

## CHAPTER 24

### MAIN PRINCIPLES OF PUBLIC ADMINISTRATION IN THE SOCIAL FIELD: DECONSTRUCTING NEPOTISM MYTHS IN THE POST-SOVIET SPACE: PREVENTION OF COUNTERPRODUCTIVE SOCIAL NETWORKING

(**Jolita Vveinhardt** – Doctor (PhD, Chief Researcher PhD, Institute of Sport Science and Innovations Lithuanian Sports University; Assoc. prof. Department of Management Faculty of Economics and Management Vytautas Magnus University (Kaunas, Lithuania)

24.1 Nepotism evaluation dichotomy: social and ethical dimensions

24.1 National Approach to the Concept of Nepotism

24.2 Social Reflection on Nepotism

24.3 The Selective Aspect of Nepotism Ethics

24. Discriminatory Context of Nepotism: Controversial Connotation in Organization Management

24.1 Socio-cultural Limits

24.2 Damage of Nepotism Positive Connotation to Organizations

Conclusions and Discussion

References

The word *nepotism* in the public is usually associated with corruption as well as with the public sector and abuse of public resources. Moreover, it is commonly accompanied by the public image of post-soviet and economically developing countries. Their political and administrative structure is a home for existing illegal social networking, i.e., for nepotism alongside protectionism, cronyism and favouritism, etc. All this is true but if determining social-biological factors were not reflected upon or evaluated in a wider context, a mere simplification of this phenomenon would make a mockery of effort put into mechanically applying administrative models and solving the problem, the origins of which often lie in the structure of human social relations. On the other side, belief that nepotism, as an issue, is foreign to business organizations is still deeply rooted. Confidence is hereby invested into entrepreneurial rationalism, furthermore, into calculated thinking and self-regulatory capabilities of business organizations that are rather frequently overestimated. They fade against the inventiveness of some employees who seek to use enterprise resources for their personal purposes. However, research carried out in some countries as well as long lasting discussion on the good and bad sides of nepotism reveal that unambiguous answers are hardly possible while judgement over this thriving phenomenon is rather controversial in the public of Eastern and Western countries. In other words, this phenomenon is looked at from ‘negative’ and ‘positive’ aspects; the latter are frequently taken by private business organizations.

Less debate whether nepotism may have its benefits breaks out because the existence of this phenomenon is tolerated in the activities of the public sector organizations, i.e., governmental and municipal institutions and enterprises. In the

most frequent case, it is the legal regulations that are applied to govern working of individuals who are tied by family relations. Although the evaluation of nepotism is sufficiently clear and well defined in the public administration sector, there exist the public-oriented areas of activities in which governmental regulatory mechanisms do not work, even if organizations perform the public functions operated on their public resources. In this case reference is made to non-governmental organizations and social enterprises that work in the social field and operate the functions transferred to them by the government or the municipality on the grounds of various contests.

The public and the media vigilantly monitor privilege-granting solutions in the public sector but the nepotism issue in social function-performing organizations established and monitored by individuals rarely reaches either a wider public debate (at employees' conversations level, if ever) or catches researchers' attention. It happens in part because of stereotypes showing nepotism as a public administration problem and partly due to uncertainty of regulatory mechanisms in the private sector. The more so, there is a lack of definite criteria for assessment.

*The research problem* is how to increase the productivity of the organizations in the social field and to evaluate the risk of nepotism networking in their management.

*The research aim* is to analyze the main principles of transparent administration in public organizations of the social field and deconstruct the myths of nepotism in the post-soviet space.

*Research tasks:*

(1) to analyze nepotism evaluation dichotomy in social and ethical aspects, forming a model of nepotism ambiguity;

(2) to analyze nepotism in discriminatory context, revealing the relationship of objective and subjective criteria leading to management decision making with the impact on organizational climate.

*Methods of the research.* A theoretical study was carried out in order to analyze the problems of nepotism in the post-soviet space when deconstructing established myths. A comparison of social and ethical dimensions in regard to of nepotism evaluation dichotomy was made. A deeper look was taken at a discriminatory context of nepotism. The analysis of scientific sources covers the issues of the main principles of public administration in the social field. The focus is on prevention of counterproductive social networks, presenting the models formed by the author.

The study is based on the analysis of sociology, history, philosophy and organizational management topics by Lithuanian and foreign authors carried out since the seventh decade of the last century until 2012, in order to define the main dimensions of the phenomenon. It has been based on theoretical and empirical studies carried out during different periods not only in the developing but also in the developed countries. Scientific literature content analysis, logical generalization, graphic imaging and modelling techniques have been used.

### ***24.1 Nepotism evaluation dichotomy: social and ethical dimensions***

In this chapter nepotism is analyzed as a phenomenon that generally leads human social relationships. Usage of the term in national context as one of corruptive relationship factors in the public sector is discussed. A conception that nepotism occurs both in the public and in the private sector and its consequences is similarly harmful is formed. Although the original meaning of the term *nepotism* is related to employing close relatives when using official positions, the limits of its usage expand and cover a much wider context.

Studies show that nepotism is not just a historically motivated phenomenon in developing countries or in the post-soviet societies. Sociologists and anthropologists have been searching for deeper roots of the phenomenon, growing from the very nature of social relations. Although corruption has long become a synonym of nepotism when evaluating this kind of relationship in the public sector, reasons for justifying nepotism in private sector organizations have been observed. Attempting to defend nepotism, economic and managerial arguments are found, market mechanisms and pragmatic thinking of business representatives are relied on. Certain dichotomy of ethical evaluation of nepotism is highlighted when attempts to define 'positive' and 'negative' aspects of the phenomenon are made. The biggest attention is drawn to nepotism when analyzing corruption-related problems in the country's public sector, but the problems of the phenomenon are much wider. Studies show that nepotism is economically harmful to business organizations as well, but this topic has not been widely developed and still there is a lack of unified evaluation, thus this article has not only scientific but also practical-application significance.

In scientific sources very few authors (Mutlu, 2000; Bute, 2011; Jaros, 2012; Colarelli, 2013; etc.) analyze just only the phenomenon of nepotism in organizations, there is quite a small number of studies analyzing the phenomenon of nepotism relating it with *favouritism* (Safina, 2015), as well as diagnosing *cronyism* and *nepotism* (Arasli, Tumer, 2008; Karakose, 2014; Pearce, 2015; Palmer, Fleig-Palmer, 2015; Jones, Stout, 2015; etc). The phenomenon of nepotism is mentioned in the articles alongside *protectionism* (Cornblit et al., 1968; McGoldrick, 1998; Rubin, 2011; Hsueh, 2012; Dheer et al., 2014; etc.) *protectionism* and *lobbying* (Gilinskiy, 2006; Budak, Rajh, 2014; De Massis et al., 2016; etc.), *protectionism* and *corruption* (Patel, Wilson, 2004; Drury et al., 2006; Jabbra, 2008; Rubin, 2011; etc.).

In his publication Ewing (1965) considers whether nepotism is a very negative phenomenon, Breen (1987) analyzes nepotism and sexism, Wenner and Wold (1987) evaluate relations between nepotism and sexism claiming that women leave their academic career more often than their male counterparts, Page et al. (1989) write about genetically related professionals and recognition of relatives in the workplaces, Tammelleo (1995) explores the problem of nepotism in hospitals, Jones (2000) speaks about nepotism and family ties of employees and Chervenak and McCullough (2004) propose to identify and control conflicts that violate the principles of ethical leadership in order to avoid strategic ambiguity when replacing it with transparency. In his other article Chervenak and McCullough (2007) examine manifestations of nepotism in health training centers and provide arguments why some forms of nepotism can be ethically justified. Christodoulou (2008a, 2008b) discusses nepotism

in medicine. The analysis of the scientific research shows that there is still a lack of a more detailed study on the ethical controversy causes of this phenomenon, especially in the private sector.

## ***24.2 National Approach to the Concept of Nepotism***

*Nepotism* is usually defined in Lithuanian dictionaries as giving jobs to relatives by powerful people or employing relatives through the interests of service. The analysis of the public discourse shows that *nepotism* is most frequently regarded by Lithuanian scientists as a phenomenon of the corrupt public sector that includes both administrative and political power (Piliponytė, 2004; Palidauskaitė, Staponienė, 2005; Palidauskaitė, 2005, 2006; Lukošaitis, 2001; Pivoras, 2012; etc.). The most commonly corruption is associated with bribery (bribe-taking and bribe-giving), abuse of official powers, illegal use of public resources and the conflict of interest and nepotism, etc. (Palidauskaitė, 2005).

Having studied the context of the nepotism concept used in the Lithuanian scientific research, the results are provided in Table 24.1. The study shows that most commonly the term of nepotism is used to describe illegal relationship in the public sector as one of the forms of corruption in organizations and the policy of the sector. As it can be seen from Table 1, no intrinsic differences of the attitude with regard to the development have been observed.

There is a lack of broader discourse in which nepotism seen as ‘genetically’ encoded value of governing the relations between members of biological social systems can vary in dependence on moral and ethical maturity and according to the development of the public interest, as the social imperative and understanding.

***Table 24.1 – Content of Nepotism Concept Use***

<b>Year</b>	<b>Author</b>	<b>Context</b>	<b>Definition of sphere</b>
2003	V. Pruskus	Problem of business ethics when giving jobs is based on blood relations, to relatives, and /or granting exclusive privileges to them.	Private sector
2003	R. Grigas	Socio-cultural realia of Lithuania.	Public sector
2004	J. Piliponytė	Corruption as a concept used in parallel with bribery, protectionism, clientelism, evasion of taxes and bribery of voters.	Public sector, political life
2005	D. Brandišauskas	Exchange of services (quid pro quo) as one of the forms of corruption.	Public sector
2006	J. Palidauskaitė	Corruption on the basis of friendship ties.	Public sector
2008	J. Palidauskaitė	Cultural and ethical problems.	Public sector
2011	A. Lukošaitis	Cultural relict in the segment of structural and functional corporativism.	Public sector
2012	S. Pivoras	Manipulation in the staff contest.	Public sector
2012a	J. Vveinhardt	Organizational climate factor having a negative	Private sector and

Year	Author	Context	Definition of sphere
		impact on the quality of the public sector and economics.	public sector

*Source:* by Jolita Vveindhardt (2012b).

Nepotism as a corruption phenomenon is also the object of the public opinion research carried out by the Special Investigation Service and the International Anti-corruption Organization Transparency International Lithuania. To analyze corruption of the relationships in the private sector, the public opinion research involves the media and non-profit organizations. Pruskus (2003) pointed out that recruitment of relatives increases the conflict between a company and employees. Nepotism both in the public-sector organizations and business organizations violates a psycho-emotive climate in the organization, destroys trust in the values proclaimed and taken both by the leadership and the organization. Employees would always have doubts as to whether the blood relatives of the leadership were evaluated more favourably than they should or to whether a particular position in the organization was designated for their high competence. So, there can be mistrust not only of recruitment of employees but also of the assessment, career and other systems in the organization. It has been proved that trust, value congruence, loyalty to the organization and a favourable psychological climate are closely related to the quality of the activities and the organization's competitiveness in the market as well as to the image in the eyes of customers and consumers (Vveinhardt, 2012a).

It is common in Lithuania, when analyzing the scope of nepotism, to see for the reasons of it in the soviet regime system. In general, a tendency is observed in the post-soviet countries to search for the roots of nepotism in the system of values graded by the regime. In fact, signs of prowess, gumption and, putting it in modern terms, entrepreneurship could be seen in the ability to bypass the system, the processing of economy or other issues or embezzling the property of the organization (Vveinhardt, 2012a). Palidauskaitė (2006) expressed the opinion confirmed by many researchers that the changes in the social structure have not resolved the problems related to culture, importance of contacts and misuse of interests of the occupational status. There is no doubt that the segment of structural and functional corporativism, as well as various cultural relics of clientelism (e.g., private acquaintances, contacts and nepotism) still remain to be of relevance in the Lithuanian political system and direct the process of policy, forming the content and the behaviour of its "players" (Lukošaitis, 2011). Grigas (2003) pointed out that civil immaturity and a small number of the population of Lithuania can be named as important causes of nepotism. So, due to this, a probability can increase that those relatives will tend to take up a position allowing the "run off" of the public resource. According to Melnikas (2002), due to the changes in the social system, the potential of conformism has programmed the internal conflict of radical revolutionary restructuring thus preconditioning the formation of negative consequences for socially advanced processes. In disguise of the proclaimed humanistic and democratic goals, the individual and local interests of structures, layers and groups are implemented which in their essence are

unfavourable for the development of society, even more, they are inadequate to public declarations and their logic. Brandišauskas (2005) stated that Western scientists mostly attract their attention to non-monetary relations, when defining ways of corruption expression. It is non-cash services (nepotism, favouritism and clientelism), that researchers are increasingly identifying as acts of corruption that occur not only in Eastern Europe but also are not exceptional in Western countries. According to the author, the phenomenon of using contacts for acquiring goods, i.e., an opportunity to benefit using contacts is closely related to non-cash in return.

*Thus, nepotism in national context is usually associated with corrupt relations in the public sector, and reasons for the spread of the phenomenon are based on demographic and social-historical arguments. Alongside, nepotism appears to be an ethical problem of organizing corporate activities.*

### **24.3 Social Reflection on Nepotism**

Researchers in foreign countries and Lithuania search for the roots of nepotism in the social structure or traditions of the society and generally associate it to natural social behaviour of living beings. Genetic solidarity can be identified as one of the constituents of the social system (Lileikis, 2005; Christodoulou, 2008), alongside cultural and social identity (Čepulis, 2009; Bagdonas, 2007; Vosyliūtė 2010; Kuzmickas, 2011), family as value and the basis of training relationship (Tijūnėlienė, Jonutytė, 2009; Ralys, 2010) and social competence that is a guarantee of sociality and individuality cohesion (Solovjovienė, Barkauskienė, 2006; Daukilas, 2008; Antinienė, Lekavičienė, 2012) and others.

Research studies with mammals have revealed that nepotism is noticeable in investigating behaviour and is strongly associated with alarm. A three-year-investigation by Belding revealed that ground squirrels (*Spermophilus belding*) transfer an alarm signal when land predators are approaching. Animals thus protect others in this way (Christodoulou, 2008). De Chardin (2008) stated that clearly recognizable social solidarity as an expression form of organized substance can be identified in those mammals the behaviour of which is 'close' to people. Love as being's sympathy to another being is 'biological reality' (Lileikis, 2005). In his words, biological nepotism interprets altruism as natural protection of the kindred. In socio-biologists' point of view, animals and people, when helping their relatives, save a part of their self, because they share common genes. It is like a genetic code, by which the society is divided into "their own", and "alien".

Anthropologists, according to Palidauskaitė (2005), analyze this problem from the perspective of society's social relations: bribery is considered to be a traditional and informal practice of giving presents. Favouritism, nepotism and clientelism are assessed from the perspective of social contacts. Fight against corruption is often interpreted as disruption of social networking. Ulrik (2012) analyzed African and Latin American culture and social relations and attributed this phenomenon to developing countries. According to the author, nepotism is the most typical of those cultures, which have preserved strong traditions of peasant and tribal worldview.

Tribal relationships are strong in many an Asian country in which taking care of family or genus members is considered to be not only ethical; one is morally obliged to take care of others. Bagdonas et al. (2007) emphasized the importance of social identity. Social identity is an expression of human self-awareness arising from a sense of belonging to a certain group of people. This characteristic is typical of not humans only, but also of animals; it gradually develops from simple affection. However, it would be a mistake to firmly state that nepotism is a problem of developing, the post-Soviet and Asian countries. When evaluating the test results, attention should be drawn to the fact that the traditionally prevailing concept of nepotism has been changing. The spectre of nepotic relationships includes not only relatives but also staff and friends of the leaders and even partners of organizations. Christodoulou (2008) noted that not only relatives but also other people who do somebody a favour for the favour are included into the so-called 'family circle'. Although such exchanges are called non-monetary, they do have clear monetary value in the final version. That is, they have mutual benefit that should not be gained by the parts participating in the agreement if they acted legally and in accordance with the formal rules of the public 'game'. Attention can be drawn to the fact that there is a strong point of selective discrimination in the content of nepotism; in accordance to which applicants are divided into certain resources by a rank, i.e., at one end of which is a 'homey', while at the other is 'a stranger'. However, the bookish definitions of discrimination are not valid any more in the public policy. However, stipulations are made in the public policy of the Western democracies that serve as a model for developing countries, seeking to institutionalize certain aspects of discrimination and legalize them as defence of equal rights (Vveinhardt, 2012a). Foreign authors draw significantly greater attention to the analysis of the economic aftermath of nepotism, as a phenomenon extending its range in business organizations. Chervenak and McCullough (2007) raise the problem of competence that makes itself evident when employees are assigned responsibilities on the grounds of subjective hobnob and family relations but not the objective criteria of capabilities. This is just one of the risks that might be threatening to organizations tolerating nepotism.

*So, nepotism is an acute problem not only in those countries with poorly developed industry and not having long-lasting city culture; where the peasant like tradition is deeply rooted and believed that once you have been granted a leading position it is wrong not to take care of your brothers sisters, relatives and the community of your native town or village. Neither economic processes nor the growth of capital and general welfare of the states or the members of the public would be capable of deleting socio-cultural attitudes deep rooted in the national consciousness in the nearest future. These provisions still exist in the societies of highly developed industrial states, even though to a lesser extent. In other words, nepotism is a phenomenon that accompanies social relationships, unlike in animal community, overgrowing genetic and family relationship and acquiring refined forms. Thus, not accidentally, there is a tendency to justify nepotism ethically.*

## 24.4 The Selective Aspect of Nepotism Ethics

There is a clear ethical dichotomy existing in judgment about nepotism. Attempts are made to provide both a positive and a negative meaning to the same phenomenon; however, the boundary between the opposite aspects usually remains not highlighted. It can be assumed that the origin of selectivity is more natural than artificial self-organization of the system.

Ethics and ethical standards are a corporate instrument of management (Vasiljevienė, 2006a; Galkienė, 2012; Greblikaitė, Navickienė, 2012; etc.), a source of welfare and harmony in an organization and a society (Vasiljevienė, 2006a; Raupelienė, Perkumienė, 2007; Perkumienė, Raupelienė, 2008; Pučėtaitė et al., 2010; Greblikaitė, Navickienė, 2012; etc.).

Ethical sphere has typical segmentation and applicability to various spheres of individual activities (Pruskus, 2003; Vasiljevienė, 2006a, 2006b; Toliušienė, Peičius, 2007; Perkumienė, Paupelienė, 2008; Kalenda, 2009, Spukienė, Urbonienė, 2011; etc.), regulation of social relations such as group agreement having a cultural basis (Vasiljevienė, 2004; Perkumienė, Raupelienė, 2008; Geniušas, 2009; etc.) and ethics in the public and private (business) activities (Pučėtaitė, Lāmsā, 2008; Palidauskaitė, 2011; etc.). Ethical aspects have been analyzed focusing exclusively on Lithuanian scientific research. This research position was taken seeking to reveal the national aspect of organization management.

Thus, there is a tendency when analyzing the problem of ethics to distinguish three major areas of the concept of ethics: personal, professional, and public, as if it were different areas of ethical survival. Furthermore, ethics is divided according to areas of professional activity, such as medical ethics. The selectivity of the content can be seen in Table 24.2.

**Table 24.2 – Selectivity of Content**

<b>Individual</b>	Segmentation	Separation	<b>Activity area</b>	<b>Social environment</b>
		Generalization	<b>Sub-culture</b>	
	Regulation	Institutionalized	<b>Group agreement</b>	
		Conventional	<b>Survival</b>	
	Functionality	Function	<b>Aiming</b>	
		Dysfunction	<b>Fear</b>	
	Instrumentality	Technological	<b>Relations</b>	
		Social	<b>Management</b>	
	Responsibility	Organizational	<b>Work</b>	
		Communal	<b>Life</b>	
	Quality	Permanence	<b>History</b>	
		Change	<b>Culture</b>	

Source: by Jolita Vveindhardt (2012b).

However, the analysis of ethics should not be mechanically grouped into activities in the public and private sectors and in the public and private life. Such a systemic dichotomy causes ethical confusion. The grouping may be on methodological, but not on the content basis, because ethics is primarily based on the values, the contents of which cannot be treated in dependence on the specifics of



social and professional conduct. The distinction unconsciously presupposes attitudes that the ethical dimension experienced by an individual can be transformed optionally in accordance with areas of activities. Any ethical institutionalization does not cover or does not exhaust moral context and is mechanical and dichotomous. Nevertheless, there is a tension between individuality and sociability-sociality space in ethics, between individual intentions and a social pole, which is raised by the idea of general welfare forcing individual values to socialize. Since social harmony largely depends on the success and the speed of this process, nepotism can be treated as a dysfunctional factor. The idea to extend nepotism limits up to infinity partly overlaps with the idea of Christian love for your close, however, remains segregated.

In order to answer the question whether it is possible to protect the organization and its staff from existing nepotic networks or forming new ones (both in the public and private sector), and how to do it, the first step is to evaluate the reasons how and why ethical selectivity of evaluation is formed. That is, in what contexts and how nepotism is evaluated, as well as what value is given to the term in different socio-cultural contexts.

Ethical selectivity is due to the fact that nepotism is generally accepted to be blamed when it occurs in the public sector – in state and municipal institutions and budgetary organizations under their control. When examining the relations in business organizations such a clear moral divide does not exist. In other words, the aspects of agreement of the society and traditions are highlighted, due to which in something seen as a negative thing in one context, it is tried to discern the advantages and define the standard limits in another. For example, According to Chervenak and McCullough (2007), ethically justified nepotism is not an oxymoron when it comes to the interests of legitimate organizations which pose a danger. In 1973, Association of Professors in America found out that a strict policy of anti-nepotism is an obstacle to increasing a number of female professors at university, as the aim of university is to defend the legitimately grounded interest of organizations. The discrimination based on this selective aspect when protecting the interests of a certain group is called positive. In other words, isolation, for instance, by gender is morally and ethically justified. Similarly, this is what happens with another form of discrimination, i.e., segregation.

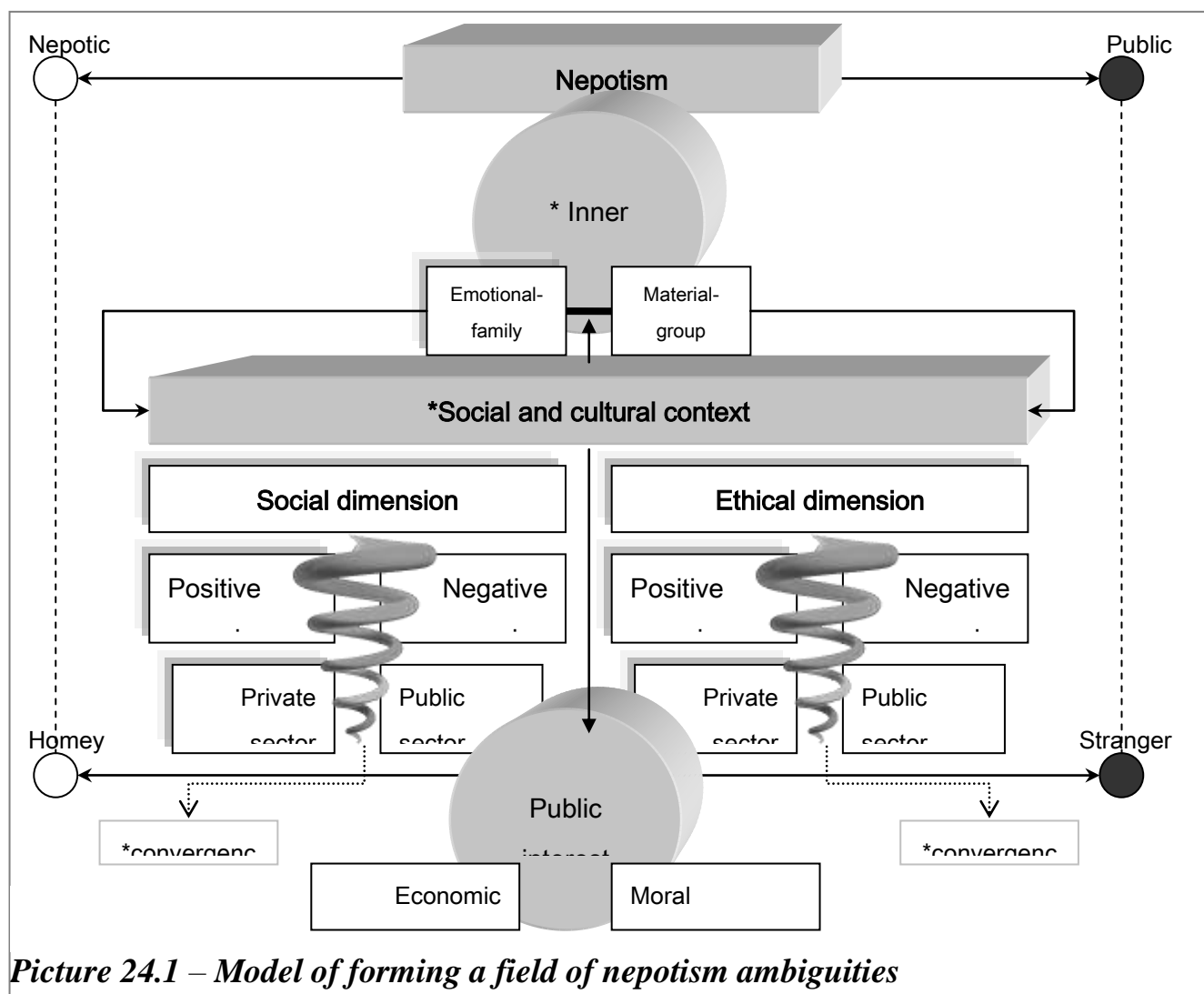
Bagdonas et al. (2007) named one example of such segregation, namely, areas for the blind to reside that were developed around enterprises for the blind and the visually impaired in major cities (the author's note: in Lithuania, as well as in other republics of the USSR) of the country in the soviet period. In principle, those districts were developed in order to make life for the people with vision disabilities more comfortable, their life and work easier; the side-effect of such localization was social exclusion. So, does not ethics, thus selectively applied, as well as in the case of judging nepotism, create confusion in people's minds? The more so, if it happens in the society where moral conformism and dual ethics have been the norm of regular life for decades. Often the heads of public sector organizations, when hiring the persons related by family or other connections, justify themselves by saying that the procedure of organization of contests is not perfect, and the restrictions hinder from recruiting highly skilled professionals. For example, Pivoras (2012) mentions about

manipulations by institution in staff competitions. Manipulations, according to the author, occur not only because of corruption, nepotism and political favouritism (which, no doubt, occurs, too), but also due to desire to limit the risk of when employing completely unacquainted and untested persons. Such manipulation can essentially be called anti-systemic manipulation (creative adjustment) because existing arrangements are inadequate, completely inflexible and even unreasonable. Such rooted contradictions are highlighted in the public opinion polls, the results of which indicate that personal interest wins against the perceived ethical, moral and legal aspects. According to the data of the study (2012) carried by Lithuanian national resistance to corruption system, Lithuanian business companies consider that the most widespread form of corruption in Lithuania is nepotism (79 per cent). However, even if the criminal aspect of corruption is being understood, ordinary citizens tend to use an illegal opportunity to solve their own problems. A survey on opinions conducted by Lithuanian Special Investigation Service (2011) showed that 57 percent of the surveyed population, 40 percent of company representatives and 37 per cent of civil servants were prepared to solve the problems by giving a bribe. 71 per cent of the population would use acquaintances for being employed; 28 per cent of which took this advantage. This suggests that a significant part of the public tends to justify nepotism, even if they publicly declare civic values. There is even more ambiguity established by ethical evaluation liability in the business sector, to which ethical anti-nepotic requirements with regard to public bodies are not formally applied. Although the public favour to nepotic relations cannot be explained solely by cultural, historical or economic factors that have led to the evolution of the values of the society, certain external and internal circumstances can at least encourage positive public interest-oriented processes if not change the values (cultural change is a long-term process). For example, the accession of Lithuania to the European Union was associated not only with economic reasons, but also with reducing corruption in the public sector. Adaptation of the legislative framework, requirements of external institutions and supervision of implementation of open contests had a positive role in the development of the general culture of open contests.

Ethical dichotomy, when assessing nepotic relations, is relevant not only to Lithuania, but also to the countries with much older traditions of democracy and civil society, i.e., having certain shaped immunity. In this case, the focus is on the public interest, as value of general, functional presence. However, nepotism and the assessment of this phenomenon cause tension in between the individual and the public, or, in other words, between the public interest taken to be the common good. However, actions can ethically be treated differently, while emotional connotation can change due to genetics of the social phenomenon that influences moral norms. Blood relations get sublimated in the course of the development of economic relations, overgrowing economic interests of individuals and groups. A simplified model of the ambiguities caused by nepotism is presented in Picture 24.1.

Social and cultural context is a connecting link or medium, in which personal (family, as a social group), and public interests and tensions formed in these poles in the field are harmonised when making decisions. People and persons involved in various relationships with them participate in different spheres of activity (public and

private), therefore, the convergence of norms is the problem which is difficult to avoid. On the other hand, possibilities can also be seen here, when the formation of the higher culture in one sector can have a positive influence on another sector. Evaluation dichotomy emerges when an interest is moving from the ‘social’ towards ‘public’; the latter being treated as strange, especially in the face of transformation when organizing a social life of the society. Ewing (1965) drew attention to ambiguities in the evaluation of business representatives’ opinion on nepotism. Although the majority of executives stated that nepotism is obsolete and causes a lot of problems, however, they acknowledged that it is beneficial when employing relatives. In this case, a discriminatory aspect becomes a significant criterion. Nepotism is discrimination as much as segregation by gender or membership of an ethnic and other groups. However, in this case, discrimination is based on the criteria such as family, tribe, or group basing on monetary or other interests. Although discrimination in recruitment, dismissal, promotion and punishing, etc., is prohibited, this prohibition, except for a few cases included in the Labour Code (of Lithuania) in regard to the leadership of organizations, nepotism relations are bypassed, while business organizations are looking for and find arguments to justify nepotism.



*Source:* by J. Vveinhardt (2012b).

*\*Supplemented by J. Vveinhardt (2016).*

*Notation:*

—— Interests

In most cases economic and organizational motives are treated as the aforementioned arguments. Friendship is considered a reliable and relatively inexpensive source of information when looking for an employee, as existing staff does not want to make their employers angry by recommending their friends who might be poor candidates for a particular work position. References by trusted friends are the replacement of a potentially costly source of information, including the recommendations of former employers or teachers, transcripts of academic records and the history of previous employment. As such sources of information are difficult to reach or are more expensive, employers prefer making use of their friends due to monetary reasons (Rees 1996). Additionally, in recruiting a friend, they expect to save a certain amount of funds that might be spent on the remuneration to the man hired 'from the outside'. Nepotism is criticized for its unprofessionalism; its opponents argue that an intellectual, analytical approach to management means the decrease in nepotism and its eventual extinction. It seems, however, that entrepreneurs think very differently (Ewing, 1965). The author noted that, having surveyed several thousands of employers, the results have revealed the striving to justify nepotism. The leaders considered themselves professionals, being able to objectively decide when nepotism can be or cannot be successfully used. In other words, it is being relied on one's own experience, knowledge and insight ignoring inherent subjectivity and emotional traps due to which professionalism and competence of newly formed staff may suffer. Thus, the subjective aspect and sophistry become apparent in the decisions, in order to justify the decisions based on personal reasons.

Christodoulou (2008) noted that nepotism is looked upon favourably in small, family-owned enterprises in Greece. Family members are trained in various forms of management in order to ensure continuity of the company when some members of the previous generation retire or die. In fact, nepotism is considered a synonym of 'takeover' in most small businesses. One of the most common arguments against nepotism is that emotional ties among people, who share a number of other types of relationships, can have a negative impact on their decision-making and professional development. However, not only family members, relatives or friends get employed. Even six percent of the surveyed employees there in Denmark and Canada indicated that they were employed by the same employer, who had recruited their parents (Ferlazzo, Sdoia, 2012). So the working of their relatives in the company had served them as a recruiting 'recommendation'. The study does not show how these solutions have proved to be successful, however, it should be noted that the reliance on parents can be projected in expectations related to children who grew up in those families. In other words, personal interests and expectations always remain subjective, if they are not supported by objective competence assessment criteria.

### ***24.5 Discriminatory Context of Nepotism: Controversial Connotation in Organization Management***

This section deals with the analysis of nepotism in the context of behaviour that discriminates employees when making decisions in organizations, i.e., providing unequal conditions on the basis of subjective criteria: family relations and expansion of social networking related to family benefit. Ethical and economic treatment of nepotistic relations in the private sector organizations have been fully formed neither in developing societies nor in traditionally interpreted Western countries. The analysis of scientific studies shows that nepotism is more frequently discussed in the context of management of the public sector organizations; however, the influence of this phenomenon on the private sector organizations is not sufficiently highlighted. Practice and theory of nepotism assessment are not guided on unanimous provisions and are often different.

This research is based on the attitude that nepotism is of discriminatory nature which violates organizational climate, has a negative impact on job satisfaction, employees' loyalty to the organization and is a favourable environment for interpersonal conflicts. This is just one of the aspects indicating damage of nepotism both in public sector organizations and private companies. Although the origin of nepotism is socially natural, but is focused only on a specific group that operates guiding on motivation by personal interests but not by organization's goals and, thus, is harmful to organizations in many ways.

### ***24.6 Socio-cultural Limits***

To analyze nepotism as an organizational phenomenon, you must first define the socio-cultural limits as well as the limits of the concept use. As it has been mentioned, nepotism is usually understood as use of official position in order to recruit and patronize relatives. In addition to nepotism, the term of favouritism is used, i.e., that defines people being treated with one or another affection or as exceptional are granted privileges when appointing them to high office positions. Both terms mean a surplus of personal and individual motifs and a decision made on the basis of objective criteria and across-the-board concern. Objective criteria are measured by professional skills, expertise and knowledge. Subjective criteria are measured by personal benefit or solutions based on ties of narrow kinship, friendship and interests. It is violation of system interests (e.g., of an organization or a community of its members). It should be noted that the terms of nepotism, patronage, favouritism and protectionism, are often used almost interchangeably, but their boundaries can be separated. Nepotism, favouritism and protectionism phenomena are related, may exist side by side and together lead to rogue management solutions. The constituents of the analyzed phenomena have components in common, namely, corruption and discrimination, but are unlike because of different object of

protectionism and different forms of corruption. Nepotism is characterised by a genetic / family context, which is not typical of favouritism and protectionism. Favouritism can be characterised by emotional content which can serve in favour of seeking for direct or indirect tangible benefits, while protectionism is a systematic operation seeking for benefit to the illegal social system that is evolved by network principle. (Vveinhardt, Petrauskaitė, 2013a).

Nepotism is partially institutionalized in the state acquis. The obligation of Lithuania state and municipal organizations to avoid nepotistic solutions is described in the acts of the Public Service and Lithuanian Republic public and private interests in the Public Service Act. The Civil Service Law is based on respect for the individual and the state, justice, selflessness, decency, fairness, responsibility, transparency and exemplarity principles. The law requires the persons employed in the Public Service to avoid conflicts of interest and act in a way avoiding any doubt that such a conflict exists. Also, to avoid situations in which a person employed in civil service must accept or participate in making a decision in relation to his private interests when performing duties or transfer. Private interests of a person working in the civil service are treated equal to the ones of the employed in the civil service (or of their close relative, or a family member) as well as personal pecuniary or non-pecuniary interests that could affect the decisions when in civil service. The internal operating principles of the private sector organizations are formalized (or not) in the Code of Ethics. Labour Code Article 97 prohibits individuals do civil service in a state or a municipal institution as well as in a state or a municipal enterprise if being close by blood or marriage (parents, adoptive parents, brothers, sisters and their children, grandparents, spouses, children, adopted children, their spouses and their children as well as parents, brothers, sisters and their children) if their service is connected together with one of their direct subordination to another, or to a right to control the other.

However nepotistic relationships find their ways to circumvent direct prohibitions, such as employing a relative in another company and with gratitude in accordance or a relationship of subordination is 'transferred' to another person through transformation of functions. In the first case a peculiar social network is formed which extends beyond family ties, but such kinship relations still play a decisive role. In every case organizational culture is distorted and decisions are made focusing on personal well-being.

Lithuanian authors use the term of nepotism alongside another synonymous term the roots of which go back to the soviet period (a Russian word 'Блат' was used to define private acquaintances) associating both of them with corruption in the public sector. The region that is characterized by the private acquaintances context can be assigned, for example, to protectionism and partially extends beyond the public sector frames as a flawed phenomenon of organizational management. So far, the review of the scarce work by the Lithuanian authors shows that the limits and the contexts of both nepotism and protectionism have not been completely settled, so there is a need to highlight the contexts. The concepts and the contexts are discussed in Table 24.3.

The concept of private acquaintances ('Блат') typical of the region in a historical socio-cultural aspect and closely linked with nepotism is examined by

Brandišauskas (2005). It is noted, however, that there is a tendency in Lithuania to search for the roots of nepotism in not so much distant historical past. The extent of nepotism, as corruption, in Lithuania is often associated with the influence of the socialist system.

**Table 24.2 – Concept Contexts of Rogue Organizational Management Phenomena**

Concept	Context	Source
Private acquaintances ('Блат')	Corruption, cultural, historical phenomenon	Grigas, 2003; Brandišauskas, 2005.
Nepotism	Recruiting relatives in the private sector, the cause of the conflict in the organization	Pruskus, 2003.
Nepotism	Corruption as well as bribery, favouritism, illegal lobbyism in the public sector	Piliponytė, 2004.
Private acquaintances ('Блат'), nepotism, favouritism	Abuse of service status in the public sector	Palidaukaitė, 2006.
Nepotism, political favouritism, manipulation	Corruption and anti-systemic manipulation, creative adaptation avoiding risk in recruiting people from outside in the public sector	Pivoras, 2012.
Nepotism	Discrimination (treatment with exception) in organizations of the public and private sector, taking care-of a-close one -social system transfer into the public space	Vveinhardt, 2012a; 2012b.
Nepotism, favouritism, protectionism	Protectionism both in the public and private sector, establishment of exceptionally favourable conditions for the representatives of a certain social network	Vveinhardt, Petrauskaitė, 2013a.
Nepotism	Symptom of a 'sick' organization culture in the public and private sector	Vveinhardt, Petrauskaitė, 2013b.

*Source:* by J. Vveindhardt (2013).

A sign of smartness and shrewdness was seen in the ability of bypassing the system, managing of economy, etc., and misappropriating organization property. These relics, indicating levelled values have remained quite bright. For example, in everyday speech, the semantics of the phrase 'official working' includes private businesses, too, as if separating 'my own' from what is not 'my own'. It means there is less value in what is not my own. As Palidaukaitė states (2006), the changes that occurred in the societal system, the importance of the private acquaintances ('Блат') culture, love, contacts and misuse of occupational status did not disappear. The motivation for such activity remained similar, but the activity itself became known as corruption, nepotism, favouritism and a conflict of interest. However, the ethical problem of the phenomenon treatment of the problem remains, especially when it

comes to the private sector. Nepotism, favouritism in public sector is directly linked to corruption, but in the private sector, the situation is changing, it is attempted to justify it by arguments in one way or the other. In other words, corruption in one sphere becomes 'as if no corruption' in another sphere, although the content of the phenomenon has not really changed. It is only localization that changes. Such assessment is a fierce ethical dilemma for not only business, but also for the society as a whole, which tolerates nepotism in one area or another (Vveinhardt, 2012a).

Malašenko (2009) states that in the regions of Russia, which is home to semi-traditional communities, corruption and the so-called phone line right is several times more relevant while kinship and nepotism often replace the law. The existence of clans and clusters is associated with quasi-familial structures that were typical of prior feudalism belonging to which becomes a social elevator. As pointed out by many researchers, this is typical of Russia and leads to nepotism, corruption and an inefficiently functioning social system. (Nemirovskij, Nemirovskaja, 2011). Nonetheless, the phenomenon is not only typical of the post-soviet countries, though in fact it is noted that the farther to the East, in Asia, the stronger is nepotism. In addition, when examining nepotism in the cultural aspect, strong manifestations associated with tribal cultural structure are highlighted in the organizations of African and Latin American countries (Ulrik, 2012). In some cultures, entrepreneurs and managers recruit relatives while other cultures escape from the tolerance of nepotism, as well also prohibit it by law (Johnson, Abramov, 2005). However, research and on-going debate show that nepotism is not confined to developing countries. Chervenak, McCultough (2007) noted that the notion of nepotism comprises favouritism, which manifests itself in the behaviour with others, especially, with subordinates, basing on family ties. Nepotism in the broad sense also means showing favour to others who, if even not connected by family ties, consider themselves superior than other colleagues. Nepotism is in final medical course, nepotism is postgraduate medical studies, nepotism is at universities and in hospitals, nepotism is in medical research, nepotism is in scientific publications and in payments. The research carried out by Ferlazzo and S. Sdoia (2012) shows that nepotism is an acute problem prevailing not just in medicine but in other spheres of activities as well.

According to Chervenak and McCultough (2007), it has been proved that there is a bias in providing awards for achievements in Swedish Scientific Society, showing that women are being discriminated. It appears that this is a manifestation of certain European cultural traditions, when a doctor or a professor is considered to be the intellectual father, or, as the Germans would say - Doktorvater. It includes favouritism, which is based on irrelevant personal relationships, for example, a resident-applicant is someone's spouse or a child, and thus nepotism in the appointment and in the acceptance by health education centres is seen as ethically suspicious (in the best case), or ethically inappropriate or even - in the worst case - illegal.

So, usually the analysis by both Lithuanian and foreign authors is focused on the public sector. The problems of nepotism in the private sector have been dealt with in Western countries for decades. Ewing (1965) pointed out half a century ago that nepotism in the leadership is a very sensitive and risky topic of the US business



world. It can be felt not only in the development of leadership, promotion or control. Not only because of the image of business and public relations, but also when it comes to leaders who have or would like to have their relatives in management positions. Business world finds it extremely difficult to talk about this problem because it is very important in the broadest sense. What is the real status of nepotism in business? What is its 'right' size?

## **24.7 Damage of Nepotism Positive Connotation to Organizations**

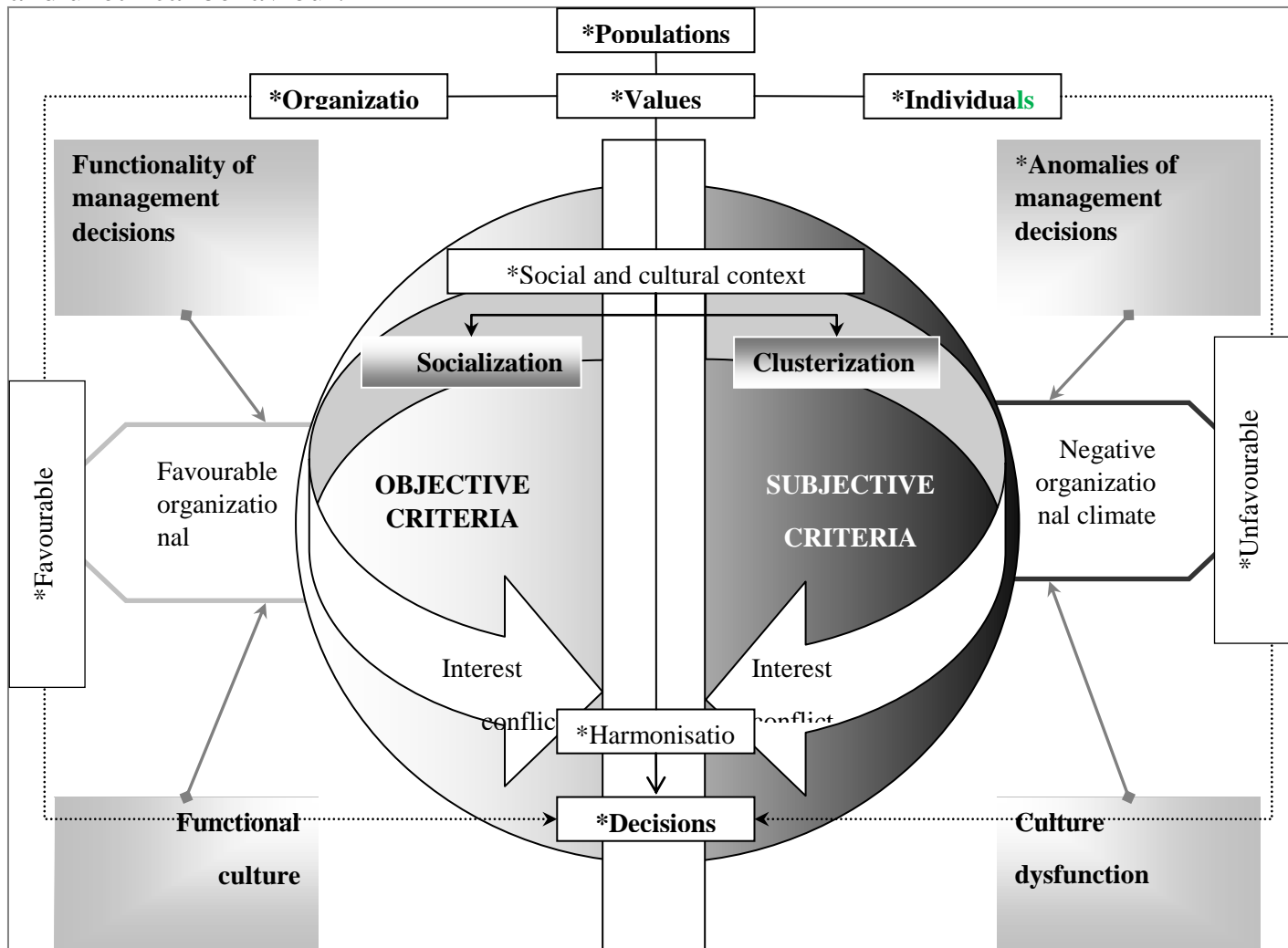
Business all over the world is guided by the logic that water is running where it is lower, and it is due to human nature. In addition, as it has already been noted, the explanations by the heads of public organizations often remind of sophistry that leads nowhere. Therefore, the discussion about the benefits and the damage of nepotism has not yet reached the optimal result. However, if transparent and reliable communication processes involving all the links and related by feedback are not organized in the organization, it can be expected that employees themselves will start looking for the reasons of the decisions, and, there is no doubt that they will interpret them while looking for the logical relations in the field of personal interests of the management personnel.

A nepotistic decision includes subjective motifs by decision-makers, which leads to the risk of causing damage to the reasons of the motif balance. In the ideal case, the balance of the objective and subjective decision criteria should be guaranteed by high categories of decision-makers. However, such a model would be too theoretical and would not give higher guarantees as moral categories remain an X at an individual level. In addition, to ensure confidence and a favourable climate in the organization would be difficult. Such situations can become derivatives of decreasing loyalty of employees to the organization, job satisfaction, conflicts, increasing rotation and a complicated image of the organization in the eyes of the community, partners and consumers (Picture 24.2).

Culture affects many a decision made by managers of organizations, and also includes a conflict of interest arising from nepotism (Johnson, Abramov, 2005). Therefore, the organizations have to evaluate objective and subjective criteria. However, in this process, the formation of the objective criteria in the context of the organization is related to the active actions of the managers.

All this, in one way or another, affects a psycho-social climate in individual departments and organizations that in some sense represents the culture of the organization itself, and determines the interaction between the members of the organization or the clusters. Thus, there exists a vague grey zone X, in which values play the most important role. Morality, despite the drawn trajectories of values, social and moral behaviour, itself is a variable depending on the culture and its component sub-cultures or single individuals, and thus does not guarantee stability. Stability or balance is created by the development of the system of values oriented to openness and equal rights. Publicity, openness, clarity and equality of rights are the characteristic features of ethics. Nepotism represents a double standard, non-equality

and unethical behaviour.



**Picture 24.3 – Relationship of objective and subjective criteria leading to the management decision making with the impact on organizational climate**

Source: designed by J. Vveinhardt (2013).

\*Supplemented by J. Vveinhardt (2016).

The objective of socialization is an objective criterion, leading to the alignment of interest. In contrast, the tension is built by clusterization in accordance with subjective interests, thus causing a conflict between personal and organizational interests. Nepotism as a dysfunction of management culture and a management anomaly reduce the efficiency of the human resources in the organization. Socializing stabilizes while clusterization appears to be a cause of misbalance. The decisions have either a positive or a negative impact on an organizational climate and represent both the managerial and the organization-wide culture.

According to Chervenak and McCultough (2007), there exist two main reasons why nepotism would be possible to oppose. The first reason is incompetence while the second is the discriminatory aspect of such action. The authors in the opposition to nepotism argue that also in the case when a person is qualified, he/she can be taken to work, be granted the privileges just due the family ties shared with any of the authorities of a medical school or residency. Personal interests are highly subjective, changing and confusing when you want to select the most qualified candidate as

recruitment cannot be rationally linked to trust and legally justified interests of the organization. Therefore, such personal interests on the basis of which a decisive solution is taken become a cause of discrimination as it is easy to understand why health education centres often have policies that prohibit nepotism and why there is a negative connotation when it comes to this phenomenon. For this reason, recruiting employees and making a final decision a rise is given to discrimination. Taking this ethical analysis into account, it is easy to understand why policies prohibiting nepotism are complied with. Because, as it has already been mentioned, a clear aspect of discrimination or unequal treatment is highlighted in the case of nepotism.

Nepotism is not only discriminatory but also distorting the principles of competition, which is the stimulus of any organization both at the staff and the market levels. The individual, in possession of certain knowledge or skills, which allow him to halve the costs of production is involved in producing it, and having made its price lower at least by a quarter, makes a huge service to the public, not only because of the reduction in price, but also because of additionally reduced costs. However, we can say that only in the presence of competition these costs will decrease (Hayek, 2002).

However, the nature of the social phenomenon influences the ethical evaluation and the positive treatment of the phenomenon in the business sector promotes public tolerance also to nepotism in the public sector. In order to strengthen the intervention into nepotistic relations, considerably more attention should be paid to the analysis of this phenomenon in the private sector, investigating not only ethical, but also the practical aspects of the impact on the organizational climate, the economic activities and the education of business executives, with emphasis on economic and moral losses of business organization (Vveinhardt, 2012b). Chervenak and McCultough (2007) emphasize in the study of the medical sector that experience has shown in some cases the occurrence of nepotism when hiring incompetent academic staff, providing admission privileges to doctors who are incompetent or low competent, recruiting unqualified or poorly qualified specialists to working in medical schools and residency. The results were found very much dissatisfying with those who were responsible for the services provided by hospitals or medical schools as they wanted to protect their patients / clients from troubles and thus validate the organizational interest. Those who benefit from nepotism are possibly protected from accountability and sanctions, because they have powerful guardians and thus the risk for patients, morale and productivity is only increased. However, the authors pose the question of whether always speaking about nepotism must be a negative connotation. Unskilled or insufficiently qualified doctors and trainees, in the absence of any need, took risk of health and life of their patients, which clearly damaged trust in regard to patients. Incompetence also repels or even eliminates all the other doctors and negatively affects their morale and productivity.

According to Kaufman (1983), employers may be more inclined to employ friends (or one of friends of their employees) than a stranger, paying him or her same amount of salary for several reasons. According to the theory of economic discrimination invented by Becker (1962), employing friends may be beneficial to employers, even if it is not in monetary terms. The benefit of this logic is rather vital

especially due to higher confidence in man being in close interaction. It is believed that a relationship of friendship will shift into an employee - employer relationship, and some of the financial aspects might be redeemed by moral ones.

According to Rees (1996) and many others, employing friends (or friends of current employees) may also be a financial benefit, or help employers to save. The newly employed might possibly feel extra pressure that they have to work well (thus increasing their productivity) so that not to disappoint their benefactor. Friendship also provides a reliable and relatively inexpensive source of information about job seekers; as the present employees do not want make the employer angry by recommending friends who might be worse candidates for the position to occupy. Recommendations by trusted friends are the replacement of potentially costly source of information, including references by former employers or teachers, transcripts of academic records and previous work experience. As such sources of information are more difficult to reach, or are more expensive, employers would prefer making use of their friends for monetary reasons.

Nevertheless, according to the theory by Becker (1962), employers who are practicing nepotism can get lower cash income compared with those who are not. Nepotism not only affects the internal field of employees' competitiveness in the organization. Discriminatory exclusion undermines an organizational climate. Many other principles as well as the evaluation of employees, career, job task distribution and control become unclear and questionable.

This is a signal by the management that the desired objectives of the organization can be achieved not by increasing competence and improving performance but using other ways that might not necessarily be ethical. Despite attempts to justify nepotism, this phenomenon is to be negatively treated not only in the public sector organizations, but also in private business, as one of the factors that have a negative effect on the organizational culture. Nepotism violates the functionality of the organizational processes (Vveinhardt, Petrauskaitė; 2013b). Ulrik (2012) noted that managers always have the opportunity to choose from several methods of leadership, for example, putting up with nepotic ambiguities or strengthening a modern organization.

Becker (1962) hoped that the economic logic and the principle of survival in the long run will eliminate the employer nepotism. If all employees were homogeneous and agreed to work for lower wages, if they could work together with their friends, all the companies would become isolated, as in this case employees in all companies would be friends. In addition, all employees would be paid the same amount of salary. On the other hand, if the workers were heterogeneous and the qualified staff worked for lower wages, if they could work together with unskilled workers, then the low-skilled workers who are not friends to the skilled might possibly be recruited, if only they agreed to work for lower wages.

The study by Ferlazzo and Sdoia (2012) showed that there are quite many who admit that nepotic relationships are harmful. Ewing (1965) stated that most of the authors are sceptical about the practices of recruiting relatives to leadership positions in the business world. The scientists of American Management Institute have difficulty to understand how a company can generally tolerate any form of nepotism

if they consider their management to be working perfectly. When some articles about nepotism appeared in *The Wall Street Journal*, *Fortune*, *Sales Management* and other dailies, the examples of nepotism as well as other bad *experience* forthwith became a hot topic for the items (e.g., "Large Nephews Price"). Moreover, practices of employing relatives in leadership positions are in contrary to some of the values advocated by businessmen. As Ewing (1965) stated, many managers believe that this kind of practice is not democratic as those who will argue are nepotists themselves or the guardians to the nepotists (i.e., that senior managers next of kin to the nepotists).

## **Conclusions and Discussion**

Nepotism comes from social relations that have naturally formed in different groups a group collective self-defence mechanism that encourages defending and protecting the interests of its representatives. Tribal, family and local criteria in modern societies are supplemented by many other criteria that are based on indirect monetary benefit exchange that allows forming a rather closed clan. When evaluating in the public context, nepotism ethically can be considered as a certain social dysfunction and discrimination. Nepotism is characteristic to many socio-cultures, although it manifests itself differently depending on the traditions and civil as well as moral maturity of the society. For this reason ethical dichotomy of nepotism evaluation is selective. Social nature of the phenomenon influences ethical evaluation; positive treatment of the phenomenon in business sector promotes social tolerance to nepotism in the public sector. When strengthening intervention to nepotic relations, significantly more attention should be paid to the analysis of the phenomenon in private sector, exploring not only ethical but also practical aspects of the impact on the organization's climate and economic activity as well as losses of business companies executives' education, emphasizing economic and moral business organizing.

In the Lithuanian public discourse nepotism is usually discussed as a corrupt agreement in the public sector, interchangeably with the concept of 'Блат'. This kind of treatment of the phenomenon is not sufficient enough and excludes private sector organizations. In Lithuanian public life deeply-rooted nepotism is associated with systemic-historical heritage of the socialist system, which has levelled values of society, but broader studies involving the inherent mechanisms of the phenomenon are needed. Institutionalization of the phenomenon in the Lithuanian legal system is not sufficient to effectively prevent it; organizations need management culture change in both public and private sectors. Since nepotism is a social and cultural phenomenon, management culture of public sector organizations depends directly on the treatment of it in the private sphere.

Nepotism phenomenon is often attributed to developing countries with a strong peasant, tribal culture, but nepotic relation issues are relevant to economically strong, developed countries in Europe and North American continents. Weaker than in other regions expression of nepotism is to be treated as a result of the development of organizational culture. Just like in the studies by Lithuanian authors the phenomenon

of nepotism focuses more on the public sector and the treatment of the phenomenon in business sphere still remains debatable. In scientific studies there is a lack of more developed analysis of the discriminatory aspects of nepotism, thus there remains an under-exploited opportunity to prevent nepotism, especially when it is conveyed not in direct but in disguise forms. Nepotism in the public sector is connoted as unambiguously negative, but in the business case there exists a grey area, which together tells about liability of values and moral conformity. The logic of nepotism in business, which is the part of the same society system, remains controversial and the vice of management culture in business practice is underestimated. It is associated with human resources logic in the efficient organization, organizational climate condition and the impact on performance.

## References

1. Antinienė, D., Lekavičienė, R. (2012). *Socialinės kompetencijos samprata ir dinamika pastarąjį dešimtmetį: Lietuvos studentų tyrimas. Psichologija. Psychology*, 45, 89–102. [The dynamics of social competence in the last decade: a research of Lithuanian students, in Lithuanian].
2. Arasli, H., Tumer, M. (2008). *Nepotism, favoritism and cronyism: a study of their effects on job stress and job satisfaction in the banking industry of North Cyprus. Social Behavior and Personality*, 36(9), 1237–1250.
3. Bagdonas, A., Lazutka, R. Vareikytė, A. Žalimienė, L. (2007). *Skirtingi, bet lygūs visuomenėje ir darbuotėje. Monografija. Vilnius: VU Specialiosios psichologijos laboratorija, Lietuvos darbo rinkos mokymo tarnyba. [Different, but Equal in the Society and in the Workplace, in Lithuanian]*.
4. Becker, G. (1962). *Comments on article by A. Alchian and R. Kessel, „Competition, Monopoly, and the Pursuit of Pecuniary Gain“. In: Aspects of Labor Economics. Princeton, N.J.: Princeton University Press.*
5. Brandišauskas, D. (2005). *Neformalūs korupciniai santykiai šiandieninėje Lietuvoje: sampratos ir praktikos (bandymai analizuoti blato raidą). Lietuvos istorijos studijos. Lithuanian history studies*, 15, 70–79. [Informal networks of corruption in contemporary Lithuania: between practice and interpretation (an attempt to study evolution of blat), in Lithuanian].
6. Budak, J., Rajh, E. (2014). *Corruption as an obstacle for doing business in the Western Balkans: a business sector perspective. International Small Business Journal*, 32(2), 140–157.
7. Bute, M. (2011). *The effects of nepotism and favoritism on employee behaviors and human resource management practices: a research on Turkish public banks. Amme İdaresi Dergisi*, 44(1), 135–153.
8. Čepulis, N. (2009). *Akivaizdaus tapatumo kerai. Religija ir kultūra. Religion and Culture*, T. 6, 1(2), 84–101. [Charms of evident identity, in Lithuanian].
9. Chervenak, F. A., McCullough, L. B. (2004). *An ethical framework for identifying, preventing, and managing conflicts confronting leaders of academic health centers. Journal of the Association of American Medical Colleges Academic medicine*, 79(11), 1056–1061.

10. Chervenak, F. A., McCullough, L. B. (2007). *Is ethically justified nepotism in hiring and admissions in academic health centers an oxymoron? The Physician Executive*, 33(5), 42–45.
11. Christodoulou, I. (2008a). *Nepotism in medicine and the concept of franchising. The International Journal of Medicine*, 1(2), 58–61.
12. Christodoulou, I. (2008b). *The end of a bloody black period for Greek medicine. The International Journal of Medicine*, 1(1), 3–5.
13. Colarelli, S. M. (2013). *Nepotism in organizations. Personnel Psychology*, 66(3), 785–789.
14. Cornblit, O., Di Tella, T. S., Gallo, E. (1968). *A model for political change in Latin America. Social Science Information*, 7(2), 13–48.
15. Daukilas, S. (2008). *Metodologinės paradigmos ir pedagoginės technologijos: individualumo ir socialumo ugdymas. Profesinio rengimo: tyrimai ir realijos. Professional Training: Research and Realia*, 16, 40–50. [Methodological Paradigms and Pedagogical Technologies: Development of Individuality and Sociability, in Lithuanian].
16. De Massis, A., Kotlar, J., Frattini, F., Chrisman, J. J., Nordqvist, M. (2016). *Family governance at work: organizing for new product development in family SMEs. Family Business Review*, 29(2), 189–213.
17. Dheer, R., Lenartowicz, T., Peterson, M. F., Petrescu, M. (2014). *Cultural regions of Canada and United States: implications for international management research. International Journal of Cross Cultural Management*, 14(3), 343–384.
18. Drury, A. C., Kriekhaus, J., Lusztig, M. (2006). *Corruption, democracy, and economic growth. International Political Science Review*, 27(2), 121–136.
19. Ewing, D. W. (1965). *Is nepotism so bad? Harvard Business Review (January/February 1965)*, 223–226.
20. Ferlazzo, F., Sdoia, S. (2012). *Measuring nepotism through shared last names: are we really moving from opinions to facts? Plos One*, 7(8), 1–6.
21. Galkienė, A. (2012). *Nepriklausomos Lietuvos jaunimo harmoningos visuomenės tapsmo samprata. Pedagogika. Pedagogy*, 107, 31–41. [Harmonious society development phenomenon in the conception of youth growing in the independent Lithuania, in Lithuanian].
22. Geniušas, S. (2009). *Ethics as second philosophy, or the traces of the pre ethical in Heidegger's being and time. Santalka. Filosofija. Coactivity. Philosophy*, 17(3), 62–70.
23. Gilinskiy, Y. (2006). *Crime in contemporary Russia. European Journal of Criminology*, 3(3), 259–292.
24. Greblikaitė, J., Navickaitė, I. (2012). *Enterprise ethics: does it guarantee effective ethical managerial decisions? Management Theory and Studies for Rural Business and Infrastructure Development*, 1(30), 60–71.
25. Grigas, R. (2003). *Šiuolaikinio lietuvių nacionalinio būdo bruožai. 2. Nerimą keliančios trajektorijos (sociofinė kritinė apžvalga). Filosofija. Sociologija. Philosophy. Sociology*, 1, 22–30. [Features of contemporary national Lithuanian character. 2. Worrying trajectories (sociofinic critical review), in Lithuanian].
26. Hsueh, R. (2012). *China and India in the age of globalization: sectoral*

variation in postliberalization reregulation. *Comparative Political Studies*, 45(1), 32–61.

27. Jabbara, J. G. (2008). The global context of our globalizing world. *International Review of Administrative Sciences*, 74(1), 147–158.

28. Jaros, S. (2012). Nepotism in organizations. *Management Learning*, 43(3), 362–365.

29. Johnson, K., Abramov, I. [Абрамов, И.] (2005). Деловая этика. Руководство по управлению ответственным предприятием в развивающейся рыночной экономике. Вашингтон: Министерство торговли США.

30. Jones, R. G., Stout, T. (2015). Policing nepotism and cronyism without losing the value of social connection. *Industrial and Organizational Psychology-Perspectives on Science and Practice*, 8(1), 2–12.

31. Kalenda, Č. (2009). Taikomoji etika: iškilimas ir ypatybės Lietuvoje. *Filosofija. Sociologija. Philosophy. Sociology*, 20(1), 55–62. [Applied ethics: emergence and peculiarities in Lithuania, in Lithuanian].

32. Karakose, T. (2014). The effects of nepotism, cronyism and political favoritism on the doctors working in public hospitals. *Studies on Ethno-Medicine*, 8(3), 245–250.

33. Kaufman, R. T. (1983). Nepotism and the minimum wage. *Journal of Labor Research*, 4(1), 81–89.

34. Kuzmickas, B. (2011). Individo kultūrinis tapatumas. *Problemos*, 80, 65–74. [Cultural identity of an individual, in Lithuanian].

35. Lietuvos korupcijos žemėlapis [Map of Corruption in Lithuania, in Lithuanian] (2011). Available at: [http://www.stt.lt/documents/soc\\_tyrimai/Korupcijos\\_zemelapis.pdf](http://www.stt.lt/documents/soc_tyrimai/Korupcijos_zemelapis.pdf) [2016-15-02].

36. Lietuvos nacionalinės atsparumo korupcijai sistemos tyrimas [Study of the Lithuanian National System of Resistance to Corruption, in Lithuanian] (2012). Available at: [http://www.transparency.lt/new/images/lietuvos\\_nacionalines\\_atsparumo\\_korupcijai\\_sistemas\\_tyrimas.pdf](http://www.transparency.lt/new/images/lietuvos_nacionalines_atsparumo_korupcijai_sistemas_tyrimas.pdf) [2016-05-02].

37. Lietuvos respublikos darbo kodekso patvirtinimo, įsigaliojimo ir įgyvendinimo įstatymas [The Law on Approval, Entry into Force and Implementation of the Labour Code of the Republic of Lithuania, in Lithuanian], 2002 m. birželio 4 d. Nr. IX–926 (Aktuali redakcija nuo 2012–12–01). Available at: [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=437930&p\\_query=&p\\_tr2=2](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=437930&p_query=&p_tr2=2), [2016-05-02].

38. Lileikis, S. (2005). Altruizmo prigimtis ir ugdymas. *Soter*, 15(43), 111–118. [Nature and upbringing of altruism, in Lithuanian].

39. Lukošaitis, A. (2011). Lobizmas užsienio šalyse ir Lietuvoje: teisinio reguliavimo ir institucionalizacijos problemos. *Politologija*, 2(62), 3–42. [Lobbying in Lithuania and abroad: the problems of legal regulation and institutionalization, in Lithuanian].

40. Malašenko, A. [Малашенко, А] (2009). Рамзан Кадыров: российский политик кавказской национальности. Москва: РОССПЭН.

41. McGoldrick, T. (1998). *Episcopal Conferences Worldwide on Catholic*



*Social Teaching. Theological Studies*, 59(1), 22–50.

42. Melnikas, B. (2002). *Transformacijos. Monografija*. Vilnius: Vaga. [Transformations, in Lithuanian].

43. Mutlu, K. (2000). *Problems of nepotism and favouritism in the police organization in Turkey. Policing-An International Journal of Police Strategies & Management*, 23(3), 381–389.

44. Nemirovskij, V. G., Nemirovskaja, A. V. [Немировский, В. Г, Немировская, А. В.] (2011). *Социальная структура и социальный капитал населения Красноярского края: монография*. Красноярск: Сибирский федеральный университет.

45. Palidauskaitė, J. (2005). *Korupcijos ir atsakomybės problema viešojo administravimo sistemoje. Viešoji politika ir administravimas. Public Policy and Administration*, 13, 25–38. [Problems of corruption and responsibility in public administration, in Lithuanian].

46. Palidauskaitė, J. (2006). *Korupcijos sklaidos formos Lietuvoje: tarp sovietinio palikimo ir rinkos padiktuoto pragmatizmo. Viešoji politika ir administravimas. Public Policy and Administration*, 18, 57–71. [Spread of corruption in Lithuania: between soviet legacy and market pragmatism, in Lithuanian].

47. Palidauskaitė, J. (2008). *Vertybinis valstybės tarnautojo profilis šiuolaikinės Lietuvos politinės kultūros kontekste. Politologija. Political Science*, 2(50), 23–52. [Profile of Civil Servant Values in the Context of the Modern Political Culture in Lithuania, in Lithuanian].

48. Palidauskaitė, J. (2011). *Ethical problems in public life and their solution: Lithuanian scenario. Socialiniai mokslai. Social Sciences*, 1(71), 15–23.

49. Palidauskaitė, J., Staponienė, V. (2005). *Rinkos ir demokratijos vertybių susidūrimas valstybės tarnyboje: priešprieša ar suderinamumas? Ekonomika ir vadyba: aktualijos ir perspektyvos. Economy and Management: Issues and Perspectives*, 5, 292–295. [The Collision of Market and Democracy Values in the Public Service: Confrontation or Compatibility? in Lithuanian].

50. Palmer, D. K., Fleig-Palmer, M. M. (2015). *Integrating trustworthiness for a more nuanced understanding of nepotism and cronyism. Industrial and Organizational Psychology-Perspectives on Science and Practice*, 8(1), 22–27.

51. Patel, L., Wilson, T. (2004). *Civic service in Sub-Saharan Africa. Nonprofit and Voluntary Sector Quarterly*, 33(4), 22S–38S.

52. Pearce, J. L. (2015). *Cronyism and nepotism are bad for everyone: the research evidence. Industrial and Organizational Psychology-Perspectives on Science and Practice*, 8(1), 41–44.

53. Perkumienė, D., Raupelienė, A. (2008). *Ethics and working culture of employees in the public sector. Organizacijų vadyba: sisteminiai tyrimai. Management of Organizations: Systematic Research*, 46, 99–116.

54. Raupelienė, A., Perkumienė, D. (2007). *Problems of the ethical and working culture of employees in public sector. Ekonomika ir vadyba: aktualijos ir perspektyvos. Economy and Management: Issues and Perspectives*, 1(8), 248–252.

55. Piliponytė, J. (2004). *Korupcija: teoriniai bandymai apibrėžti ir paaiškinti. Sociologija. Mintis ir veiksmai. Sociology. Thought and Action*, 2, 83–95.

[Corruption: Theoretical Experimentation Defined and Explained, in Lithuanian].

56. Pivoras, S. (2012). Konkursinės atrankos į Lietuvos valstybės tarnybą tobulinimas gero valdymo iššūkių perspektyvoje. *Viešojo politika ir administravimas. Public Policy and Administration*, 11(3), 473–487. [Improving the competitive selection for civil service in Lithuania with respect to the challenges of good governance, in Lithuanian].

57. Pruskus, V. (2003). *Verslo etika*. Vilnius: Enciklopedija. [Business Ethics in Lithuanian].

58. Pučėtaitė, R. Lämsä, A. M. (2008). Developing organizational trust through advancement of employees' work ethic in a post-socialist context. *Journal of Business Ethics*, 82(2), 325–337.

59. Pučėtaitė, R. Lämsä, A. M., Novelskaitė, A. (2010). Building organizational trust in a low-trust societal context. *Baltic Journal of Management*, 5(2), 197–217.

60. Ralys, K. (2010). Šeima kaip vertybė katalikų tikėjimo, amžiaus ir lyties aspektu. *Ugdymo psichologija. Educational Psychology*, 21, 42–48. [Family as the value in aspects of catholic faith, age and gender, in Lithuanian].

61. Rees, A. (1966). Information Networks in Labor Market. *American Economic Review*, 56, 559–566.

62. Rubin, M. (2011). Perceptions of corruption in the South African housing allocation and delivery programme: what it may mean for accessing the State. *Journal of Asian and African Studies*, 46(5), 479–490.

63. Safina, D. (2015). Favouritism and nepotism in an organization: causes and effects. Edited by: Iacob, AI. Conference: 2nd Global Conference on Business, Economics and Management and Tourism (BEMTUR). Book Series: *Procedia Economics and Finance*, 23, 630–634.

64. De Chardin, P. T. (2008). *The Phenomenon of Man*. Harper Perennial Modern Classics.

65. Solovjovienė, K., Barkauskienė, R. (2006). Mokymosi negalių turinčių vaikų socialinės kompetencijos ypatumai. *Specialusis ugdymas. Special Education*, 2(15), 55–63. [Features of Social Competence in Children with Learning Disabilities, in Lithuanian].

66. Spukienė, R., Urbonien, L. (2011). Development of corporate social responsibility in Lithuania: present situation and future perspectives. *Economy Transdisciplinarity Cognition*, 14(1), 81–88.

67. Tijūnėlienė, O., Jonutytė, I. (2009). Skirtingo išsilavinimo tėvų nuostatos į vaikų socialinės kompetencijos ugdymą(si) priešmokykliniame amžiuje. *Socialinis ugdymas. Social Education*, 9(20), 70–83. [Attitudes of parents with different education background to development of social competence at pre-primary age, in Lithuanian].

68. Toliušienė, J., Peičius, E. (2007). Changes in nursing ethics education in Lithuania. *Nursing Ethics*, 14(6), 753–757.

69. Ulrik, K. S. (2012). The anthropology of nepotism: social distance and reciprocity in organizations in developing countries. *International Journal of Cross Cultural Management*, 12(2), 247–265.

70. Vasiljevienė, N. (2004). *Etikos infrastruktūros diegimas sveikatos*

priežiūros organizacijose. Vilnius: Ciklonas. [Implementation of the Ethics Infrastructure in Health Care Organizations, in Lithuanian].

71. Vasiljevienė, N. (2006a). Organizacijos etika kaip naujų vadybos technologijų raiška. *Organizacijų vadyba: sisteminiai tyrimai. Management of Organizations: Systematic Research*, 37, 169–184. [Organizational ethics as a new phenomenon of managerial technologies, in Lithuanian].

72. Vasiljevienė, N. (2006b). Organizacijų etika: institucinės etikos vadybos sistemos. Vilnius: Ciklonas. [Organizational Ethics: Institutional Ethics Management Systems, in Lithuanian].

73. Vosyliūtė, A. (2010). Moterys: vienišumo reikšmės. *Lyčių studijos ir tyrimai. Gender Studies & Research*, 8, 109–115. [Women: meanings of loneliness, in Lithuanian].

74. Vveinhardt, J. (2012a). Nepotism variations: public and private sectors. *Достижения высшей школы '2012. Achievements of Higher Education Institution*, 28–34.

75. Vveinhardt, J. (2012b). Nepotizmo vertinimo dichotomija: socialinės ir etinės dimensijos. *Organizacijų vadyba: sisteminiai tyrimai. Management of Organizations: Systematic Research*, 64, 123–134. [Nepotism evaluation dichotomy: social and ethical dimensions, in Lithuanian].

76. Vveinhardt, J. (2013). Diskriminacinis nepotizmo kontekstas: prieštaringa konotacija organizacijų valdyme. *Studijos šiuolaikinėje visuomenėje. Studies in Modern Society*, 4(1), 63–72. [Discriminatory context of nepotism: controversial connotation in management of organisations, in Lithuanian].

77. Vveinhardt, J., Petrauskaitė, L. (2013a). Nepotizmo, favoritizmo ir protekcionizmo trianguliacijos koncepcinis modelis. *Organizacijų vadyba: sisteminiai tyrimai. Management of Organizations: Systematic Research*, 65, 137–148. [A conceptual model of nepotism favoritism and protectionism triangulation, in Lithuanian].

78. Vveinhardt, J., Petrauskaitė, L. (2013b). Išsigimusių organizacijos kultūrų ir nepotizmo organizacijose išvalgos. *Management Theory and Studies for Rural Business and Infrastructure Development*, 35(1), 151–161. [Insights of degenerate organizational cultures and nepotism in the organizations, in Lithuanian].

79. Wenneras, C., Wold, A. (1987). Nepotism and sexism in peer-review. *Nature*, 387(6631), 341–343.