

# A Systematic Literature Review on the Role of Nepotism in Talent Acquisition

Kardan Journal of Economics  
and Management Sciences  
3 (4) 18–40

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Kardan Publications  
Kabul, Afghanistan

DOI: [10.31841/KJEMS.2021.15](https://doi.org/10.31841/KJEMS.2021.15)

<https://kardan.edu.af/Research/CurrentIssue.aspx?i=KJEMS>

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## Abstract

*In this competitive era of knowledge-based economy intellectual capital is the most demanded source of competitive advantage. However, having quality workforce or human capital is only possible through a transparent and merit-based recruitment practices. Due to the absence of impartiality in human resource practices, preferential conduct is carried out in most of the cases especially, in form of nepotism in underdeveloped countries. Meanwhile considering the huge need for talented employees in organizations, this systematic literature review is intended to critically review the existing body of knowledge in order to identify the role of nepotism in talent acquisition. According to Ford and McLaughlin (1986), “The word “Nepos” is derived from the Latin language which conveys the meaning of “nephew”. Giving the privileges of hiring and promotion to those who are your family members or by some means close to your family. While talent acquisition is the ideal strategy of a well-standard organization to achieve their organizational goals effectively and within lower cost. After a systematic study of the existed body of literature, this review incorporates systematic literature methodology, sample selection criteria for finding literature, analysis of chosen research articles and some imperative concepts that highlight the relevance of nepotism with talent acquisition. Describing the role of nepotism in talent acquisition is the main theme of this systematic literature review. Academic research paper, conference proceedings, and other secondary data are the main components used for the literature review of this study. Besides, several databases have been used for finding relevant literature. This review of literature critically appraises and synthesizes research studies that round on the phenomena of nepotism and talent acquisition.*

**Keywords:** Nepotism, Talent, Talent Acquisition, Employer Brand, Systematic, HR Practices

## Introduction

Hiring a well-qualified and competent person for a required position has always been an essential activity of human resource management. On the other hand, sometimes this principle does not suit the condition when there is someone who has some sort of relationship or familial ties with the employer or other authoritative people in the organization. Typically, most of the people in recruiting a new employee or promoting the current employees prefer to those who have somehow kinship with top-level managers and decision-makers. This is what we can name it the practice of Nepotism.

According to Ford and McLaughlin, (1986) “The word “nepo” is derived from the Latin language which conveys the meaning of “nephew”. Giving the privilege of hiring to those who are your family members or by some means close to your family. More specifically, nepotism is a conflict of interest in a sense of privileges being given by the employer. (Arasli, Bavik, & Ekiz, 2006).

Likewise, Wong and Kleiner (1994) characterize nepotism as preferential conduct of employing and developing a low or not-qualified candidate for a job because of their closeness with those who have some administrative or shareholding authorities. Now, this is the question, what meaning does the preferential conduct portray? According to Oktay (1983) being from the same background of studies, being from the same area of living, being the members of an identical political party, having the same ideology or some other such tendencies can change the global conventional norm of human resource management from being fair to become subjective in hiring or empowerment of employees.

Moreover, Dyiisleroglu (2006) suggests that most of the firms certainly substituted the value of excellence, talent, expertise, and aptitude by such privileged attachments such as blood relation, affinity, and mutuality. It negatively affects the talents and potential of available workers who can prove themselves but nepotism doesn't let them get the desired position because no one of their family members has any role in such company or organization.

Moreover, Arasli et al., (2006) believe that irrespective of any size, type and form of organization, nepotism generally negatively affect people. Nepotism generally conveys negative meaning but may have some positive influence as well in some special cases such as family-owned businesses and entrepreneurial efforts. Similarly, in family-owned businesses, firms put forward that constant family proprietorship can enhance the organization

output of productivity (Anderson & Reeb, 2003; Miller & Le Breton-Miller, 2005).

Nepotism has dual implications in terms of positive and negative. People usually think that it is bad always, however, certain advantages have been summarized by Dailey and Reuschling (1980), as to have a well devoted and committed workers it is better to hire someone based on a close relationship in family-owned businesses, especially in small ones. At the meantime, having more family members in a single business entity creates a much friendly and family-type culture that can help in building high morale of workers because they feel as all is their own.

In conclusion, throughout the study of current literature systematically, these are all about the various perspectives regarding the basic biased nature of human beings, which is called nepotism and its relation with meritocracy and its impact on various managerial actions. (Özler, et al., 2007).

According to Büte (2011), there are so many questions left unanswered in the studies concerning nepotism and favoritism. The national economic, political and cultural ideals allow nepotism and favoritism unavoidable in everyone's working life. This systematic study looked at the various perspective that shed lights on the role of nepotism in talent management practices, particularly in talent acquisition.

### **1.1. Background of the Study**

Describing the role of nepotism in talent acquisition is the main theme of this systematic literature review. Other research studies already exist under the topics of nepotism and talent acquisition in which both these constructs are studied separately and with other concepts. Such as employee satisfaction and job stress (Arasli & Tumer, 2008), nepotism in a family business (Barmash, Reushling, & Dailey, 1986, 1980), the impacts of nepotism on the economy (Gjinovci, 2016) and human resource practices (Arasli, Bavik, & Ekiz, 2006), A conceptual study on nepotism and effects in family enterprises (Derya, Filiz, & Gülsüm, 2017), Assessing the perceptions of human resource managers toward nepotism, (Abdalla, Ahmed, & Bel, 1998) as well as studies on Talent acquisition, talent management at 21st Century (Cappelli, 2008), Impact of talent management on Peshawar-based private and public banks' performance (Din & Hejratullah, 2017), factors influencing effective talent management strategy in organization (Mochowa & Mwangi, 2013).

Talent acquisition is the ideal strategy of a well-standard organization to achieve their organizational goals effectively and with low cost. Alternatively, sometimes it is not as easy as stated in theories, the reason

being is that organizations need to have such talents in their entity however if every action takes place based on the organizational interest, not personal benefits then it is possible to have plenty of talented employees.

If policies are not implementing properly and objectively the organization will suffer from some severe difficulties and injustice especially, in hiring underqualified employees, which can be a responsible reason for lower performance because of lower specialized experience, lower level of competency and lower level of job knowledge. Sometimes policies are contradicting with self-interest and intimacy level of supervisor-employee relationship that finally implies the meaning of kinship and more specifically nepotism. Thus, in this competitive era of businesses, organizations need employees that have a sufficient level of skills and technical abilities to perform the assigned jobs. While if there is hiring based on blood relation, familial closeness, and kinship then it could be a challenge to human resource managers to handle this situation because in most of the cases nepotism does not let the hiring of employees based on merit.

At the meantime, the practice of nepotism can be a barrier to such skills and talent needed to organizations.

Looking and searching for highly talented employees is the biggest motivation for human resource managers to meet the required level of skillful employees as well as, talent acquisition can be considered as a competitive advantage for certain firms. However, at the same time nearly all types of organization experience some sort of discrimination in their hiring processes especially, the one that this study focuses on as nepotism which makes the talent acquisition process questionable.

## **2. Literature Review Methodology**

As the study is a systematic literature review in nature, therefore others' views are essential to have on the concepts of this study. Initially, it's planned to describe multiple concepts of this inquiry. Academic research paper, conference proceedings, and other secondary data are the main components used for the literature review of this study. Besides, several databases have been used for finding relevant literature.

The frequently used search engine was emerald insight and the web of Science. For finding precise and more relevant papers; some specific keywords have been used as search items such as Nepotism, Favoritism, and Talent Acquisition. Resultantly, a big amount of literature has been found. Afterwards, I filtered the search result to figure out the most relevant literature by applying the type of data I intended to have such as case studies, book chapters, conference papers and published research articles.

Certain books have also been served as a source of literature as its citation was required for some definitions. Years were not bracketed since I needed to have the all-time significant data on nepotism and talent acquisition.

Besides, inclusion and exclusion criteria were to search only those terms that reflect the research question and study title. Moreover, social science journals and more specifically journals of human resource management were selected for finding relevant materials. In the research question, the constructs of nepotism, talent acquisition, and challenges are included. I searched and filtered the searching findings systematically.

Relevant literature has been selected through the skimming of their title and abstract. International Journal of Human Resource Management is the key seminal journals for this systematic literature review. The researcher went through several issues of this journal from the start to the present to ensure access to more precise materials for study. Seminal authors for this study are Grabianowski, Srivastava, & Bhatnagar, Ford & McLaughlin, and Ulrich. Their academic work papers helped the researcher a lot and properly used them as a reference through proper citation.

## **2.1. Sample Selection**

### **Step 1:**

A systematic literature review tries “to identify, appraise and synthesize all the empirical evidence that meets pre-specified eligibility criteria to answer a given research question” (Cochrane, 2013). At the first stage of finding relevant literature, the keywords have been identified and searched through two imperative databases of Web of Science and Emerald Insight along with one of the most relevant journals of The International Journal of Human Resource Management.

### **Step 2:**

The intended inclusion criteria were to find article publications and credible conference paper however, I did not find more relevant conference papers and proceedings. Resultantly, only published academic papers met the inclusion criteria. Through the online access to Endnotes which is been providing by the Web of Science database, all the relevant papers’ title, abstract and keywords are downloaded to Endnote. Through the option of “Find Duplicates” in Web of Science, papers that were repeatedly available in Endnote have been deleted.

### **Step 3:**

Focal searching keywords for the database of Web of Science, Emerald Insight and The International Journal of Human Resource Management

were “Nepotism OR favoritism AND Talent Acquisition”. Through a critical skimming of title, abstract, and keywords some articles were not much relevant to the research central area and removed. Visibly irrelevant and paper from other disciplines such as {*Environmental Studies or History of Social Sciences or Hospitality Leisure Sport Tourism or International Relations or Ethics or Political Science or Psychology Applied or Psychology Social or Business Finance or Communication*} were disregarded in the database of Web of Science. Since the entire focus of this paper is on Business, Management, and knowledge management and more specifically on Human Resource Management, therefore, the results of Web of Science were refined with Business and Management categories. Similarly, in Emerald Insight the result has been refined by Human Resource Management and Organizational Behavior while the searching result in IJHRM was perfectly Human resource management-based articles. Resultantly, the number of articles have been narrowed down to a greater extent.

#### **Step 4:**

In order not to be only dependent on research articles and to ensure the comprehensive view of literature the references and bibliographic section helped a lot to find more relevant data other than academic research papers in form of HRM books, and a single conference paper. It became possible through the skimming of references being used by downloaded papers.

#### **Step 5:**

The searching keywords for Web of Science and Emerald Insight were “Nepotism OR Favoritism AND Talent Acquisition”. However, for IJHRM the words of “Nepotism OR Favoritism” used separately from “Talent acquisition” while the former one used alone as a searching keyword. Because searching all the three words jointly had a poor result, few articles.

**Note:** *Since the downloaded data was rich enough therefore, Quotations marks/brackets/Stars/§Signs were not used for finding more articles while searching keywords in databases and journals.*

#### **Step 6:**

The final stage of this systematic process of literature ended with the ultimate 31 most relevant data sources. These papers were mostly focused on multiple perspectives of nepotism, types and forms of nepotism, functional and dysfunctional outcomes of nepotism in businesses as well as several concepts of talent management and especially talent acquisition, its dire need in the current era of competition, competition through talent, and talent formula suggested by Ulrich. The summary of six steps adopted from

(Farashahi et al., 2005) are shown in below Table 1 and more detailed refining steps are summarized in Table 2.

**Table 1: Number of Publications per Each Refining Steps**

Databases	Search Option	Step1	Step 2	Step 3	Step 4	Step 5	Step 6
Web of Science	Nepotism OR Favoritism AND Talent Acquisition	675	312	56	45	24	16
Emerald Insight	Nepotism OR Favoritism AND Talent Acquisition	654	123	56	145	50	12
IJHRM	Nepotism OR Favoritism AND Talent Acquisition	22	3	3	3	3	3
Total		1351	438	115	193	77	31

Source: Author's Compilation

**Table 2: Refining Steps in Details**

Databases/ Journal	Search Option	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Web of science	“Nepotism OR Favoritism AND Talent Acquisition ”	Web of Science collection, All Citation Indexes including all Years	Social Science Citation index	Refined by Manage ment and Business Web of Science Categori es	Document type Articles	Refined by the exclusion of disciplines mentioned in step 3	Refined by Title and abstract reading
		675	312	56	45	24	16
Emerald Insight	Nepotism OR Favoritism AND Talent Acquisition	All contents	Refined by Organizational Behavior and HRM	Refined by only research paper	For advance search as a keywords then OR then “Favoritism AND Talent Acquisition” as words Anywhere	Refined again by selecting HRM and OB subjects	Refined by Title and abstract reading
		654	123	56	145	50	12
IJHRM	Nepotism OR Favoritism then Talent Acquisition	Only searched Talent Acquisition	Jointly used the words with the option of Anywhere				
		22	3	3	3	3	3

Total	Nepotism	1351	438	115	193	77	31
	OR						
	Favoritism						
	AND						
	Talent Acquisition						

Source: Author's Compilation

### 3. Analysis of the Papers

This part of the systematic literature review offers a general systematic overview of the literature for the constructs of the study. The funneling approach is used to organize and conceptualize the study variables from broader towards narrowing down to specific.

Through a systematic funneling approach the ultimate amount of papers has been reached to 31 most relevant papers including both the databases of Web of Science and Emerald Insight as well as the International Journal of Human Resource Management. Since the keywords were the searching material for finding relevant papers therefore, all the papers were talking about the issue being systematically covered in the following discussion. Key themes have been extracted from all the 31 papers downloaded from Web of Science and Emerald Insight as well as from the International Journal of Human Resource Management. Some of the key themes have been summarized in this literature review. See Table 3 which illustrates the issue of nepotism and talent acquisition from multiple perspectives.

**Table 3: Themes Derived from Relevant Publications**

Key Articles	Purpose of the study	Methodology	Themes
Abdalla et al., (1998)	To assess the perceptions of HRMs toward Nepotism	Qualitative Study	Definition of Nepotism and Historical Background
Arasli, Bavik, & Ekiz, (2006) and Gjinovci, (2016)	To investigate the impact of Nepotism on HRM and Economy	Quantitative Study	Undesirable impacts of Nepotism on HRM and HR Need Anticipation
Derya, Filiz, & Gülsüm, (2017)	To investigate nepotism and its effects in family enterprises	Quantitative Study	Nepotism in Family-owned businesses
Elbaz, et al., (2018)	To find relationship between Nepotism, employees' competencies and firm performance	Quantitative Study	Nepotism influences performance



Cappelli, (2008)	To describe Talent Management at 21 <sup>st</sup> Century	Qualitative Study	Talent Management_ An integral term for Talent Acquisition
Jaskiewicz, et al., (2013) and Firfiray, et al., (2018)	Implications of Nepotism whether good or bad?	Quantitative Study	Is Nepotism always bad?
Padgett & Morris, (2005)	Suggest Two kinds of Nepotism in the workplaces	Qualitative Study	Presence of Paired and intergenerational Nepotism at work settings
Mochowa & Mwangi, (2013)	To identify the Influencing factors of TM strategy in organization	Quantitative Study	Talent Acquisition and Ulrich Formula of Talent and Three C's of Talent
Srivastava, et al., (2010)	Employer Brand for Talent Acquisition	Qualitative Study	Employer Brand works to attract Talent

Source: Author's Compilation

#### 4. Nepotism

Prior studies addressed the issues of nepotism and talent acquisition from different viewpoints; however, through the study of current literature, both these constructs are studied with some other concepts. Such as employee satisfaction and job stress by Arasli & Tumer, (2008), Nepotism in family business (Barmash, Reushling, & Dailey, 1986, 1980), the impacts of nepotism on the economy by Gjinovci, (2016) and human resource practices by Arasli, Bavik, & Ekiz, (2006), A conceptual study on nepotism and effects in family enterprises by Derya, Filiz, & Gülsüm, (2017), Assessing the perceptions of Human Resource Managers toward Nepotism by Abdalla et al., (1998) as well as studies on Talent Acquisition, Talent Management at 21st Century by Cappelli, (2008), Impact of Talent Management on Peshawar-based private and public banks' performance by Din & Adil (2017), factors influencing effective Talent Management strategy in organization by Mochowa & Mwangi, (2013). Additionally, nepotism is good or bad in organizational context (Jaskiewicz, Balkin, Uhlenbruck, & Reay, 2013), the division of nepotism into two kinds of paired against intergenerational nepotism in the workplaces (Padgett & Morris, 2005). Moreover, in a paper of Jaskiewicz, et al., (2013) Weber (1958) stated that nepotism is a form of discrimination to non-familiar people and this phenomenon has certain negative impacts on organizations and social order. The significance of competence, technical ability, skills and ability is surely replaced by advantaged links such as genetic connection, fondness or mutual support, suggest by Dyiisleroglu (2006).

Nepotism can be defined by Wong and Kleiner (1994), as preferential conduct of employing and developing a lower or not-qualified candidate for

a job because of their closeness with those who have some administrative or shareholding authorities. Thus, this study will focus on the interpretations of experiences of human resources managers regarding the challenging role of nepotistic behaviour in effective talent acquisition.

Agreeing to Dyiisleroglu, (2006), certain firms practicing nepotistic behaviors in a sense that they are shifting their objective recruitment from a value of skills, capabilities, and talent consideration towards hiring people based on familial, blood, and mutual relationship. It certainly affects potential and qualified workers that would be more productive but nepotism as a mean will not let them to apply or to get certain positions because they may not have someone of their family, or reference group to approach them for announced positions.

Furthermore, Arasli et al (2006) concluded that irrespective of any size, type and form of organization, nepotism generally negatively affect people. Similarly, according to Bloom and Reenen, (2007); Cialdini and Vries, 1996, cited in Jaskiewicz et al., (2013) in organizational context it can also damage the output and performance of an organization.

Nepotism generally conveys negative meaning but may have some positive influence as well in some special cases such as family-owned businesses and entrepreneurial efforts. Similarly, in family-owned businesses, firms put forward that constant family proprietorship can enhance the organization output of productivity (Anderson & Reeb, 2003; Miller & Le Breton-Miller, 2005).

#### **4.1. Nepotism in Family-owned Businesses**

Family is a fundamental component of any society therefore, people make a relationship and based on these relations they are making bigger groups, clans and parties that share some commonalities which resultantly drive them as well to join a somehow similar organization or affiliations and theses connections consider as a part of human civilization. In the view of Spranger, Colarelli, Dimotakis, Jacob, and Arvey, (2012), family density or affiliation have always been relevant factors to take into account in recognizing worker interactions as well as behaviours in family enterprises.

Since humans are social animals and should have relatedness with each other and based on their biased nature of behaviour they give more time and preferences to their relative ones and perhaps ignores the unrelated side of communities. In short, having subjectivity and sense of closeness to own family or relatives is, in fact, an inevitable part of human civilization. (Grabi, 1999).

Nepotism may not always be wrong as people think that it has a negative impact in all kind of institutions or businesses instead it has certain positive influences as well in corporations especially businesses that operate by a joint family. Similarly, family-operated businesses try to attempt any possible success to their business even though the worker is weak but it put their maximum energy to produce a good result because the business is running entirely for the benefits of him/herself or broadly for their family (Firfiray, Cruz, Neacsu, Gomez-Mejia, 2017).

According to Iqbal (2016) nepotistic practices may have multiple reasons such as cost reduction in developing countries through hiring someone relative or friend instead of going through a lengthy process of recruitment and selection and it saves the cost posed by recruiting new employees especially in family-owned businesses. Another motivation behind the nepotistic behaviour in family businesses is the authority shifting issue where founders of family businesses do not want to shift their managerial or administration power to the hands of others in their business. Therefore, they have been imperatively keen to train their upcoming generation to keep all the influential power in the boundaries of the business.

Moreover, Keles, Ozkan, and Bezirci, (2011) backing this view by addressing the potential conflicts that raise between different family business employees can be solved through the mediating role of managers and supervisors who have belonging to the same family in a more effective way. Meanwhile this, members of the same family show a greater interest toward the business' goals achievement they consider the organizational goals more imperative than personal goals hence, their personal goal regarding the business may also be achieved through the overall obtainment of organizational objectives.

Furthermore, without the consideration of job-related competence and skills of employees, managers and top managements authorities are bringing their family members for higher and good positions in firms and the behind motivation is clear as relations come first than technical skills and abilities (Wated, Sanchez, 2014).

According to Özler et al., (2007), in family-owned businesses nepotism has more positive implications than other types of businesses since family members truly understand the history, vision, mission and the ultimate objectives of the business. Moreover, each employee of the family-owned businesses think regarding the business as their source of income and they know that all credits of hardworking go back to these employees at the end. Nepotism has dual implication in terms of positive and negative. People

usually think that it is always bad however certain advantages have been summarized by Dailey and Reuschling (1980), that to have a well devoted and committed workers it is better to hire someone based on a close relationship in family-owned businesses, especially in small ones. At the meantime, having more family members in a single business entity creates a much friendly and family-type culture that can help in building high morale of workers because they feel as all is their own.

If family companies decide either to exercise nepotism or otherwise, they evaluate prospective nepotism profits and losses either in the financial company's performance as well as on the SEW household inventory. Therefore, it has to be possible to understand how much the socio-emotional or financial reasons communicate if familiar proprietors confront the choice on nepotism in a conceptual environment that anticipates variants in nepotistic reality between many families as well as their efficiency consequences (Firfiray, et al, 2017).

#### **4.2. Undesirable Influences of Nepotism on Human Resource Practices**

Relation-based recruitment and selection of employees are against the principle of meritocracy whereas, merit-based recruitment is a congruent human resource management practices in organizations. Since earlier we mentioned the benefits of nepotism however, these were more applicable in family-owned businesses but negative implications of nepotism have adverse effects on organization reputation and economy in a broader sense (Gjinovci, 2016). In the same way, Arasli, Bavik, & Ekiz, (2006), suggest that it adversely affects the human resource management practices such as employee's satisfaction, job security, leaving intents, and negative usage of word of mouth.

In a broader sense, nepotism can be responsible for various cases and it is not only limited to the promotion of management authorities and company reputation but also impose certain imperative devaluations to managers who recruited family members as top management employees (Wong & Kleiner, 1994).

Furthermore, Pule (2004) argues that nepotism is not all about the recruitment of new employee but it extends their implication towards the existed workers as well. It means, that already employed worker also gets advantages of promotion, training and other occasions through their nepotistic behaviour with top management and the credits of others are keeping away from merit-based employed workers that are an issue that negatively affects employees' morale.

Nepotism was mainly reprimanded as unprofessional. Its challengers resisted that the rise of a knowledgeable, technical management stance

leads to the waning and eventual elimination of nepotism (Wong & Kleiner, 1994). Moreover, Abdalla et al., (1998) summarize the negative implications of nepotism in the following words:

*“The negative impact of nepotism will also include employees who will become dissatisfied, and unmotivated in their jobs. They might become disloyal and uncommitted to their organizations. They also might lose interest in their work involvement, cooperation with their coworkers and coordination in their organization’s activities. All of this will upset most employees and lower their morale. Potential outcomes could be absenteeism and increase in the overall turnover because nepotism is blocking advancement.”*

Moreover, nepotism is a kind of challenge to the fairness of human resource management practices because it does not let any human resource manager conduct their duties objectively. Moreover, Vveinhardt and Petrauskaitė (2013), suggested the same view as the human resources procedures have been influenced by arbitrary criteria, employee relational links are damaged, the performance of human resources in the operations of public and private industry organizations.

Moreover, nepotism always remains inextricable from cronyism and protectionism that is defined somewhat distinctly although it is a prevalent parameter/mechanism to safeguard one's relatives. Meanwhile, Vveinhardt and Petrauskaitė, (2013) have concluded that nepotism affects workers' self-expertise, group expertise and cultural skills. Furthermore, these findings are consistent with Elbaz, Haddoud, and Shehawy, (2018), who have shown that nepotism has a detrimental effects onto the output of the person, the nomination of skilled staff or organizational devotion.

Certain criticism are out there that are against the positive influences of nepotism towards family-businesses like nepotism may be fruitful in some cases and will help the nepotee in some ways but it can reversely affect the relation-based employee in a sense that h/she may not be competent and may need other’s help in job-related concerns which ultimately is a headache for him/herself and overall for the organization. Then organization need to provide multiple learning and training opportunities to ensure the expected and ideal performance of that employee which is not something free of cost. Along with organization cost, it makes the person under severe stress and it imposes some sort of psychological burdens on the shoulders of the employee because the person is hired based on favoritism and their actual performance is lower than the planned one (Kiechel 1984).

Human resource managers are bound to take a subjective and unjust decision in the process of recruitment and selection because of the pressure

of people who refer their family members to publically announced positions and this is especially happening in the organization where nepotism is dominant and meritocracy is nothing (Smyrniotis, 2002). Moreover, Arasli, Bavik, and Ekiz, (2006) suggested that at the time of opportunities favoritism or nepotism will take place especially, when promotion, training, or other privileges are distributing among multiple employees. It occurs when a person has someone relative or friend in the top management of the business to extend their reference to the employer and to make sure his/her employment for the announced job. In competitive businesses, nepotism will imperatively lead the employees towards demoralization of workers particularly, those employees who do not have their friends or other relatives working in the same organization.

Furthermore, due to demoralization and nepotistic practices organization may encounter the loss of human capital and intellectual asset especially they will lose some skilful workers, great managers and turning back to the track of having valued managers will need to a lengthy, costly, and careful process of recruitment and selection. In other words, nepotism paves the path to diversion among different groups of society by performing some biased activities which are so-called stereotyping.

According to Padgett and Morris (2005), paired nepotism and cross-generational are the two categories of nepotism which can happen in organizations. While the first one refers to the dual-career issues when husband and wife work together in the same organization and this issue is still controversial among many activists and advocates. Cross-generational nepotism is the common type of relationship-based human resource practices especially hiring someone on the basis of familial bonds or cronyism which is called to the hiring and introducing friend or group member to a position. However, this is mostly applicable in businesses which are owned by family rather than diverse groups of communities.

The existence of nepotism is certain in countries where the market economy is running while it can also be available in small-scale companies in underdeveloped regions. At the meantime, the same phenomena exist in developed countries as well however, in such countries nepotism is mostly prevailing in family-owned businesses (Arasli & Tumer, 2008). Countries that have mutual cultural bonds and relations based on shared goals have higher chances to become vulnerable to nepotism (Özler, Özler ve Gümüştekin, 2008, Tepav, 2006).

To summarize the discussion, Özler et al., (2007) have stated that nepotism is not something limited to a special type or form of businesses it can be present in all types of organizations either developed and

underdeveloped countries because it is human nature that gives more preferences to their owns. Nepotism also has an impact on the organization pay scale or wage rate such as Kaufman (1983), suggests that the same salary is paid to all workers if, from another side, diverse and qualified employees are prepared to take expect lesser salaries when together against non-qualified colleagues they can be working, unqualified workers who are not really friends with qualified employees but only accept lesser pay.

#### **4.3. Talent Management \_ An Umbrella Term for Talent Acquisition**

Talent management is a considerable term having the attention of scholars in current literature. This term emerged decades ago in the 1990s and its emergence philosophy is to promote human development and talent among the workers. The main objective of talent management is to have talented, skillful, and productive employees while the most imperative thing is to retain these talents and experiences that work as intellectual assets for organizations (Watkins, 2013).

With the same intention, we also seek in this research to investigate the role of nepotism in the lights of the key concepts of talent management such as how nepotism blocks the entry of talent to the organization. Since contextual and formal differences are out there, several authors define talent management in different ways. The proper arrangement of skills, competence, experience and utilizing these intellectual capitals are the key functions of talent management. So handling such issues and properly managing these concerns of talent is called talent management Juneja, (2018).

According to Buyens (2012), the status of talent management is similar to the HRM; as marketing is to the sale that complements each other as well it is like accounting to finance. Having strategic direction or plan of how much talent we need, how it can make us different from others, and how we can create value to our different stakeholders are the considerable components that one should bear in mind to effectively achieve their strategic objectives through talent management practices.

The sustainability of an organization lies in talent management practices as it is imperatively significant to have strategic plan including talent management strategies.

According to Din and Adil (2017), talent management practices create value to the organization therefore, firms need to recruit talented employees as well to keep the existing talents in the organization. Moreover, it is found that talent management strategies contribute more positively to the ratio of return on investment. Similarly, talent management

activities are pushing the market-to-book ratio as reported by Din and Adil (2017) that talent management practices have a 33 per cent increase in ROI and a 35.7 per cent increase in the market-to-book ratio.

On the other hand, Mochowa and Mwangi, (2013), stated that it needs too much efforts to have a stable talent management system and some time it can be a panic situation for top management employees. Also, failing to have a proper and sustainable talent management strategy indicates the darken future of the firm. It may become a persistent challenge for top managers or executive (Cappelli, 2008)

In staffing and translucent selection activities, the principle of TM will not only restrict itself to the standard practice of human resources management but it is also about the extraction of all the unexplained qualities and competences and the further enhancement of the integrated strengths as per Juneja, (2018). This implies that in conjunction with recognizable work-related skills, concealed talents and abilities of the workers also should be determined, which can be quite practical concerning the company's general performance. To regards, the rather important issue is the depletion and sustainability including some of the fundamental drives of talent management in regards to having competent and talented staff.

#### **4.4. Talent Acquisition and Human Resource Need Anticipation**

To ensure the best and ideal HR practices, human capital needs assessment is required to understand the need for the future of the organization. Talent is imperatively working everywhere in an organization if its management runs properly and effectively as well as it leads the organization towards the goals set. In support of this view Cappelli, (2008) say that even though organizations normally do not practice talent management the way as it sounds however, talent management is what organizations can easily realize their staff needs and future estimation of how many employees do we need what skills they should have and what will be our expectations out of them in term of productivity. Most of the organizations focus on their present operations and ignore the future need or statuesque of the staff requirement that makes the talent management as a fundamental part of an organization strategy.

Moreover, heavy competition, lack of adequate human resources, and lack of personal future plan are the issues that need to be realized and must bear in mind along with some credentials and skills required for all work. However, in regards to the future needs talented employee in such a changing and versatile world especially in the business environment, some businesses have using more bureaucrats or complicated and classical system models since 1950s (Cappelli, 2008).



#### 4.5. Three C's of Talent Management Based on Ulrich's Talent Formula

Anyone employed in a working environment that have some potential can be considered as a talent for that specific organizations. Therefore, the word talent can touch all the people who have some sort of job-related duties and responsibilities and create value in the form of human capital, structural capital or relationship capital to the business. Moreover, the term "talent" pertains to the know-how, skill, attitude, capabilities, ability and mastery of humans in the future and the present job (CIPD, 2015 and Armstrong, 2012).

Therefore, Ulrich constructed a formula based on talent ingredients that encoded them in multiplying 3 essential C's, which convey the precise meaning of talents as:

Talent = Competence \* Commitment \* Contribution.

Competence primarily discusses the requisite knowledge, skills, ability and expertise to extend in an actual work environment and to carry out all the work correctly. According to Hoffmann (1999), competency is the requirement of the work carried out with a person, who is essentially referred to as proficient performance as well as the inherent qualities.

Additionally, the necessary level of inherent knowledge is called competence for the assigned task, whereas, as per Ulrich and Smallwood, 2011, only competence cannot assert that an individual will do his job effectively unless the work is committed and obligations are rendered which is called Commitment; the second C of Ulrich formula. According to the Cambridge Dictionary, n.d. commitment refers to "a willingness to give your time and energy to something that you believe in, or a promise or firm decision to do something". Certain staff members have a higher degree of skills and abilities in doing a job, but they are still not working hard due to their null dedication to the role assigned (Ulrich & Smallwood, 2011).

Committed workers are doing the things allocated to them in the given time with hard work to do them efficiently. To achieve these results. Besides, Buyens (2012) suggests that the qualities or inputs that employee brings to the company in terms of skills and knowledge are based on their competence and commitment, but the contribution is that which the company anticipate from the employee, which is measurable. Simply, this is what someone contributes to the organizational performance. According to Ulrich and Smallwood (2011), Contribution occurs when a worker realizes its purpose and performance in the organization since organization wants to make a meaningful flavor of the time spent on the staff so this time and talent capital can come back in its contribution.

In short, Ulrich and Smallwood, (2011) concluded that “*competence deals with the head (being able), commitment with the hands and feet (being there), and contribution with the heart (simply being)*”. These three Cs depend on each other and one C can't replace the other. In the end, the success of the assignment can also be ensured effectiveness and efficiency by employees with valuable skills and know-how. Therefore, all credits of these successful accomplishments are attributable to the staff's "talent."

## 5. Talent Acquisition

Companies committed for talent acquisition and retention considers talent management practice as a strategic objective in this competitive era of businesses. According to Laurenno (2013), talent acquisition has developed into a strategic effort which has a direct influence on institutional growth, from a tactful back-office process.

In terms of achieving its company's targets, organizations striving to define and generate talents need to reconsider the existing mechanisms and automation options.

Since organizational success is imperatively dependent on talent management practices, therefore, for all nature of businesses it's required to invest as much as it can make them alter from others in the rapid increase in industrial competition and the focus should be on employees' needs and stratification. Ultimately, it will lead to organizational performance to an ideal stage as a whole (R & Badugu, 2017).

To have talented personnel, an organization should have a sound and transparent talent acquiring procedure to make sure that every worker has some value creation skills and competencies. According to Badugu, (2017), talent acquisition implies the process to introduce and find competent and committed worker that add value to organizational performance and meet the necessary skills required for an ideal employee.

To make it more contextual talent can be considered as the set of accountabilities to generating, acquiring, appraising and recruiting applicants which can assist in the achievement of organizational goals and it may be a team or a particular department to do these practices in favor of the organization (Kumudha & Priyadarshini, 2016).

On similar notes, Kumudha and Priyadarshini (2016) stated that since talent is an intellectual capital for businesses, therefore, the entire force own some specific sort of competencies and skill which as a whole considers organizational assets. By supporting these claims talent is a considerably imperative tool for the overall success of organization and employees with certain ideal qualities are scarce this is why, it is more essential to have a

proper strategy for acquiring, promoting and retaining talented personnel. Also, intensive growth in employment rate made the market more talent-oriented as all the organizations look for the most qualified and talented worker from a larger pool of candidates along with this it is essential to keep and retain the qualified and best-suited employee for consistency in talent management practices.

Moreover, growth in employment rate also leads the organization toward the war for talent because, hiring employees from a big sum of potential candidates make HRMs more interested to hire the most talented applicant for a vacant position as well as, to ensure the preservation of committed, competent and technically developed employees as proposed by Wated and Sanchez, 2014).

### **5.1. Employer Brand and Talent Acquisition**

The term employer brand has named for the first time by Ambler and Barrow in 1996. This term used mainly in multiple disciplines such as human resource management and marketing (Ambler and Barrow, 1996)

Employer brand is the combination of a company's identity, image and cultural value that shows an organization more trustable and suitable for new talent and potential employees as employees that are currently working (Srivastava & Bhatnagar, 2010). Resultantly, organizations having good employer brand can easily attract the attention of employees to work with such entity where they feel proud for being in such an environment. As an employer brand organization provide several types of benefit and wellbeing for their workers in the form of operational as well as materialistic and non-materialistic rewards. Therefore, Ambler and Barrow, (1996) define employer brand as the compendium of various benefits offered by employer in the form of mental wellbeing, working benefits and economic rewards.

According to Bouchikhi and Kimberly (2008), it becomes much easier for the firm to hunt more talent when they create and maintain their employer brand because potential employees think positively regarding the company's fair packages and benefit as well many other factors that showcase company's good image in society.

Employer brand can influence the attitude of candidates towards the company and they realize the significance of the work doing it for such employer brand companies.

To collect talented employees, companies must do more to align their precise brand with the strategy to acquire talent. As the greater the good image and culture of the organization, the more likely that talent will be

acquired. In support of this claim Srivastava and Bhatnagar (2010) stated that, employer brand encourages the right combination of applicants with a cultural fit and simultaneously ensures that potential workers have the job experience they want.

Additionally, the retention of employees is an issue of talent management, however, one of its proper approach to maintaining current talents in the organization is; to have employer brand as Ambler and Barrow (1996), suggested in their study of “Employer Brand” that firms that realize the implementation of different models of employer brand are more effective in talent retention as compared to those firms that ignore the employer brand models. They further suggest that these organizations, as an employer brand, can provide an appropriate pathway to current talented employees as well as these firms having employer brand are more vulnerable to attract expertise and skills. In conclusion, employers' brands play the same role as product brands for customers by providing employees and customers with similar benefits in their way as well as in terms of their function, value and emotional satisfaction.

## 6. Conclusion

Fairness and equity in all human resource practices consider as the utmost preferred principles. However, it is not as simple as it sounds. Their application need some extra efforts to maintain a very transparent recruitment process. Nepotism is also one of the imperative hurdles that create constraints to recruiting manager in attracting the most qualified and competent applicants. Throughout the systematic analysis of the current body knowledge nepotism has been described from multiple perspectives. Initially nepotism was considered as entirely negative phenomenon while recently it has also been found that nepotism has dual implication. It could be useful in context of family-owned business while have completely negative consequences in other firms. Since, recruitment of talented personnel is the primary function of HR manger whereas the later functions are interdependent with the initial practice of recruitment therefore, such practice needs a comprehensive and transparent plan where only merit matters. The systematic study of nepotism and talent attraction at hand is the synthesis of the themes that are to date available in current literature.

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