From pragmatism to meritocracy? Views on in-house family ties on the Swedish labour market

KATARINA HAUGEN & KERSTIN WESTIN

In-house family ties within workplaces are a non-negligible phenomenon on the labour market. Drawing on organizational and geographical perspectives and based on thematic analysis of 40 interviews with human resource managers, we analyse how family ties are viewed and managed in organizations on the Swedish labour market. Based on the empirical analysis, we suggest that there are two different logics of human resource management concerning in-house family ties: a traditional, pragmatic and informal logic which expresses an accepting view; and a modern, meritocratic and formal logic associated with a disapproving view. Moreover, the informal logic seems to be increasingly challenged by formalization of human resource processes in both urban and rural settings. However, the analysis indicates that in smaller labour markets this shift is somewhat restrained by the limited supply of labour and socially tight knit local communities. Also, it seems that the change often meets resistance from supporters of the informal logic, and there is dissonance across different professional groups across and within organizations.

Keywords: family ties, labour market, human resource management, qualitative interviews, thematic analysis, Sweden

Katarina Haugen, Human Geography Unit, Department of Society and Economy, School of Business, Economics and Law, University of Gothenburg, PO Box 25, SE 405 30 Gothenburg, Sweden. E-mail: katarina.haugen@gu.se
Kerstin Westin, Department of Geography and Economic History, Umeå University, SE 901 87 Umeå, Sweden. E-mail: kerstin.westin@umu.se

Introduction

The importance of social networks – professional contacts, friends or family – for finding employment cannot be disregarded. Through these connections, potential job seekers are provided with information about job opportunities, and employers are provided with information about potential recruits (Petersen et al. 2000). The European Community Household Panel has revealed that 25–45% of employed individuals reported having found their job through referrals (Pellizzari 2010), and in the US there are indications that a majority of workers found their job via their social network (Galenianos 2014). Empirical studies of job search processes are often consistent with Granovetter's (1973) seminal theory of strong

and weak ties. Weak ties, such as acquaintances and contacts on social media, are argued to be the most important for finding a job because they are more numerous; but strong ties consisting of family, relatives and friends may also play a role (Brown & Konrad 2001; Obukhova 2012). Moreover, the impact of family ties does not necessarily cease when the recruitment process is completed, but rather continues to influence the workplace and organization in various ways, for example through positive and/or negative effects on the social work environment (Haugen & Westin 2016).

Favouring family when employing staff is an expression of an ancient and still commonplace 'organizing tendency' (Jones 2012a) – nepotism. The phenomenon can be defined as a form of 'particularistic in-group solidarity' based on social proximity and resulting in preferential treatment of the family group and hence unequal treatment of those not included in this group (Kragh 2012, 249), or as 'a set of psychological and social processes associated with observed phenomena with respect to family membership (broadly defined) in and around organizations' (Jones 2012a, 2). Generally, the term nepotism has a negative connotation, and is frequently associated with corruption (Vinton 1998; O'Connor & Fischer 2012). However, this view is somewhat problematic, given that the existence of family ties within organizations can be the outcome of a wide range of processes and diverse rationales including 'deliberate career choice and meritorious hiring of family members' as well as 'familial coercion' (Stout et al. 2007, cited in Jones 2012a, 3). Hence, the commonplace negative interpretation of nepotism as 'not just hiring a relative, but hiring one who is grossly incompetent' (Bellow 2004, 11) does not necessarily describe either the conditions at a workplace where there are in-house family ties present or the reasons and process that led to this situation (Holm et al. 2017).

For this reason, and because nepotism remains an underresearched topic in organizational and human resource management studies (Vinton 1998; Jones 2012a; Kragh 2012;), it is useful to approach it from a descriptive rather than normative perspective (Jones 2012a). In line with this, alternative and more agnostic terms such as 'kinship ties' and 'family ties' are also used in the literature. We use the term 'in-house family ties', which emphasizes the micro-geographical social workplace context (Haugen & Westin 2016). We study in-house family ties from the perspective of human resource managers (HRMs). Based on interviews with HRMs, our aim is to analyze how family ties are viewed and managed on the Swedish labour market, including if any differences can be discerned across different types of organizations or geographic settings.

The role of family networks on the labour market

The importance of family networks for access to jobs appears to have increased in advanced societies during the latter part of the 20th century (Bellow 2004; Ioannides & Datcher Loury 2004). In contrast to Granovetter's (1973) emphasis on the importance of weak ties, more recent studies argue that strong ties can in fact be key in getting a job, particularly for young and low-educated people (e.g. Stone et al. 2003; Kramarz & Nordström Skans 2014). The extent of in-house family ties is difficult to estimate, as this information is typically not recorded. However, these ties are not unusual in either private firms or public organizations (Bertrand & Shoar 2006). In a study from 1993, 88% of the surveyed organizations reported having employees who were related to each other (Society for Human Resource Management 1993, cited in Vinton 1998). A recent study of the total Swedish workforce (Holm et al. 2017) showed that the kinship density at an average Swedish workplace was 14 %, measured as the total number of individual kinship links.

Previous studies have highlighted the importance of context. For instance, according to Haugen and Westin (2016), both organizational size and labour market size can play a role in the emergence of in-house family ties. The phenomenon of family-ties within workplaces is more prevalent in small towns and narrow labour markets, where both jobs and applicants are in short supply (Holm et al. 2017). In small towns and rural areas, especially those experiencing population decline, it can be more or less impossible to avoid family ties among employees, particularly at larger workplaces (Korang Adjei et al. 2016). However, although family ties within workplaces have been found to be more common in rural regions compared to metropolitan areas, the variation cannot be explained solely by population density (Holm et al. 2017). Employers in rural regions face different problems than do firms in metropolitan areas. This is especially the case when it comes to attracting and retaining

professionals, considering that the labour market has a limited supply of highly skilled labour (Hemphill & Kulik 2011). This segment of the labour force tends to remain in larger cities and/or move away from rural areas (Miles et al. 2006), which reinforces the shortage of professional skills in the latter. Organizations can also deliberately recruit couples (dual or 'tandem' recruitment) as a strategy for attracting qualified staff. Particularly when accepting a job requires geographical relocation by the potential employee, their decision is often dependent on their spouse's job opportunities (Masuda & Visio 2012).

Both positive and negative impacts of in-house family ties have been pointed out in previous research. Advantages of family ties have been observed both in the recruitment process and afterwards in daily operations. For example, using family referrals can be a fast and efficient way of recruiting (e.g. Abdalla et al. 1998). It can also reduce the need for subsequent monitoring of new staff (e.g. Dyer 2006), since the referral effectively functions as an informal pre-evaluation of candidates. Family ties can also add to a positive social environment at the workplace (e.g. van Hooft & Stout 2012; Jaskiewicz et al. 2013; Haugen & Westin 2016). However, numerous studies also point out the disadvantages of family ties at workplaces. For example, the phenomenon can signal unfairness to other employees and thus damage morale within the organization (Padgett & Morris 2005; Fu 2015), and simultaneously the nepot can perceive being negatively judged by co-workers (Padgett & Morris 2005) and therefore feel discouraged from participating in discussions on firm organization and performance (Haugen & Westin 2016). Conflicts of interest may arise if family obligations are placed above loyalty to the employer (Pearce 2015; Haugen & Westin 2016). Moreover, the presence of family members in a firm can, for example, reduce the capacity for innovation within the organization (e.g. Ertug et al. 2014), and relying on family referral recruitment can therefore potentially be detrimental to organizational development in the long term (Haugen & Westin 2016).

Western countries, particularly the US, can be described as 'postkinship' societies. This entails a social context in which norms connected to 'increasing individualism, mobility and the dissipation of family bonds' imply that nepotism is frowned upon (Bellow 2004, 18). In a wider perspective, such traits are also hallmarks of modernization (cf. Inglehart & Baker 2000) and the outcome of the transition from a pre-industrial, rural society to an industrial (or post-industrial), urban society, which has also entailed a shift from the dominance of norms centred around family and kinship to those that emphasize equal rights and treatment along with utility and merit. However, it cannot be assumed that this transformation is devoid of tension or contestation. Rather, the old and new principles are likely to co-exist at least for a period, with the new approaches possibly being resisted and even 'overrun' by the old ones (Kragh 2012). HR management processes (e.g. recruitment) are generally becoming more formalized and hierarchical, that is with dedicated HR functions; especially in large organizations (Kotey & Sheridan 2004). Changed approaches can be conceptualized as innovation diffusion processes, which often have certain geographical characteristics (Hägerstrand 1967). Early adopters are often affluent and found in urban areas, whereas laggards are more commonly found in economically low-performing areas (Fischer 1992). Applied to organizational change, this could imply for instance that new HR processes in regard to, for instance, recruitment are gradually spread from major cities to other regions, and from larger to smaller organizations.

The formalization of HR processes reflects an emphasis on '"job-related and rational" standards for decision making' (Jones 2012b, xi). It is common for organizations to implement anti-nepotism policies in attempts to eradicate the phenomenon (Jones 2012a) and/or avoid potential negative effects of family ties within organizations. These policies link to the notion of meritocracy, that is merits or talent – rather than privilege, wealth, class, family ties and so on – should be decisive when appointing people to positions (Liu 2011). On a more general level, this is also connected to public policy and legislation in regard to equality and inclusion (Swedish Government 2008). Meritocracy entails several dimensions: merit, distributive justice, equality of opportunity, and social mobility. Merit is regarded as an intangible and abstract quality, and is often associated with personal traits such as talent, skill, intelligence, and ability. Distributive justice concerns the relationship between merit and reward, whereby for instance the most talented should be given greater reward than the less talented, such as by being offered a job. Equality of opportunity refers to everyone being given the same opportunity, for example being included in screening or tests for a job opening. Given that this is the case, social

inequality (class, family, income) on a more general level is accepted so long as talent is the distinguishing criterion (Liu 2011).

The rationale behind anti-nepotism policy is to avoid conflicts of interest between work-related and family-related obligations, to reduce favouritism (or the appearance of it), and to prevent intra-family conflicts from affecting the workplace (Padgett & Morris 2005). While there is a generally broad acceptance of anti-nepotism policies and of the principles of meritocracy (Castilla & Benard 2010), these policies have been criticised for being discriminatory, as they disqualify eligible candidates simply because they have relatives at the workplace (Abramo et al. 2014). This can be problematic for example in regard to changes in the workforce, such as women's entry into gainful employment and the associated increase in dual-career couples (Werbel & Hames 1996). Meritocracy per se is arguably also an 'unfulfillable promise' because people have unequal starting positions, background and family circumstances which influence their chances of developing their merits. There is a risk that such differences are legitimized by referring to meritocratic principles (Mijs 2016).

Interviews with HR-staff and executives

The empirical focus of this paper is HRMs' perceptions and experiences of in-house family ties at Swedish workplaces, both in connection to recruitment and in the ongoing operations of the organization. We have adopted an informant interview approach based on semi-structured interviews focused on providing an insider perspective on how in-house family ties are viewed and treated.

The empirical material consists of 40 interviews with 44 HRMs (four of the interviews featured double informants, hence the 'mismatching' numbers) in workplaces on the Swedish labour market, conducted in the period May 2014–February 2015. The interviews lasted 35–75 minutes, and on average approximately one hour. Thirty-four interviews were conducted face-to-face, and six over the telephone. The informants include specialized HR-officials (in primarily large workplaces) and executives with responsibility for personnel matters (mainly in small businesses without specialized HR functions). A majority, 26 of 44, of the informants were women.

In order to produce as rich and varied data as possible (Coyne 1997), and thus give a multifaceted picture of the studied phenomenon, the informants were chosen from a wide range of workplaces. The workplaces were located in different geographical settings, ranging from metropolitan to rural areas. They also varied in organization size, from micro firms with fewer than ten employees to major workplaces with up to 2,000 employees. The workplaces represented a phletora of businesses, including industry (technical, wood, food), primary sector activity, retail, tourism, restaurant, hotel, financial services, architecture, communication, life sciences, cleaning services, transportation, logistics, public services, state authority/public utility, and municipal administration. Of the 40 workplaces, 30 belonged to the private sector and the remainder to the public sector. Among the private-sector organizations, nine were self-identified family-owned businesses, and the remainder were non-family businesses. The family businesses were included because of an expectation that there may be a greater openness and willingness to discuss the – potentially controversial – issue of family ties within organizations where this is a self-evident feature.

A majority of the informants were contacted through the following procedure: persons with responsibility and insight into recruitment practices and broader staff issues within the organizations were identified with the help of 'gatekeepers' (Feldman et al. 2003a) and were subsequently approached via cold calling (Feldman et al. 2003b). In addition, snowball sampling based on the participants' personal and/or professional networks was also used as a strategy to recruit additional informants. A few informants were also identified with assistance from the researchers' personal networks.

Prior to the interviews, the informants were presented with a copy of the interview guide which covered the main issues to be addressed during the interview, thus giving those of them who wished to do so a chance to prepare. Key issues in the interview guide were organizational recruitment processes – and specifically the use of family referral recruitment – and the extent, consequences and management of in-house family ties within the organization. The guide was used as a flexible point of departure in the interviews, and informants were encouraged to bring up other issues which they deemed relevant (Qu & Dumay 2011).

The interviews were recorded with the consent of the informants under the condition of confidentiality. The material was transcribed verbatim, and was analyzed thematically using MAXQDA software for qualitative analysis, in line with the principles outlined by Braun and Clarke (2006). Hence, the process of analysis included systematic coding line-by-line and the gradual development of themes, which were continuously refined and adjusted to fit the data. Analytic memos (Saldaña 2016) were recorded and used throughout the analysis process.

Views on and strategies for in-house family ties

Acceptance and disapproval: competing and shifting views

Two main approaches in the HRMs' views on in-house family ties can be distinguished: acceptance and disapproval, respectively. Informants who subscribe to the accepting view are found in organizations in both the private and public sectors, and within family as well as non-family businesses in the former. According to this view, the presence of family ties is understood as positive and 'natural', and in many cases it is something that is largely unreflected on. It is not an issue that is discussed within the organization, and no eyebrows are raised when family members are recruited, among either workers or executives. Some informants consider including relatives of incumbent workers as a sign of positive organizational traits such as openness and flexibility. For these informants, family referral recruitment is just another form of network-based recruitment and hence no different from non-family referral recruitment. There are several testimonies to family referral recruitment as a common practice and an integral part of the way business is run, and which is not questioned:

> It's just been there. Like, this is how we do things. So it's not something you think about specifically. /.../ But it's completely accepted to bring in family and friends [into the workplace as employees]. There's nothing to say that we can't do that. It feels completely natural, really. [#25, metropolitan; hotel; small organization]

However, the accepting view is not unconditional but is rather subject to certain reservations. Family-tied employees must act in what is deemed as an appropriate, professional manner. The spilling over of private issues and conflicts into the work environment is frowned upon, and there are tacit expectations about individual behaviour in a context where private and work relationships effectively intersect. This tends to entail leaving private matters, including any grievances, at home and not allowing them to interfere with the work domain. The parties involved must show good judgement, which in turn is seen as dependent on personal qualities, for example 'temper' and 'maturity'. Many informants agree that family members should treat each other like any other co-workers and not allow private and professional roles to blur:

> ...if you didn't know they were married you'd never be able to tell. There was no way of telling, they acted very professionally. [#13; large city; technical industry; large organization]

Another requirement expressed by several informants – not least representatives of family firms – is competence. Family referral recruitment whereby incumbent employees' relatives are given positive special treatment is seen as unproblematic only provided that the nepot possesses adequate competence for the position and performs well on the job once hired. Under these circumstances it is considered appropriate and reasonable recruitment, and the type of social network within which the candidates are found and the characteristics of the recruitment process are rendered irrelevant:

> The competence must be there somehow. If that's in place and things work out, then I don't mind, absolutely not. I guess it's, it's very nice. And maybe it's not so much a thing in our culture right now, but there are many other cultures where there's only family and relatives /.../ It feels very machine-like if you were to argue that 'no, we have to be able to prove that there's someone better out there'. Like, what the heck. Family's family after all. You take care of it. [#23; metropolitan, restaurant; micro-sized organization]

However, the type of employment or position in question can play a part. Several informants argue that although allowing for family referrals may be tolerated for short-term or low-skilled jobs, they tread more carefully and strictly follow formalized recruitment polities when it is a matter of permanent

or high-level positions. In line with this, many informants subscribe to an approach that is markedly disapproving and critical of in-house family ties. This group, which notably includes most informants from public-sector organizations (whose processes are more strictly regulated compared to private sector organizations), calls for cautiousness and restrictiveness. This is motivated by several reasons: a general awareness of the potential risks associated with in-house family ties, particularly when combined with power asymmetries; personal experience among the HRM informants of problematic situations in which such ties are salient; anxiety in regard to potential (media) scrutiny and criticism; and a perceived lack of reliability of family referrals. Most informants express this stance using relatively soft wording, for example 'avoidance' of in-house family ties, but there are also examples of pronounced anti-nepotism policies:

> ...and then it's too bad, really, because /.../ [one of our employees,] she works with labour law/.../ and has a really capable son /.../ who's getting a degree in HR. But we can't employ him, unfortunately, so long as I've got [his mother] [employed] here. Because we don't want to end up in a situation like that. So in this case, he's rejected for being a relative. [#22; metropolitan; municipal administration; large organization]

Nevertheless, even when organizations have a pronouncedly critical and restrictive stance with respect to family referrals and in-house family ties, there is an exception to (almost) every rule when the circumstances so require. There are various examples in the interviews of the principles having been waived or there being a certain openness to do so if deemed necessary. This happens mostly in situations of an urgent and/or temporary need for staff which motivates bending the rules, and in some cases with regard to 'tandem recruitment', whereby a trailing partner being offered a job in the organization makes it possible to attract specialist professionals. In certain scenarios, in-house family ties are difficult to prevent or eliminate, for instance couple formation among co-workers. Strictly applied anti-nepotism policies in all aspects of the business activities would require the sanctioning of such situations by, for example, forcing one party to resign or if possible transferring them to another division. This course of action is seen by several informants as rather radical and as one that many employers would be reluctant to take.

Based on the interview material, the critical approach to in-house family ties appears to be linked to a shift in the general view of the phenomenon, particularly in regard to recruitment. According to the informants' experiences, this transition, whereby new perspectives and norms have emerged and grown stronger, seems to have taken place in the past few decades. Several informants within both private and public sector organizations describe how the views within their organizations have undergone a marked change from traditional, and substantially informal, recruitment approaches often involving family referral to current approaches characterized by professionalization, meritocratic principles, and transparency. Some informants describe this as an 'enlightenment'. The shift to some extent influences the way incumbent in-house family ties are managed, but primarily entails a new view on and approach towards recruitment:

> Maybe it was easier in the past. When the processes weren't so rigorous. /.../ There are more needle's eyes to pass through today in a recruitment process compared to at least ten years ago or 20 years ago. /.../ We have to be completely transparent in how we work. [#13; large city; technical industry; large organization]

Some informants also suggest that organizations, which have previously been largely internally oriented with a non-negligible degree of referral recruitment, have increasingly begun to open up. The existence of dedicated HR functions has become self-evident in many, particularly larger, organizations as part of efforts to improve strategic competence provision. External competition can also force organizations to generate the best possible preconditions for productivity, survival and success; and one aspect of this is ensuring that recruitment is based on merit:

> It's the competition that places higher demands on the company, and then everyone realises that we must place demands on those we hire, the requirement can't be family ties. So it's, the competition has increased the demands on the company and then the professionalism has increased. [#4; metropolitan; food industry; large organization]

Particular geographical preconditions can also influence organizations' views and strategies towards family ties in recruitment processes. In rural areas generally and peripheral areas specifically, the possibility of recruiting somebody who has no family ties to the incumbent employees can be limited. There is often a high likelihood of some kind of connection. Also, as a result of social proximity within the community, the employer may have quite substantial informal knowledge about their employees and their families:

> Good knowledge about the families and the persons [who live] in this municipality is part of our [staff] selection. /.../ It's difficult to hide in a municipality this size. [#27; small town; industry, large organization]

Moreover, tandem recruitment appears not to be unusual in small towns and rural areas with small and non-diverse labour markets. Offering a job not only for the main applicants but also for their partners can be necessary to attract qualified staff when accepting the job would involve household migration.

The data indicates that there is intra-organizational dissonance in views in the wake of the described transition towards professional recruitment practices. Organizations within the public sector, unsurprisingly, generally appear to have moved further along the path of change compared to the private sector. Nevertheless, even within parts of the public sector, traditional views remain. Many informants, especially those who are HR specialists, tend to portray themselves as representatives of a meritocratic and formal model of recruitment. However, people in leading positions within the workplaces, for instance managers involved more closely in daily operations, have opinions that according to the HRM informants are sometimes more inclined towards the traditional model of recruitment. This can include a bias towards the employees' family networks:

> This isn't something you can change [...] in one generation. Of course the view, the culture is still there, and the will to do things the way they've always been done because you think 'it was so good, it turned out so well, we got things our way'. /.../ So there'll be resistance, yes, and this resistance may come from the highest level. /..../ ...it takes [more than] one generation before we phase out the old culture. [#26; metropolitan; state authority; large organization]

Support for the culture of family referral recruitment is also found among workers who sometimes overtly or covertly resist changes in organizational policy and practice. According to several informants, staff members – sometimes with the support of labour unions – expect that the 'old way of doing things' will still be in place in terms of openings for family members to find employment.

Overall, the interviews suggest that dissonance within organizations in the views on family referral recruitment is relatively common. According to the informants, this is often expressed as efforts by employees to help their relatives find work on the one hand, and managers who are increasingly unwilling to allow this on the other. However, there are also cases in which there is agreement across the different levels of the organization (workers, operations managers and HRMs). In some cases, the consensus is that family referral recruitment is neither desirable nor acceptable, while in other cases there is agreement that it is an efficient recruitment strategy that yields good results.

Managing and coping with in-house family ties

On an overarching strategic level, the management of in-house family ties ranges from strict and explicitly stated policy to guidelines with softer edges. Such guidelines can take the form of, for instance, a generally formulated recruitment plan that emphasizes the equal treatment of all applicants and that employee-referred applicants should not receive special treatment, without targeting family ties specifically. However, the interviews suggest that views on in-house family ties, and whether or not special policies are considered necessary, may vary depending on geographical context. For example, this informant believes that there are differences across metropolitan areas and small towns, whereby in the latter it can be expected that there is less rigidity in both views on and ways of dealing with the phenomenon:

> I know that for example in Stockholm, at a small consultancy firm, there were two [employees] there who became a couple and then they were informed that 'one of you has to leave'. And then they had to deal with it. And it was like a matter of principle. And I think, had that firm been in [a

small town] then maybe it wouldn't have been handled in the same way. [#36; medium-sized city; financial services; medium-sized organization]

The data include various examples of explicit anti-nepotism policies and strategies for handling emerging family ties within the workplace, that is a formalized expression of the abovementioned disapproving approach to in-house family ties. Yet, even when formal policies are in place they are seldom absolute. If implemented strictly, they can effectively obstruct competence provision, particularly on small local labour markets where recruiting appropriate staff can be difficult even when family referral recruitment is accepted. This can serve as motivation for branches located in these regions to be allowed to diverge from general corporate policy to some degree since it is the lesser of two evils:

> Of course, if we were to exclude those who in some way have close family connections to us, we would limit the labour market in a silly way /.../ we'd become worse, potentially a worse company. [#27; small town; industry; large organization]

A common feature of employer strategies for dealing with in-house family ties is to separate relatives so that they are organizationally and/or physically distant from each other at the workplace. The opportunity of taking these measures is mainly a benefit of large organizations. This is done as a preventive measure, and to quickly obviate problems should they arise, and thus reflects the employer's views that there are latent risks associated with in-house family ties. Through strategic placement or transfers within the organization, the employer can ensure that in-house relatives work in different divisions, are on different teams, and work on different projects. This is particularly important if there are hierarchical differences between the individuals in question. Separation also offers a way to legitimize the presence of in-house family ties in relation to other workers:

> It's really not so much about [the relatives], it's more about everyone else around them, so we're very strict /.../ There have been times when we've moved people around, they got to decide for themselves who would move. Especially when there was a manager involved, then of course the subordinated person would move. [#33; Large city, municipal administration; medium-sized organization]

On the level of managers who work close to the staff, there are variegated approaches to dealing with in-house family ties. Some are passive, some are cautious, and some adopt an active and controlling leadership style. Managers who take the passive approach do not deem it necessary to act upon the presence of family ties but rather consider the individuals involved as capable of handling the situation without external intervention:

> As employers, we would never sit two people down in a room and tell them how to behave. That has never been necessary. /.../ Considering that we've never experienced that there's been a problem /.../, it's been a non-issue for us, I think. /.../, I don't think we'd gain anything by making it more rule-based and inflexible. [#30; large city; KIBS; medium-sized organization]

The passive approach can be connected to explicit or implicit expectations that staff should act professionally, and trust in their ability to do so. Also, at large workplaces it can be motivated by the fact that related workers need not 'run into each other' at work and thus the family link is less likely to become an issue. However, it may also be the case that managers are somewhat naïve and therefore leave events to unfold, or that they do not know how to deal with the situation.

The passivity on the part of the employer and manager is sometimes compensated for by actions taken by the in-house relatives themselves which effectively remove the need for managers to get involved. Several informants describe how, for example, recently formed or divorced couples who share a workplace tend to choose to change their work circumstances, either by requesting to be transferred within the organization or by looking for a job elsewhere. This results in the abovementioned separation of related staff members, although the rationales may differ compared to when this is the outcome of the employer's strategic actions. From the workers' point of view, it can be a work-life balance strategy of compartmentalization in order to maintain a distance between the private and professional domains of life.

Managers who take the cautious approach are more risk-aware and appear to have reflected somewhat more on the phenomenon of in-house family ties. They have experience of how latent risk can

morph into manifest problems. To prevent situations featuring conflicts of interest or loyalty, or suspicion and distrust among other co-workers, these managers act proactively by, for instance, encouraging individuals to recuse themselves or proclaim their disqualification in matters concerning their relatives:

> I think you should maintain a broad buffer against exposing yourself, even to the risk of being suspected [of inappropriate behaviour]… you shouldn't give anyone the chance to even suspect, you should maintain a proper distance to the situation. [#2; small city; technical industry; large organization]

> I have a co-worker whose husband is a manager, and we're on the same board of directors, he and I. But I would never, I mean I never, expose her to questions that have to do with him in any way. [#27; small town; industry; large organization]

Many informants agree that a key aspect of coping with in-house family ties is a clear leadership style. By clarifying the (otherwise implicit) rules and/or expectations as soon as possible, they assume that any risks will remain at an acceptable level. Simultaneously, they create a sense that they are in control of the situation and that workers can trust that they will be treated fairly and equally. For example, in cases of family referral recruitment, the manager can legitimize this practice by making a point of ensuring other employees that the new hire is qualified for the position. Should problems nevertheless arise despite the precautions, the strategy is often to 'nip it in the bud' and thus prevent for instance emerging distrust from escalating into a hostile work environment. Clear leadership in day-to-day operations also entails communicating, explaining the reasons why certain decisions are made, and confronting any rumours that may circulate among employees:

> It's very important to lay down the rules of the game /…/ and [clarify that] 'you'll be treated the same as everyone else' and… To really lay down the rules of the game in a clear way /…/ almost like a pre-nuptial agreement, [and] this has to be in place beforehand so you [the nepot] realise that 'I won't get any benefits because I'm… family', that it's the same for everyone. [#11; medium-sized city; KIBS; small organization]

> When the people in the surroundings see that things are handled in good order, then I think most people are satisfied. There's a clearness about it. You see that someone's taking responsibility. So there's trustworthiness in how the issue is dealt with. [#24; metropolitan; municipal administration; large organization]

Towards meritocracy?

Based on a comprehensive qualitative material consisting of 40 informant interviews with HRMs at a broad range of Swedish workplaces, this paper aimed to analyze how family ties are viewed and managed within organizations. We find two overarching views regarding family referral recruitment and in-house family ties among the informants: acceptance (positive) on the one hand, and disapproval (negative) on the other. In general, informants who were critical express their views clearly, whereas those whose views are more positively inclined tend to discuss the matter in a less upfront way. This is presumably because of a higher degree of reflection on, or problematizing of, the issue among the former and less so among the latter. However, even those informants who take a critical position can frequently recall occasions on which recruitment policy is treated quite flexibly; for example, the rules are not necessarily absolute but can be bent under certain conditions. Not least, the limited opportunities for recruitment of qualified staff in small and peripherally located local and regional labour markets can motivate exceptions and soft interpretations and implementation of corporate anti-nepotism policy. The view on in-house family ties is also translated into matching strategies for managing and coping with the phenomenon in both recruitment processes and in daily operations. If the view is accepting, then conscious policy and (pro)active risk management are usually absent. If the view is critical, then different strategies and even anti-nepotism policies are often in place.

The findings from the interview material suggest that a shift is perhaps underway in the 'logic' behind the functioning of the Swedish labour market with respect to normative views on and handling of in-house family ties. Within these different logics – which largely correspond to the accepting and disapproving views, respectively – the phenomenon is interpreted very differently. There is a traditional

logic which is characterised by informality and pragmatism. This entails a largely unreflected position in regard to in-house family ties, which are often considered a 'natural' feature of working life (cf. Bellow 2004). Conversely, the modern logic is characterised by formality and meritocracy. Here, in-house family ties are seen as either irrelevant since it is believed that they should not lead to special treatment of any kind – either positive or negative – or as a potentially problematic issue due to perceived risks associated with the phenomenon. While the formal logic appears to be increasingly displacing the informal logic, the transition seems to still be ongoing and therefore there is a degree of co-existence of both logics. This indicates a certain inertia of the informal logic and associated resistance to the change (cf. Kragh 2012), which is also expressed in the actions of individuals and groups which highlight tension between the logics within workplaces. Dissonance in the views on in-house family ties can be found not only across (e.g., public sector versus private sector organizations) but also within organizations. While particularly HR professionals typically tend to see themselves as representatives of the disapproving view and advocates of the formal logic, there are other groups who, according to the HRMs, hold the accepting view and whose agendas and actions constitute efforts to defend and preserve the informal logic. The latter include employees who do not have an executive position, but also many managers, including some in high positions. Hence, the principles represented by the HR function seem to actively challenge other power structures within these organizations.

The presumably ongoing shift can be interpreted as a diffusion process (cf. Hägerstrand 1967) which is still far from 'completion'. This appears to be the case especially outside the metropolitan regions, in small and peripheral labour markets where the prevalence of in-house family is higher than in the densely populated regions (Holm et al. 2017). This difference on a general level may of course be due to spatially varied views on the phenomenon and its importance within organization. Another likely explanation is that this is related to the preconditions for recruitment which depend on the structure of the labour market, where the supply of potential employees is limited and the likelihood of family connections between incumbent employees and candidates is high. Such effects may become even more amplified in cases where the labour market is dominated by one major employer. However, it should also be noted that the accepting view of in-house family ties was not unique for organizations located in small towns and rural areas. Rather, we found various examples of this approach in organizations in the metropolitan regions, notably also in some public sector organizations. Hence, despite the indications that views do vary over a rural–urban continuum, the findings are not clear-cut in this regard.

The changing logic of how the labour market functions in regards to views on and ways of managing in-house family ties, as indicated by the interview material, should not be seen as an isolated process. Rather, this is likely to be connected to other, broader societal shifts. One such process is the general trend towards individualisation whereby the freedom of each person to direct their own biography is emphasized (Holdsworth et al. 2013), for example when it comes to a vocational choice. This can be contrasted to the previous condition, in which structural conditions arguably were stronger constraints. Today, professional and occupational choice is not just a matter of 'walking in your parents' footsteps'. Nevertheless, occupational inheritance remains quite common (Mannon & Schreuders 2007) and social proximity in the form of family ties retain their importance within workplaces and organizations. Even in today's 'postkinship', modern society (Inglehart & Baker 2000; Bellow 2004), strong social ties (Granovetter 1973) in the form of family connections maintain a non-negligible role in recruitment on the labour market and have a bearing on finding employment as well as on daily working life at the workplace.

The empirical findings indicate the possibility of important ongoing processes of change on the Swedish labour market, and which may potentially have parellels in other similar contexts. However, as a final note of caution, we must point to some caveats concerning the present study. Given that the empirical analysis is based on a small, non-representative sample, we obviously cannot draw any definitive conclusions. In particular, a small material does not allow for systematic analysis of different categories of organisations. Since the empirical material is also cross-sectional, it should be duly noted that the suggested shift in labour market logic with regard to in-house family ties, while reported by many informants, is by no means an empirical fact based on this analysis alone. As always, further research is needed, and in this case one fruitful way forward might be to use the findings from the

present study as a basis for a large-scale survey of Swedish workplaces in order to gain a clearer view of patterns in, and causes and consequences of, how in-house family ties are viewed and managed.

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