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## Human Nature, Cooperation, and Organizations

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Jones and Stout (2015) have shed much needed light on an organizational reality that industrial and organizational psychologists have unfortunately not paid much attention to: nepotism and cronyism (or what Jones and Stout have called social connection preference; SCP). Jones and Stout (2015) have

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made a good case (a) that SCP is pervasive, (b) that there are good reasons to believe that policies (and beliefs) against SCP are frequently counterproductive, (c) that SCP involves compelling moral dilemmas, and (d) that there are workable solutions to dealing with these moral dilemmas. I would like to offer a few observations about some additional issues involved in SCP: bias against SCP; SCP and cooperation; and nepotism, altruism, and personnel decisions criteria.

It might be useful to reflect on why nepotism and cronyism have received so little attention from industrial and organizational psychologists. Perhaps we view them as an unpleasant invasion (Muchinsky, 2012). In a field that prides itself on studying job-relevant variables, nepotism and cronyism throw a monkey wrench into industrial and organizational psychologists' view of how organizations should work. Nepotism, or at least the common conceptions of it, suggests that a non-job-relevant factor, kinship, trumps job-related factors in making personnel decisions; with cronyism, it is friendship. Since Weber (1947) and Taylor (1911/1967), bureaucratic rationality has been the principal analytic and normative basis of our understanding of modern organizations. Decision criteria based on group membership, personal affinity, trust, and kinship ties seem incompatible with impersonal decisions based on task requirements and skill sets.

Yet organizations are fundamentally cooperative systems in which people work together to achieve goals that could not be achieved by individuals acting alone (White & Pierce, 2015). To operate effectively, people in organizations must at a minimum cooperate with one another. Although a rational bureaucratic view of organizations acknowledges the importance of cooperation, this view is based on social exchange—tit-for-tat (Etzioni, 1975). Kin and kith, on the other hand, are more ancient and enduring cooperative systems in which cooperation is based on a fundamental concern for the others' welfare. The family, of course, is the earliest and most fundamental human cooperative system. Cooperation among kin is powerful because it is based on altruism, or what evolutionary psychologists and biologists call kin selection. Kin selection is differential altruism toward kin over nonkin (and toward close kin over distant kin). Natural selection favors individuals who incur costs to help another when it is in their self-interest. When an individual assists her kin, she is helping to ensure that a portion of her own genes will survive into the future (Hamilton, 1964a, 1964b).

A likely reason for the staying power of SCP is that it stems from an evolved, functional logic. Over time, these practices are probably more often than not beneficial to organizational, group, and individual interests (Nicholson, 2015; White & Pierce, 2015). Kin selection is a fundamental driver of cooperation in and around organizations (Yang, Colarelli, & Holston, 2011). Family members are more likely than nonfamily member to help

entrepreneurs, as are close kin over distant kin. A somewhat similar, though less potent, dynamic occurs with friends. Friendship groups evidence more cooperative behavior than do acquaintance groups (Jehn & Shah, 1997).

Organizations that can adapt to environmental contingencies and meet the needs of workers are likely to survive and prosper (Sperber, 1996). Organizations are more likely to do so when people interact frequently, trust one another, and communicate more openly and honestly—and people are more likely to do this when they like and have a strong connection with one another. This dynamic of trust, comfort, and open communication has been shown to facilitate effective problem solving and performance. For example, Jehn and Shah (1997) found that groups of friends outperformed groups of acquaintances, primarily because friendship groups evidenced more communication and cooperation. Trust, communication, and cooperation are particularly important in management and executive teams—and in other situations in which people must work together as a team to jointly solve problems and implement solutions.

Research in leader–member exchange theory supports the idea that people in organizations gravitate toward friends and that this can result in positive outcomes. Leaders prefer subordinates who are members of the leader's in-group (people they like, trust, and share similar values with—i.e., friends) over those in outgroups. Leaders communicate more frequently with in-group members and exchange higher quality information with them. Moreover, a higher quality leader–member exchange results in subordinates with lower turnover, greater organizational commitment, better job attitudes, and higher performance evaluations (Graen & Uhl-Bien, 1995).

The ultimate source of altruism and cooperation is concern for offspring and close kin. This may also help explain the pervasiveness of nepotism in personal decisions. Although the pros and cons of nepotism are typically framed around its effects on job performance (e.g., giving preference to a relative when she is not the most qualified candidate), it might be helpful to take a broader view. Job performance, particularly incremental performance, may not necessarily be the most salient or important outcome to a business owner—particularly to the owner of a family business. For family business owners, the business is often a vehicle for the long-term reproductive success of the family (Nicholson, 2015). From the perspective of a family business owner, the ability to improve the odds that his or her offspring will have sufficient resources for bearing and raising healthy children—future generations of his family—is more important than increments in performance. In most cases, then, hiring, promoting, or giving special privileges to a close family member (particularly a son or daughter) would take precedent over doing the same for a nonfamily member whose performance might be somewhat superior. Nepotistic selection criteria improve the odds for the owner's

genetic legacy. Certainly, if hiring, promoting, or giving special favors to incompetent offspring or other kin would jeopardize the business, then it would not make sense (from either a business or a biological perspective) to do so. However, in all likelihood, for the reasons that Jones and Stout (2015) and I have articulated, the effects of most instances of nepotism would probably be benign.

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