | | | | | |
| | p | .000 | .000 | .008 | .803 | .000 | | | | | | | | |
| | N | 304 | 304 | 292 | 304 | 304 | 304 | | | | | | | |
| Reward and Recognition | r | -.043 | -.274** | .153** | .433** | .410** | -.323** | 1 | | | | | | |
| | p | .459 | .000 | .009 | .000 | .000 | .000 | | | | | | | |
| | N | 304 | 304 | 292 | 304 | 304 | 304 | 304 | | | | | | |
| Training and Development | r | -.218** | .131* | .129* | .259** | -.052 | .263** | .000 | 1 | | | | | |
| | p | .000 | .022 | .028 | .000 | .368 | .000 | .996 | | | | | | |
| | N | 304 | 304 | 292 | 304 | 304 | 304 | 304 | 304 | | | | | |
| Discipline and Performance | r | .039 | .198** | .491** | .421** | .496** | -.146* | .560** | .064 | 1 | | | | |
| | p | .499 | .001 | .000 | .000 | .000 | .011 | .000 | .265 | | | | | |
| | N | 304 | 304 | 292 | 304 | 304 | 304 | 304 | 304 | 304 | | | | |
| Time Management | r | .118* | .208** | .451** | .437** | .469** | -.007 | .369** | .062 | .821** | 1 | | | |
| | p | .040 | .000 | .000 | .000 | .000 | .910 | .000 | .283 | .000 | | | | |
| | N | 304 | 304 | 292 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | | | |
| Competency Levels | r | .375** | .127* | .549** | .357** | .614** | .161** | .360** | -.131* | .633** | .703** | 1 | | |
| | p | .000 | .027 | .000 | .000 | .000 | .005 | .000 | .022 | .000 | .000 | | | |
| | N | 304 | 304 | 292 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | | |
| Nepotism Practices | r | .395** | .345** | .771** | .605** | .763** | .394** | .414** | .300** | .568** | .542** | .642** | 1 | |
| | p | .000 | .000 | .000 | .000 | .000 | .000 | .000 | .000 | .000 | .000 | .000 | | |
| | N | 304 | 304 | 292 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | |
| Performance Practices | r | .188** | .199** | .546** | .450** | .579** | -.003 | .478** | .003 | .913** | .938** | .853** | .644** | 1 |
| | p | .001 | .000 | .000 | .000 | .000 | .963 | .000 | .954 | .000 | .000 | .000 | .000 | |
| | N | 304 | 304 | 292 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 |

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The analysis on table 4.03 above showed the relationship between Nepotism and Performance factors. The statistics showed that there was a significant positive relationship between kinship and promotion indicators ($r = .579, p < .01$). Leadership position and kinship had significant positive relationships ($r = .521, p < 0.01$), discipline and reward ($r = .560, p < 0.01$), time management and discipline had a significant of ($r = .821, p < 0.01$). Also, competency was significantly and positively associated with kinship ($r = .549, p < 0.01$), competency with leadership position ($r = .614, p < 0.01$), competency with discipline ($r = .633, p < 0.01$) and competency with time management ($r = 0.703, p < 0.01$). There was a significant positive relationship between kinship and recruitment indicators ($r = .217, p < .01$). Employee formation and recruitment ($r = .250,$

$p < 0.01$), Competency Levels with recruitment ($r = .375, p < 0.01$).

The analysis also revealed that nepotism significantly influence performance (p -value 0.01) in all indicators. Reward and recognition (p -value 0.01) and training and development (p -value 0.01). This therefore is to say that there is high nepotism in both public and private organizations and such affects performance. The low p -values (0.01) in Table 4.13 indicates that we reject the null hypothesis (H_0) that is nepotism has no significant effect on job performance in the private and public organizations in Kenya and move to confirm that the alternative is true, nepotism actually has significant effect on job performance of staffs in both public and private sectors.

Table 4.14: Relationship between nepotism practices and performance practices

| Variables | β | SE | Std. β | t | p | R | R ² | ΔR^2 | F | p |
|-----------------------|---------|------|--------------|--------|------|------|----------------|--------------|---------|------|
| Constant | 1.709 | .060 | | 28.579 | .000 | .644 | .415 | .413 | 214.131 | .000 |
| Performance practices | .332 | .023 | .644 | 14.633 | .000 | | | | | |

Dependent Variable: Nepotism Practices

Predictors: (Constant), Performance Practices

The regression line statics on table 4.14 showed about 42 percent of the dependent variable can be explained by the independent variable. Looking at the ANOVA statistics, the F statistics is high 214.131 and significance *p*- value < 0.01. this means that the relationship between the variables is strong and both variables increase propotionately. The results presented in table 4.14 show that the influence of nepotism on performance was significant (F = 214.131, *p* < 0.05). Meaning about 42 percent of the variation in performance was explained by variations in nepotism practices (R square =.415, *p* < 0.05). In addition the coefficient was also statistically significant (β = 0.644, *t*= 14.63, *p* < 0.05). The overall conclusion is that based on the regression results in table 4.14 nepotism practices have positive effect job performance

The hypothesis in this study sought to establish whether nepotism does not affect job performance in the private and public organizations in Kenya. The Baron and Kenny (1986) approach in testing for mediation was adopted for the purposes of this study and guided by the equation: Regress the dependent variable on the independent variable to confirm that the independent variable is a significant predictor of the dependent variable.

Independent variable \rightarrow dependent variable, which is shown on straight line below;

Straight line: $Y = \beta_0 + \beta_1 X_i + \dots + \beta_n X_n$

Where *Y* = Nepotism - Independent variable

X = Performance - Dependent variable

β = Coefficient of variation

4.6 Discussions of the Study Findings

This section discusses the results in line with the objectives and the hypotheses of the study. A conceptual framework was derived from the existing literature on the variables in the study including empirical literature on relationship between the variables. The conceptual model outlined the relationship between nepotism practices and job performance. Overall results of this study indicate that nepotism practices explained R-squared 0.456, *P* < 0.05, that is 46 percent of the variance in job performance as shown in Table 4.15 below meaning as nepotism increases performance decreases.

Table 4.15: Relationship between overall Nepotism Practices and Performance Practices

| Variables | β | SE | Std. β | t | p | R | R ² | ΔR^2 | F | p |
|----------------------------|---------|------|--------------|--------|------|------|----------------|--------------|--------|------|
| Constant | 1.649 | .059 | | 27.805 | .000 | .675 | .456 | .45 | 83.698 | .000 |
| Discipline and Performance | .133 | .034 | .293 | 3.893 | .000 | | | | | |
| Time Management | -.016 | .036 | -.037 | -.451 | .652 | | | | | |
| Competency Levels | .242 | .03 | .482 | 7.971 | .000 | | | | | |

Dependent Variable: Nepotism Practices

Predictors: (Constant), Competency Levels, Discipline and Performance, Time Management

The objective of this study was to investigate the effects of nepotism practices on job performance in the private and public sectors in Kenya. The study hypothesized that nepotism has no effect on job performance of staff in both public and private organizations in Kenya. The study disapproved this and confirmed the alternative that actually there is a significant relationship between nepotism and job performance in both institutions in Kenya. This means that indeed nepotism contributes to poor job performance. Specifically the study revealed that of the total working population in both sectors 46 percent (almost half) are employed out of relatedness and contribute to 46 percent of poor performance in both sectors because they are inversely related. This supports the study by Ercenap, (2006), who revealed that organizations with intense preferential treatment, kinship, fellow tribesmanship or friendship or other forms of relationship replace the principles of merit, such as knowledge, skills, ability, competence, success or

level of education, in the recruitment or promotion of employees hence performance becomes sluggish.

On the assessment of the nature of tribalism in organizations, the respondents were of the opinion that there is high tribalism in both private and public institutions in Kenya. The respondents significantly agreed that certain tribes dominate work places than the rest, Mean of 3.60 and the indication was that employees in these organizations were employed based on nepotism. These results are in line with existing literature done by O'Brien (1993) which conducted by the society for Human Resource Management and found that 88 percent of the 432 responding companies employ workers that were related in some way. They also found that 83 percent of employees are married bringing a whole tribe into an organization. The results also showed that there is a statistically significant relationship between nepotism and job performance. This confirms Bennedsen et al, (2007) study that found that nepotism is inversely related to

performance and that nepotism is a non-strategic decision that affects performance for all organizations.

In conclusion, based on the results of the analysis of this survey, we can confidently confirm that the relationship between nepotism practices and job performance is significant. All the parameters in the analysis measuring nepotism practices indicated a strong relationship with job performance ($P < 0.05$). Meaning, when employee nepotism is present job performance is low. The results of this research have been proven by Ozler and Buyukarslan (2011) who found that Nepotism and Cronyism are practiced from the upper management of the organizations and that nepotism does not only affects the performance of the employees but also it affects the performance of the organizations as a whole because employees are the most important source of performance for the organizations to generate profits. The relationship between nepotism and its effects in Human Resource practices has been demonstrated by many other studies. Fershtman et al (2005) studied nepotism and job discrimination and found that nepotism led to job dissatisfaction and related conflicts. Ercenap (2006) studied Favoritism, nepotism and cronyism as predictors of job satisfaction and found that favoritism, nepotism and cronyism are negatively connected with job satisfaction in cyprus. Büte (2009) on his study on the effects of nepotism and favoritism on employee behaviors and human resources practices: a research on Turkish public banks found that nepotism had significant negative effects on the intention to quit, job satisfaction, organizational commitment and weaker human resource management practices.

V. SUMMARY, CONCLUSION, RECOMMENDATIONS AND IMPLICATIONS

5.1 Introduction

The objective of this study was to investigate the effects of nepotism and job performance in the private and public sectors in Kenya. This chapter therefore provides a summary of the major findings of the study, discussion on theory and practice, implications, recommendations, conclusions and the limitations of the study and outlines proposed areas of future research.

5.2 Summary of Findings

The hypothesis that nepotism has no significant effect on job performance in the private and public organizations in Kenya, explored the relationship between nepotism and job performance in Kenya. Results of multiple linear regression showed that there was a high significant relationship ($F= 83.6, p<0.05$) between nepotism and job performance in both public and private sectors. It can then be concluded that the null hypothesis was rejected but we failed to reject the alternative hypothesis that nepotism has significant relationship with individual employee job performance.

Correlation statistical analysis of the variables showed a very strong relationship between nepotism and employee job performance ($r = .644, p < 0.05$). In addition, the study revealed that nepotism is rampant in both public and private institutions ($r = .771, p < 0.05$) that is recruitment is largely based on kinship/friendship. The study found that 77 percent of the staff currently on employment are as a result of relatedness to senior leaders or

managers ($r=.763, P < 0.5$) within or outside the institutions or have kinship or friendship networks across organizations. The study further revealed that competence is not a key consideration in nepotism. Meaning in Kenya recruiters tend ignore competence, read as qualifications when employing relatives or friends ($r= .642, P < 0.05$). This then may largely be the reason and evidence for poor job performance. This study also revealed that most organizations whether public or private have a whole cultural inclination of tribe either by show of mother tongue or regional inclination ($r = .605, p < 0.05$). This confirms our new found concept that labour in Kenya tribal based (Tribal Labour Theory, TLT) composed of couples, kinships and friends confirming Levine et al (2007) study on the brother in law effect in organizations.

Table 5.1: Summary of Research Objectives, Hypotheses and Test Results

| Research Objectives | Hypothesis | Hypothesis test results |
|---|--|-------------------------|
| To investigate the effects of nepotism on job performance in the private and public sectors in Kenya. | Nepotism has no significant effect on job performance in the private and public organizations in Kenya | Ho REJECTED |

5.3 Conclusions

Cronbach's alpha reliability test was used to measure reliability of instruments used in this study. The results had a high reliability on nepotism practices 24 items with a reliability coefficient of 89.7 percent and performance practices 9 items with 90 percent reliability coefficient. The study covered almost every area of employment in both public and private sectors ranging from drivers to top managers across all professions in Kenya, meaning the study was well represented and in the ratio of gender 1:1. Majority of the respondents were permanent staff 90 percent. The findings revealed significant inverse relationship between nepotism and job performance. The influence of kinship/friendship or tribal culture was found to be statistically significant in making decision to recruit an employee and that was found to reduce employee performance. The findings also revealed that employee's competence or qualification did not matter when nepotism is practiced and that poor performance is not punished where nepotism was applied. In addition this study found that four dimensions of nepotism exist in Kenyan organizations, thus Tribal nepotism (nepotism based on ones tribe), Kinship nepotism (nepotism based on ones blood relationships), Bribery nepotism (nepotism based on payback ability) and Political nepotism (nepotism based on ones political affiliation). The study further concluded that labour in Kenya is significantly based on tribal nepotism linkage.

5.4 Implications of the Research Findings

The results of this study added to existing knowledge in the area of Ethical Human Resource practices in both public and private organizations in Kenya. The major contribution is the perspective of the negative effects of nepotism in institutions in

Kenya. It revealed that nepotism affects employee job performance negatively. Therefore, leaders of institutions should set strategies or structures that are objective in manner of recruitment to avoid nepotism that affects performance at all costs. It further revealed that labour in Kenya is tribal based kind of nepotism, implying that stringent measures should be put in place to deal with nepotism in organizations. In addition the management should consider developing policies and guidelines against nepotism. The study results therefore present theoretical and policy implications in organizations in Kenya.

The labour ministry in Kenya is charged with the responsibility of overseeing fairness and equity in labour matters. It should be in the interest of the labour ministry to draft a law against nepotism and set penalties for leaders practicing nepotism in Kenya. The performance of employees in Kenya is important because this has a direct influence on the gross domestic product and economic growth in Kenya in terms of quality of products/services offered to the citizens and other stake holders. The Policy makers in the labour industry can then use the results of this study to address issues of nepotism in organizations in Kenya in order to improve on job performance, guide on recruitment of staff objectively based on qualifications and skills necessary for job performance. The policy on recruitment in public and private organizations should address the issue of tribe, kinship, friendship, favouritism and bribery as bases of nepotism.

The findings of this study will help human resource managers of public and private organizations to understand the effects of nepotism on performance and create strategies to deal with nepotism in their organizations. It is clear that managers in organizations in Kenya need to focus on aspects of nepotism to create fairness and equal opportunity for employment for all qualified candidates when recruiting, rewarding and recognition, in promotion or training and punishment for poor job performance. Human Resource managers may also need to focus on recruitment techniques which may help them identify certain personality characteristics which have been linked to job satisfaction and performance.

5.5 Recommendations

The study recommends that to deal with nepotism a law should be enacted or added to the labour statutes that specify issues that qualify nepotism and thereto penalties for offenders besides just making nepotism a moral or ethical issue in Kenya. Organizations should carry out an independent audit of existing staff to deal with the intensity and depth of nepotism in individual institutions in Kenya and look into mitigation factors based on law and ethics. Change of attitude, stereotyping and leadership influence as exposed in the findings portrays organizations in Kenya as nepotistic, bringing entire tribe into one organization.

5.6 Limitations of the Study.

This study provided clear insight into the nature of nepotism and its effects on job performance but it has some limitations. Nepotism was only correlated to job performance without consideration to other intervening and moderating variables which could be related and relevant in this study. Again the study used respondents as subjects of measure in data collection by asking the incumbents to rate themselves on nepotism and job

performance. The results presented therefore are in the view of the incumbency and may have been distorted as some of the respondents may be beneficiaries of nepotism.

The study did not attain 100 percent response rate because some of the respondents were unwilling to disclose information about their organization's behaviour for fear of reprisal or considered the information as highly confidential. Such pushed more respondents to be neutral with their responses. As much as the study included both public and private organizations, the NGOs were left out. This means that the results may not be generalized for all organizations in Kenya given that the sample selection may have also limited the generalization of results to the overall population.

Lastly, the study was based on cross-sectional research design where the respondents were interviewed only once to get their perspectives of the variables in the study. Obviously cross-sectional data enable generalization of the findings while offering cost and control advantages, but it disallows close investigation of several aspects of the relationships in this study. Perhaps a time-series database and testing of the nepotism and employee job performance relationship in a longitudinal framework would have provided more insight into probable effects.

5.6 Suggestions for Further Research

The findings add to the body of existing empirical evidence that nepotism practices negatively impacts of employee job performance. Though this study was not measuring the extent of nepotism in Kenya parse, it came out that nepotism is rampant. The inclusion of the extent of nepotism, nepotism based recruitment and such like not covered in this study could bring more insights into the nature and extent nepotism. Future research could also consider a similar research in the NGOs or the armed forces in Kenya hence add to the knowledge of nepotism and job performance or nepotism and labour turn over in Kenya.

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