

## Use of the Ishikawa Diagram to Understand the Employees' Perceptions towards Nepotism in Tourism and Hospitality Industry

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### Abstract

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**Purpose** – Nepotism is an old social phenomenon that exists in many societies. It was associated with the human need to secure the requirements of their life and improve their social life. Nepotism is the practice between those with control of favoring relatives or friends, by providing them specific jobs. This research aims at understanding the impact of nepotism on employees' perceptions in tourism and hospitality industry.

**Design** – This study used cause–effect model (Ishikawa diagram) to investigate employees' perceptions towards nepotism in tourism and hospitality industry. The conceptual framework is used as a tool to structure the layout of the analysis. This led to the development of a model for the perceptions of employees towards nepotism in tourism and hospitality industry. **Methodology** –This research used a qualitative analysis with purposive sampling technique. Interviews with human resource managers in selected hotels and travel agencies in Egypt were implemented. **Findings** – The main finding is nepotism has major negative impacts on employees in tourism and hospitality industry as it affects job satisfaction, job stress, job commitment, tourism and hospitality organizational citizenship, performance and employee's turnover. Finally, this research provides some recommendations and managerial implications to investors and managers in tourism and hospitality industry in order to overcome the nepotism.

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**Keywords:** Ishikawa diagram, Employees' perceptions, Nepotism, Tourism and hospitality industry

### 1. Introduction

Nepotism is the doing of favor towards relatives or friends by giving them specific jobs, positions or awards without considering other objective criteria. In an organization, nepotism is defined as an unjustified preference for a relatives, friend or other specific people (Boadi, 2000). Nepotism occurs in the private sector, where a manager seeks to favor someone over others. In tourism and hospitality industry, nepotism is popular (Abubakar et al., 2017). This is because the subjectivity characteristics of this industry. Moreover, tourism and hospitality industry are relying primarily on human resources. Therefore, the influence of nepotism in tourism and hospitality industry is significance (Arasli *et al.*, 2006).

This research is critical for understanding the effects of nepotism in the developing countries. Nepotism is considered one of the main factors that contribute to the failure of tourism and hospitality industry in those countries (Büte, 2011). The purpose of this research is to answer the following research questions: What circumstances influence the nepotism in tourism and hospitality industry. Therefore, this work aims to investigate the employees 'perceptions towards nepotism in the tourism and hospitality industry in order to identify and understand the different causes and effects of nepotism in this industry.

To achieve the aim of this research paper, the following objectives were developed:

- To undertake a critical review of relevant literature on the nepotism and its impact on the employees' perceptions in tourism and hospitality industry.
- To develop a methodology of cause and effect model (Ishikawa diagram) to determine the causes of nepotism and its effect on employees' perceptions in tourism and hospitality industry.

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- To analyze in depth the key issues relating to the causes-effects on employees' perceptions towards nepotism in tourism and hospitality industry.
- To present recommendations for managers, owners and employees to avoid the impacts of nepotism on tourism and hospitality industry.

## 2. Literature review

### 2.1 Human resources and nepotism

According to (Abubakar et al., 2017), to achieve the objectives of tourism and hospitality organization, the human resources department helps the managers to identify, achieve, develop, evaluate, maintain and retain human capital. The purpose of human resources management is to get the staff to contribute to the strategies of the organization. Therefore, human resources executives play a growing role in the management of tourism and hospitality companies (Goldberg, 1982). In the tourism and hospitality industry, nepotism intervenes frequently, especially when those executives hire, promote, motivate employees through nepotism (Secilmis and Uysal, 2016). Isaed (2016) indicates that the best way to eliminate nepotism is to apply a professional policy, so that all employees are hired based on their qualifications, potential, and knowledge acquired. However, nepotism constitutes an administrative fault, implies a civil liability but not criminal. (Erdem and Karatas, 2016).

For example, Keleş et al., (2011) identify recruitment policies which are considered as a code of conduct for the company that willing to execute in the search of the best candidates such as each employee must keep absolute confidentiality regarding the provided information.

### 2.2 Nepotism in tourism and hospitality industry

Nepotism is to ask for help in accomplishing something that is done by someone who has influence and can help to achieve what is required of a person who cannot achieve it by himself (Berger-Tal, 2015). Nepotism is happening through a person who has a relationship with or interest in doing a favour (Demaj, 2012).

There are two types of nepotism: Good nepotism: is to help someone to obtain a right that he or she deserves, or a condition that he or she must not fulfil or help to obtain that does not harm others. Bad nepotism: is to obtain a right that he does not deserve or to excused from a right that he must pay, which harms others (Safina, 2015). In the study prepared by (Abubakar et al., 2017), concludes that nepotism affects tourism and hospitality companies internally and externally. Externally, they provide a negative image and little credibility. It affects internally, as these acts cause great harm to the services provided by them.

A study conducted by Elbaz et al., (2018) stated that corruption is one of the challenges facing tourism and hospitality industry and the most widespread type of corruption is nepotism. Tourism and hospitality businesses need to reconsider seriously the appropriate measures to control nepotism because of its impact on the working environment (Bourne and Aldossari, 2016). Nepotism have a negative impact on employees such as the killing of the talent and creativity of a lot of staff when he sees the distinction between employees in recruitment, starting to discrimination in the use of the advantages of working such as training courses and promotion (Ewing, 1965). Nepotism and favoritism disrupt the productivity of many employees because of lack of motivation to work. This is because of their feelings of discrimination and injustice (Ford and McLaughlin, 1986).

Stoddard (Mutlu, 2000) studied what constitutes nepotism and how nepotism can be spread among companies in the private sector. The study reached that the environment that help for the spread of nepotism is administrative corruption and weak laws and regulations, as well as the absence of criteria for the principle of equal opportunities and incentives.

Nepotism has serious negative effects, and those negative effects include the following: (Kiechel, 1984)

- 1-The weakness of tourism and hospitality organizational citizenship due to the felling that a person cannot obtain a right (work, service or grant) that he has the right and the qualifications necessary for it, while another person receives less efficient and less capable, may not have the conditions for obtaining it. The lack of justice and equal rights (Grilli and Allesina, 2017) might contribute to the weakness of tourism and hospitality organizational citizenship.
- 2-The prevalence of misconception leads to laziness and lack of seriousness in work, which kills the ambition of some employees simply because they believe that everything depends on nepotism.
- 3-The prevalence of nepotism may lead to the commission of bribery to finish transactions quickly.

4-The effects of nepotism may be extended to include economic corruption, which is the weakness of production, lack of development, and the failure of economic and industrial institutions and trade, and the most dangerous result of nepotism is the spread of unemployment, and the resulting social, moral and economic problems (Firfiray et al., 2018).

Khatri and Tsang (2003) identified several kinds of nepotism in the workplace. He explained that nepotism is the practice of hiring family members regardless of their qualifications. Nepotism is considered negative because of its effect not only to the tourism and hospitality organization but also to the other employees. The following are the effect of nepotism in the workplace.

### **1-Decline company performance:**

When the employees are hired because of nepotism and not because of certain skill qualifications and then not being able to perform the job, then nepotism becomes counter-productive (Jones and Stout, 2015). And if the executive staff begins hiring family members because they need jobs, not because of their qualifications and ability, and then such practices can affect the company's profitability or performance.

### **2-Tourism and hospitality organizational Conflict:**

When employees perceive the favoritism and nepotism to be widespread, such situation may lead to tourism and hospitality organizational conflict. It would not only be conflict between other employees and favored employees but also with the executive or management and employees. If such situation happens, then working environment becoming not conducive for other people to work.

### **3-Resentment and demoralization:**

One of the primary effects of workplace favoritism and nepotism on employees is resentment. Workers feel that, no matter how hard they work, it will not matter because preferred employees will always get better benefits, more attention and greater opportunities. They feel that they are not recognized and appreciated. They feel bad and discouraged. Nepotism is not a new issue in the world of business (Ewing, 1965). The tourism and hospitality organizations represent social entities, where interpersonal relationships are necessary among collaborators and subordinates (Pearce, 2015). It is true that of these social relations, not all will be totally "Equitable", but will be influenced by the level of closeness or compatibility that have with people. However, the conflict arises when these shared interests and compatibility generate perceptions of preferential treatment to some people (Loewe et al., 2008).

The study of (Bute, 2011) about nepotism in banks identified that the effect of nepotism is not equal for all employees. The nepotism has impacts on the productivity of qualified employees, job satisfaction, job performance, organizational commitment and intention to quit (Quinovic, 2016). The cause of nepotism is unfair work environment which might lead to high employees' turnover (Kuznar et al., 2015). Secilmis and Uysal (2016) investigated the issue of nepotism in tourism industry in Turkey. They suggest that there is no relationship between nepotism and organizational justice. Moreover, there is a significance positive relationship between employees' perceptions of fair workplace environment and empowerment in order to develop employee's satisfaction (Seçilmis and Uysal, 2016).

Erdem, B. and Karataş (2015) highlighted that in tourism and hospitality industry, there are many factors affecting the employees' perceptions towards nepotism such as providing some staff with the advantage of flexible working hours can affect job satisfaction and intention to quit the job

## **2.3 Nepotism in developing countries**

Mohamed and Hamdy (2008) studied about the corruption in developing countries, including Arab countries and pointed out that the causes of this phenomenon back to distortions in economic policies, defects in the judicial system, and defect in laws and regulation. The corruption in developing countries different from that in the developed countries, where it is considered something familiar, and often socially acceptable. The study has been reached several recommendations to deal with corruption in the Arab and developing countries as follows:

- Increase public awareness of the dangers of corruption, and the need to fight it.
- The political leadership's commitment to fighting corruption and nepotism.
- The support of all organizations and social institutions and political leadership positions in the fight against corruption and nepotism.
- Publish the facts about corruption and nepotism to the public.

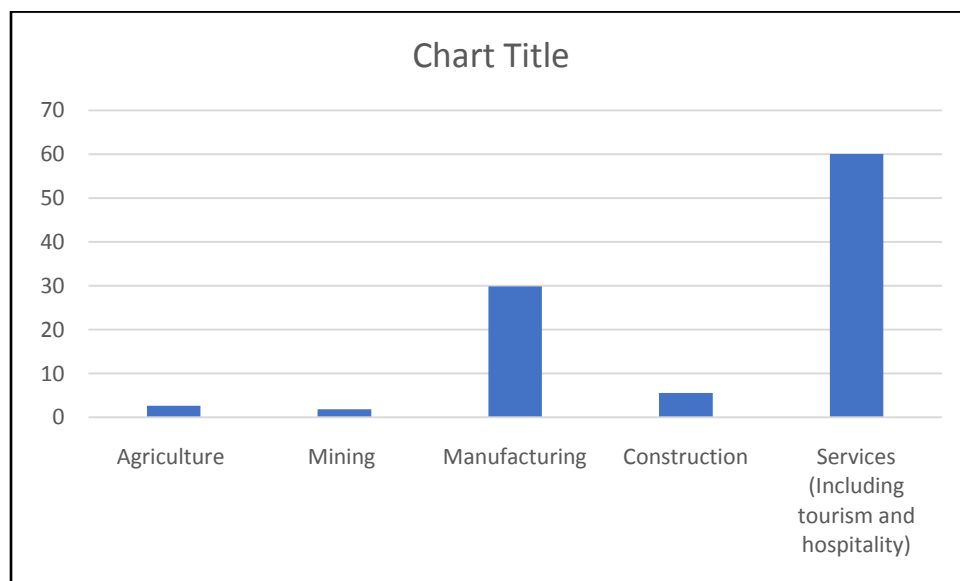
Diwan et al., (2013) studied about the phenomenon of nepotism in organizations in Egypt, and what it caused in the Egyptian society, and its impact on the life of the Egyptian citizen and the loss of the rights of talented people as a result of nepotism. The study found that the results of the nepotism led to the dominance of the rich people in banks and in the important jobs and getting high salaries. Nepotism have a long history in Egyptian society, which paved the way for corruption and creating the spirit of opportunism and hatred among people who have no nepotism. In addition, the study concluded that this phenomenon, nepotism, was a lifestyle in Egyptian society, and that most of the society suffers from corruption and crimes are a natural result of this phenomenon (Abubakar et al., 2017).

Demaj (2012) studied about the nature and types of the nepotism in developing countries. The study reached that:

- There are types of nepotism with no value and no effect.
- There are types of nepotism does not violate the law and does not bring benefit to the citizen.
- There are levels of nepotism in which benefits are exchanged between two decision-makers.
- The nepotism has been explored in the community so that there is a need for nepotism to obtain nepotism.

Nepotism is harmful and damaging to the tourism and hospitality organizations (Elbaz et al., 2018). It means giving special privileges to colleagues and friends in various human resource aspects. For example, in the areas of recruitment, selection, career plan and personal decisions (Loewe, 2008). It is a broad social phenomenon and difficult to control in tourism and hospitality industry, especially in cultures that place a high value on interpersonal relationships, particularly to friends (Sadozai, et al., 2012). In Egyptian culture, it happens a lot, since society works through interpersonal relationships based on power and often determined by levels of influence (Diwan et al., 2013). Likewise, Nepotism occupies an important level in Egyptian society, especially when someone holds a high position or title in the tourism and hospitality organizational hierarchy. On the other hand, the Egyptians seek to join a group and socialize, creating strong emotional bonds generating the so-called "Wasta" (Mohamed and Hamdy, 2008).

On the other hand, (Figure 1) illustrates a comparison by economic sector in Egypt with relation to the percentage of nepotism in each sector (Diwan et al., 2013). It indicates that there has been a significance level of nepotism in services industries including tourism and hospitality industry. Mainly the services industries including tourism and hospitality (60%), followed by the manufacturing sector (30%), followed by the construction sector (5%), followed by agriculture sector (3%), followed by mining sector (2%). According to Diwan et al., (2013), the level of nepotism in tourism and hospitality industry is 30% from the total percentage of services industries in Egypt. This percentage includes travel and tour operators, hotels, restaurants and other related tourism and hospitality industries. It is important to recognize that these findings corroborate the fact that there are high levels of nepotism in tourism, and hospitality.



**Figure 1: Nepotism comparison by economic sector in Egypt**

Adopted from Diwan et al., 2013

### 3. Methodology

#### 3.1 Qualitative approach

The present research will use a qualitative research methodology in order to use the Ishikawa diagram as a tool to understand the employees' perceptions towards nepotism in tourism and hospitality industry (Yin, 2015, Coccia, 2018). Qualitative research method used is interviews conducted with human resources managers (Lewis, 2015). The selected companies correspond to different sectors of the tourism and hospitality industry and have been randomly selected. Therefore, a sample from human resources managers in hotels and travel agencies in Egypt were selected for conducting the interview. 10 hotels (3 and 4-star hotels) in Cairo were selected randomly. In addition, 10 travel agencies were selected randomly for the same purpose. The interview questions were semi-structured which means that they have an established format, but they are flexible, and the questions will be adapted as they evolve. This qualitative approach allows to give depth to the analysis and to better understand the causes-effects of nepotism in tourism and hospitality industry (Silverman, 2016). The justification of using qualitative methods approach in this study is to discover emerging dimensions through explanatory design and achieve the triangulation (Taylor, 2015).

According to Glesne (2015), this research is going to use the following methodological steps in order to create the final Ishikawa diagram:

1. Define the potential problems, causes and effects of nepotism in tourism and hospitality industry through interviews.
2. Study the results of the interview.
3. After collecting all the information, organize them into main and secondary causes. After that, eliminating unimportant ones.
4. Create the Ishikawa diagram
5. Mark what is most important to achieve the goal that is intended from this research.

#### 3.2 Ishikawa Diagram

To develop a conceptual framework for the employees' perceptions towards nepotism in tourism and hospitality industry, this study defines the causes and sub-causes for nepotism in the form of Ishikawa diagram. Ishikawa diagram is a cause-and-effect diagram which used to indicate the different causes of a particular event. It is considered as a tool used for a cause and effect analysis to spot the interaction between causes. It was created by Ishikawa (1990) in the field of management.

According to (Shinde et al., 2018), the cause-effect diagram, also called Ishikawa or fishbone diagram, is a simple tool widely used in quality. Kaoru Ishikawa was the one who created the diagram in 1943 and used it into verify the dispersion in the quality of products and processes. It is a tool that allows the identification and analysis of the potential causes of process variation or the occurrence of a phenomenon, as well as how these causes interact each other (Ilie and Ciocoiu, 2010). It is also widely used for analysing organizational problems. Ishikawa diagram is the analysis that clarifies the relationship between the factors of cause in the process and effects such as quality, cost, productivity, etc. It tries to discover the cause factors that hinder the smooth functioning of processes (Suárez-Barraza and Rodríguez-González, 2018).

Lira et al., (2017) indicated that Ishikawa diagram used as a tool to present the causes of a problem in fishbone shape within the following 4 Ms: Method, Labour, Materials and Machinery. In the area of service management, there are basic categories used which are: procedures, staff, policy, measurement and the environment. The use of the cause and effect diagram is to identify the potential problems in order to deal with them in the best possible way.

The design of the diagram will be straightforward, through developing categories which depend on horizontal axis and subcategories which turn out from them. Ishikawa diagram is used in general as a tool to acknowledge the causes of quality deficiencies (Shinde et al., 2018). (Figure 2) illustrates the initial cause-effect analysis of the employees' perceptions towards nepotism in tourism and hospitality industry. The main categories identified are work environment, recruitment, training and development, HR policy and culture. These main causes have sub-categories which explain the root cause of nepotism in tourism and hospitality industry and they will be explored in the next section.

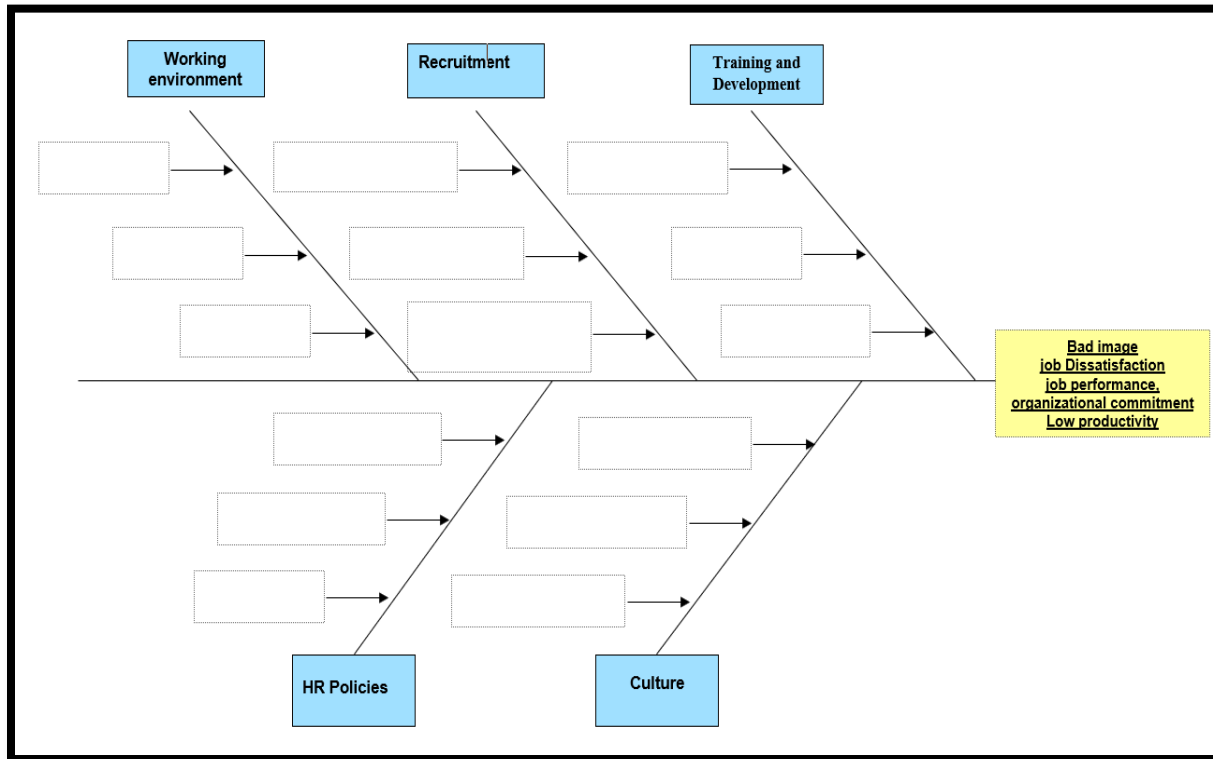


Figure 2: A conceptual framework of Ishikawa diagram

#### 4. Results, discussion and recommendations

##### 4.1 Qualitative analysis

The qualitative analysis was made based on the structured information collected through an interview with the human resources managers participating in the research. The extracted data were analysed through the analysis of its content (Taylor et al., 2015). To develop the results, five categories were developed based on the conceptual framework of Ishikawa diagram. "Codes" were created for the purposes of the qualitative analysis for each interviewee.

For example (HRMT1, HRMT2, HRMT3, etc... for travel agencies human resources managers and HRMH1, HRMH2, HRMH3, etc... for hotels human resources managers). The representation of the codes and their relationships help the analysis, interpretation and explanation of results. The categories that emerged from the conceptual framework are presented explicitly with the support of several examples of quotations (Lewis, 2015). In each interview, each category is explored through semi-structured questions. Once the interviews were carried out, they were transcribed and analysed.

The results are exposed from five categories named: working environment, recruitment, training and development, HR policies and culture. It is noted how employees have a different perception towards nepotism in tourism and hospitality industry.

The findings revealed that nepotism occurs under various situations within the tourism and hospitality organization, however, one of the interviewed human resources managers mentioned that

*"Nepotism is almost something invisible that can interrupt the decision-making on issues such as job promotion, salary increase, incentives, social preferences, labour daily problems, gender discrimination. However, in most cases it happens because of the lack of policies, procedures and indicators that guide hospitality organizational culture"*

(HRMH3)

This agrees with Abubakar et al., (2017) when they mentioned that if processes and standards are lacking in the tourism and hospitality organization or if they exist with little clarity and transparency, gives the opportunity for nepotism to be happened.

*"When the employees perceive the way in which the travel agencies carry out the organizational procedures is unethical, can have serious effects such as negative feelings, anger, frustration, low morale, affecting internal collaboration, low commitment"*

(HRMT7)

#### 4.1.1 HR policies

The results showed that for most employees, nepotism occurs as a result of the lack of equity and clarity in the rules, policies and processes within the tourism and hospitality organization. It is important to mention that for the employees, this in-equality occurs mainly in the processes of promotions, recruitment and selection (Arasli et al., 2006).

On the other hand, it highlights the fact that many managers within the tourism and hospitality organizations justify the nepotism because of relying on those staff of their teams. *This situation may be true in many cases. However, if it is carried out it is possible to fall into the fact of not identifying and strengthening the talent of the other members of the team. Finally, nepotism is charged to certain areas of hospitality organizations generally towards commercial / sales areas, or those considered as strategic for the hospitality organization* (HRMH5).

The main technique to avoid nepotism is to create clear rules, processes, regulations and standards. This technique aim is to make sure that tourism and hospitality organizational policies are transparent and are communicated to all the staff (Erdem and Karataş, 2015). In this way, employees will know what the tourism and hospitality organization expect from them, and what they can expect from the tourism and hospitality organization.

*"There are tour operators which obtained the highest rates in terms of absence of nepotism as they have implemented strategies that promote fairness and avoid nepotism"*

(HRMT9)

Also important are those strategies that ensure objectivity in evaluation of performance process (Demaj, 2012). *"the orientation of your company towards the results generates that they establish quantitative and qualitative metrics that guarantee the performance of employees. It is important that promotions and performance evaluations are calibrated between managers and directors so that trying to promote an employee who does not deserve it, is practically impossible"* (HRMH1).

Some hotels make sure to apply appeal channels that aim to provide employees with the opportunity to have fair treatment and to ensure justice (Abubakar et al., 2017).

*"An example is a hotel that has a mechanism called process of fair treatment guaranteed. This internal process of four stages of appeal begins at request from an employee within the previous week he/she has felt unfairly treated. In the second stage, human resources department investigate the case thoroughly and calling witnesses if necessary. In the third stage, the human resources department is ensuring that the processes are carried out properly and the rights of all parties are respected. In the fourth stage, if the involved parties are not satisfied with the decisions of human resources department, the employee can appeal again to another committee in the hotel"*

(HRMT6)

Nepotism is a debated issue and difficult to deal with in tourism and hospitality organizations, mainly because it is a phenomenon that occurs in the human being and in a service industry which is very sensitive (Elbaz et al., 2018). However, it is possible that those organizations can reduce this phenomenon by establishing fair and objective mechanisms and communication to ensure that processes are transparent, clear, and respected throughout all the staff from operational levels to executives.

#### 4.1.2 Recruitment

Every tourism and hospitality company should have a strict policy of recruiting as it should be done through a skilled staff who have the required qualifications to make an objective selection of the staff to meet the organization goals.

This can be a skilled staff from the company or also a provider of recruiting services. Even so, after putting together the short list for the vacancy, who finally decides the candidate is the panel from the executives

*"Recruitment and hiring of family and friends generate nepotism. This destroys the equity in the travel agencies, motivation and harmony within the workplace. Moreover, those low-skilled employees because of not having knowledge and skills for the position brings inefficiency, poor performance, and high training and contracting costs"*

(HRMT8)

*Many hotels are applying transparent job posting processes. They advertise fairly their available vacancies, in which it is perfectly explained what the requirements are and what the evaluation method will be. In addition, a communication is sent via e-mail to describe who are the people who will be implement the interview and their knowledge and what factors were decisive in the decision. At the same time, they are sent an e-mail to the participants explaining the reason why they were not the ones chosen.*

(HRMH10)

One of the interviewed hotel managers mentioned that the hotel trains their leaders about the identification of staff talent.

*In our hotel and as part of the succession program of positions and career progression, a new talent identification program was developed. This program allows managers, senior managers and directors to identify their potential candidates and allow the control of their professional development according to their previous experience, while allowing the employee to evaluate himself objectively to look for new opportunities within the hospitality organizations. The important thing about this program is that manager and employee work together in their professional development and no matter if the employee decides not to seek a managerial position. What is intended is to develop employees even if they keep their current position.*

(HRMH6)

Some tourism and hospitality businesses tend to fill vacancies with members of their own family or relatives which do not would cause problems if applied in the same process as in applicants without family relationship. However, some organization hire their family members without taking into consideration the qualifications and skills of the prospective candidate.

"It is very influential, delegate functions of a position of high responsibility to a person who lacks the necessary skills to take decisions, poor performance can cause economic losses, crisis in the work, and family problems as well"

*"Develop personnel hiring policies in an appropriate manner in order to limit nepotism used within the company. The importance of implementing the policies lies in the efficiency with achieving the objectives and mission of the company"*

(HRMT1)

#### **4.1.3 Training and development**

*Promotions typically represent a sense of reward for employees which generates motivation and satisfaction. Therefore, if this process is not fair and includes nepotism, it will cause a low morale in hotels.*

(HRMT6)

*There are also travel agencies that establish clear internal promotion policies, based on the job profiles, the performance and seniority of the employees, thus giving everyone the opportunity to be promoted.*

(HRMT10)

A restaurant is applying a very fledged technique to manage the allocation of talented employees. *We have a tool allows us to objectively measure the performance and potential of each employee. This will help us to direct the training, as well as the development plans and compensation* (HRMH7).

#### **4.1.4 Culture**

*Performance evaluations create bases for most of personnel decisions. In many cases, the evaluation of performance may be affected by the subjectivity of the evaluator. Such subjectivity is typically generated by interpersonal relationships, as well as implications of nepotism. The employees by not being evaluated objectively and based on specific metrics, they will feel frustration and injustice, and will perform their work inefficiently.*

(HRMH4)

Nepotism based on personal relationships is considered one of the highest reasons that employees in tourism and hospitality sector asserted. *For example: employees may perceive the preference for promotions is not depending on experience or knowledge but on personal relationships with managers.* (HRMT4)

A manager of one of travel agencies mentioned that

*"it is important to start up diverse practices that allow to be an inclusive company, of non-discrimination and nepotism such as gender equity policies, integration activities, as well as expression forums in conjunction with the General Directorate, allowing the interaction of the whole company without importing hierarchical levels promoting the improvement of the work culture "*

(HRMT8)



On the other hand, another way to avoid nepotism is by having ethical respect to the processes and standards established by the tourism and hospitality organization, and that can identify and develop the talent of the members of their teamwork. *The desire to work and give extra effort in a job is depending on the fair treatment received by the managers.* (HRMH4)

There is strong evidence linking the managers and leaders with fairness and objectivity to overcome the nepotism.

*Our travel agency is worrying about that their leaders whether they are trained about issues of fairness and leadership or not. Our company as part of its leadership development process, provides them training to generate a work culture characterized by trust, which emphasizes the importance of impartiality in their work teams.*

(HRMT9)

#### 4.1.5 Working environment

Nepotism has a strong relationship with giving some benefits for specific employees in terms of salaries, permits and flexible schedules. *For example, a lack of Social hypocrisy with others in workplace might lead to prevent some employees for specific benefits in the travel agencies. In this sense, it is necessary that the system of motivation and benefits is correctly elaborated in objective rubrics* (HRMT6).

Other strategies implemented by tour operators are aimed at ensuring that the compensation system is fairly conducted. For example, there are travel companies that create their system of incentives so that employees feel that they are paid fairly for the work they do regardless of their role or position.

*Instead of the incentives being flexible, there is a planned structure in which 50% of the employee's bonus is fixed, based on the principle that all staff contributes to the success of hotels, regardless of what position or hierarchical level it occupies. The next 50% is based on the individual performance. In relation to promotions, there are mechanisms that favour transparency and diminish the nepotism. Examples of this are the practices that include the implementation of Talent Matrices.*

(HRMH10)

#### 4.1.6 Effects of Nepotism

Nepotism in general hinders the development of norms, rules, as well as the trust in the tourism and hospitality organization. Also, as a result of nepotism, there may be cases where there is unrecognized talent within the tourism and hospitality organization, which it is blocked by the lack of opportunities causing a talent drain.

Nepotism practices generate high levels of stress in the tourism and hospitality organization, resulting in low levels of job satisfaction, and increases the intentions of quitting the job. Moreover, those practices might lead to high costs of turnover and talent drain in the tourism and hospitality organization. The tourism and hospitality organizations that present high levels of nepotism are likely to be inefficient and have little chance of surviving in a competitive environment.

### 5 Conclusions and Recommendations

#### 5.1 Conclusions

The purpose of this research is to understand the employees' perceptions towards nepotism in tourism and hospitality industry using qualitative approach. Ishikawa diagram (cause-effect model) was used to develop the final model (Figure 3). The findings revealed that the employees' perceptions toward nepotism in tourism and hospitality industry are high especially with working environment, recruitment, training and development, HR policies and finally the organizational culture. With regards to the working environment, there are many issues affecting the employees' perceptions toward nepotism such as administrative corruption, flexible working hours, unfair staff rewards.

With regards to the recruitment, weak employment contract, informal job interviews, hiring of relatives or friends, talents identification and recruitment policy are the major factors affecting the employees' perceptions towards nepotism in tourism and hospitality industry. With reference to training and development, the findings revealed that lack of training and development, favouritism of promotions and favouritism in staff training are considered the major causes perceived by employees towards nepotism in tourism and hospitality industry. With respect to HR policies, there are many factors affecting the employees' perceptions toward nepotism in tourism and hospitality industry such as no clear policies, weak regulations, lack of equal rights and fairness.

In relation to organizational culture, this research found that weak organizational citizenship, nepotism as a lifestyle and interpersonal relationship are considered the main drivers for nepotism in tourism and hospitality industry. To conclude, (Figure 3) is representing the final Ishikawa diagram based on the qualitative analysis which clarify the main causes and sub causes affecting the perceptions of employees towards nepotism in tourism and hospitality industry. Moreover, this diagram is illustrating the main effects of nepotism on employees in tourism and hospitality industry. This diagram was accomplished through a qualitative approach. Interview analysis with human resource managers in the selected tourism and hospitality organizations to identify the main and sub causes of nepotism and it effect on employees in tourism and hospitality industry. The Ishikawa Diagram was used to identify the problems and causes found in the employees’ perceptions of nepotism in tourism and hospitality industry. Five crucial problems and subcategories were identified:

- 1-Working environment
- 2-Recruitment
- 3-Training and development
- 4-HR policies
- 5-Organizational culture

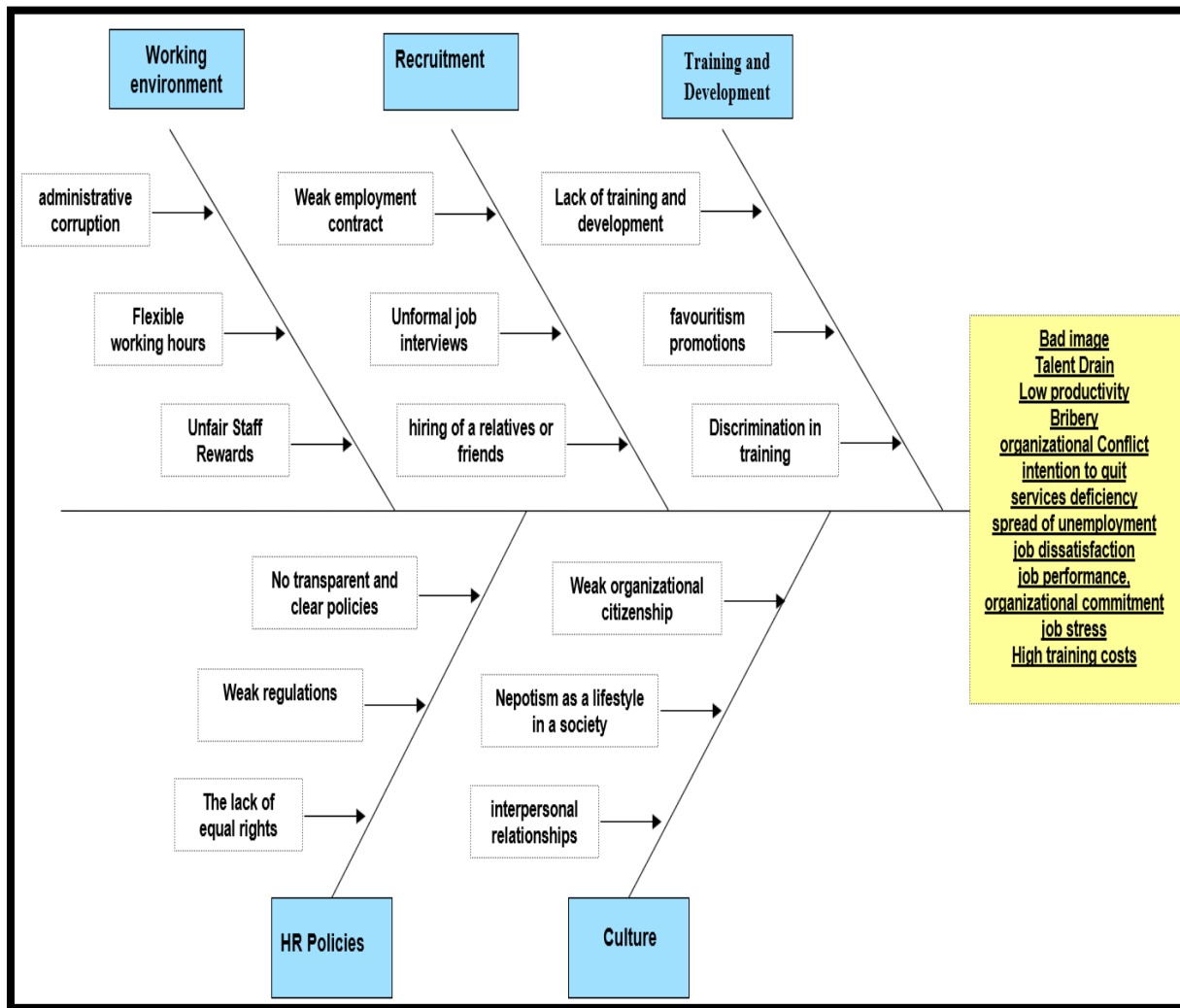


Figure 3: Ishikawa diagram of the employees’ perceptions towards nepotism in tourism and hospitality industry

## 5.2 Recommendations

From the conclusion and findings, the following Ishikawa diagram (Figure 4) can be used as a helpful tool to establish treatment strategies for nepotism in tourism and hospitality industry. The following recommendations are developed based on Ishikawa model:

- The organizations should develop the working environment in order to face nepotism by having fair incentives system, fair schedules and fair management.
- The recruitment process should be very professional through having a recruitment policy, talent identification program, policy for interviews and finally not hiring relatives or friends until passing their formal recruitment system.
- The training and development should be direct as per employee's needs. Promotion policy should be published in the organization and all employees should go through it and even family or relative members. Discrimination in training should be avoided by providing all employees with equal opportunities to join training and development programs.
- HR policies should be clear and work regulations should have specific standards. Fairness and equality should be included in the HR policy.
- Organizational culture should be developed by providing the employees with the sense of citizenship. Training programs should be directed to the staff to teach them the bad impact of nepotism in workplace. Interpersonal relationships should be in the formal format and should be created with limitations.

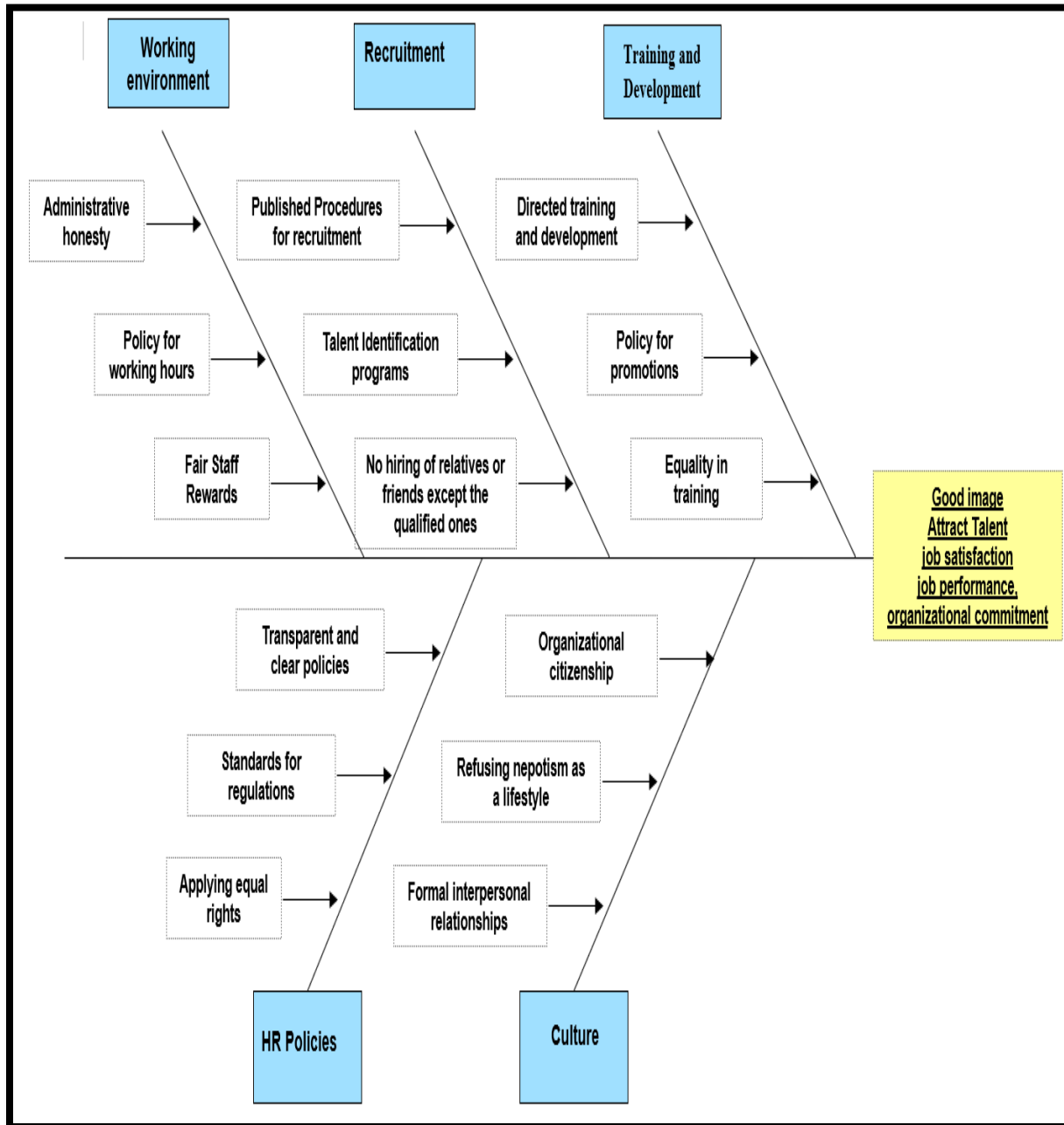


Figure 4: Ishikawa diagram of treatment strategies for nepotism in tourism and hospitality industry

### 6. Limitations of the research

This research is limited to tourism and hospitality industry. Therefore, other industries might be investigated in the future research. This research is applied to tourism and hospitality in general. Therefore, future research might be applied to specific sectors in tourism or hospitality industry such as fast food restaurants or family tourism companies. This research only covers the perceptions of employees. Hence, other researchers may investigate nepotism from different perspectives. This research is using cause-effect model (Ishikawa diagram). Future research may use other models such as Pareto analysis, histograms or statistical process control.

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