

Nepotism, cronyism and unethical networking

 By [Kay Vittee](#)

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It's not what you know, it's who you know is a phrase we often hear and use when referring to getting that proverbial foot in the door of a business, either in terms of finding employment or forging business partnerships.

Networking, we can all acknowledge, is beneficial in corporate relationships, but when these same relationships are also personal or social, the benefits derived from them can become unethical and even harmful to the business.

In an economic climate in which it is exceedingly difficult to find a job, it may seem harmless to recommend a relative or friend for a position in your company. It is even seen as beneficial as it saves costs of recruiting and training, and also reduces the chances of staff turnover as these relatives or friends can be more committed to the organisation.

When the person recommending a relative or friend for the job is in a position of authority or is involved in the recruitment process and the relative or friend is recruited regardless of qualifications for the job, then it becomes nepotism (partiality to relatives) or cronyism (to long-standing friends), respectively.

A clear bias

These instances are unethical because they overlook people qualified for the position, are not based on merit and show a clear bias towards the personal relationship.

A culture of nepotism or cronyism will only stunt the growth of a business. The "outside" employees will recognise the lack of fairness within the business. It will reveal to them that benefits, opportunities or promotions are not based on merit, which will demotivate them to perform as they will no longer have an incentive to work hard. This will reduce the overall productivity of the company. This injustice can also cause a business to lose its best employees as their resentment will lead them to seek fair opportunities elsewhere.

In addition, it becomes a problem for other managers who are not able to execute fair treatment to their subordinates because they are connected to and receive the protection of someone of authority in the company. It also gives these connected employees a sense of entitlement and that the consequences do not apply to them.

An alternative agenda

Connected employees may also suffer from stress as they will be constantly scrutinised for signs of incompetence and suspected for having an alternative agenda when they try to put their ideas forward or form office friendships.

Providing opportunities that are not merit based means that managers will not give other employees a chance to develop or shine, thus not raising the level of competency of employees or that of the business. Fast-tracking under-qualified individuals into critical roles erodes the company's leadership skills.

There are many ways in which nepotism and cronyism can negatively impact a business' performance levels and, hence, its bottom line. While "who you know" is an acceptable in-road today, "what you know" will yield the best results.

ABOUT KAY VITTEE

Kay Vittee is the CEO of Quest Staffing Solutions.

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