NEPOTISM, EXPECTED ALTRUISM, AND EMPLOYEE THEFT: FAMILY IN, FORTUNES
OUT? AN EVOLUTIONARY PERSPECTIVE

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A thesis submitted in partial fulfillment of
the requirements for the degree of
Master of Arts

Department of Psychology

ACKNOWLEDGEMENTS

ABSTRACT

NEPOTISM, EXPECTED ALTRUISM, AND EMPLOYEE THEFT: FAMILY IN, FORTUNES OUT? AN EVOLUTIONARY PERSPECTIVE

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This thesis explored, through an evolutionary lens, whether nepotism could explain various aspects of employee theft in a family-owned business (FOB). This research is warranted because employee theft is costly, FOBs are prevalent, and research on nepotism is lacking in the industrial and organizational psychology literature. A final sample of 163 participants (52% male) completed the study. Participants, who were randomly assigned to a nepotism condition (i.e., full, partial, or non-nepot), responded to items about whistleblowing behavior, sanction severity after theft, plausibility of theft, and likelihood of theft. It was hypothesized that genetic relatedness to the owner of a hypothetical FOB (i.e., grocery store) would be positively associated with plausibility of theft and likelihood of theft but negatively associated with likelihood of whistleblowing by a nepot-supervisor and sanction severity. Additionally, it was hypothesized that gender would moderate the relationship between genetic relatedness and sanction severity, plausibility and likelihood of theft.

Results indicated that genetic relatedness correlated with likelihood of theft ($r = .23$) but not with plausibility of theft ($r = -.02$). Genetic relatedness was found to be correlated with sanction severity ($r = -.46$) and likelihood of whistleblowing by a nepot-supervisor ($r = -.24$). When genetic relatedness was dichotomized into 'related to owner' and 'not related to owner,' standardized mean differences for likelihood of theft, whistleblowing, and sanction severity were medium to large and in the expected direction. Gender did not moderate any of the three relationships. These findings buttress arguments for the dark side of nepotism, indicating that FOBs could be in jeopardy. Suggestions for practice and future research are offered.

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CHAPTER I

INTRODUCTION

Theft by employees has been reported to be 10 times as costly as America's street crime (Greenberg, 1997), and is estimated to cost businesses over $40 billion per year (Shapiro, Trevino, & Victor, 1995). Additionally, in the aggregate, up to 75 percent of employees have stolen from their employers at least once (McGurn, 1988). Instances of employee theft include misuse of reimbursements, taking of merchandise, and arriving to work late or in a state in which work becomes unsatisfactory. This prevalent and costly problem is not limited to large corporations. In fact, employee theft is responsible for approximately one out of three small business failures in any given year (Hollinger & Clark, 1983). Most small businesses are, in fact, family owned businesses. Therefore, employee theft is far from absent in family owned businesses.

The purpose of this thesis is to examine one potential cause of employee theft in family owned businesses. Specifically, I will focus on what I call "expected altruism," where family members, via nepotism, might *expect* privileges which could lead to premature (and possibly undeserving) acquirement of company resources. Though nepotism has been relatively ignored in the industrial-organizational psychology literature (Jones, 2012), it could explain the deleterious effects of employee theft, especially within family owned businesses.

Importance of Small Businesses

Although a clear definition of a family owned business (FOB) has been elusive, we consider one as such if: A) family has majority ownership, B) multiple generations of the family are involved in the business, C) the culture of the business and the family overlap, D) more than one family member participates in management, and E) family is directly involved in daily

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operations (Astrachan & Shanker, 2003). These criteria offer a complete and quantifiable view of an FOB.

FOB-related research is increasing in popularity (Chrisman, Chua, & Sharma, 1998). It seems as though researchers are beginning to acknowledge that the failure rate of small family firms has a tremendous effect on the U.S. economy. Specifically, small firms employ half of all private sector employees and pay 44% of the total U.S. private payroll (U.S. Department of Commerce, 2007). Also, they generate two-thirds of new jobs in recent years as well as create a generous portion of our nation's GDP.

Of the six million small businesses that have employees, the vast majority are FOBs. In 2003, approximately 62% of the workforce in the U.S. was employed by family owned businesses (Astrachan & Shankar, 2003). Additionally, as of 2000, there were more than 24 million FOBs in the U.S. Although the fragility and importance of these types of firms is well documented, the employee theft literature seems to have overlooked possible contributing factors in small businesses, especially FOBs. Recent studies have provided insight into FOBs, but few, if any, have analyzed the relationship between FOBs and employee theft.

The unauthorized taking, control, or transfer of money and/or property from the formal work organization which is perpetrated by an employee, commonly referred to as employee theft (Hollinger & Clark, 1983), is an expensive, recurrent, and widespread problem for organizations (Mustaine & Tweksbury, 2002; Neihoff & Paul, 2000). Employee theft ranges from acts of petty theft (i.e., pilferage) to grand theft of items valued at hundreds or thousands of dollars (Smigel & Ross, 1970). Interestingly, pilferage, due to its prevalence, can be enormously devastating to organizations (Lipman & McGraw, 1988; Snyder & Blair, 1989). In fact, some organizations simply account for this type of shrinkage in their product pricing such that costs for consumers

are actually inflated by as much as 15%, which costs each American family about $400 every year (Friedrichs, 2004; Hollinger & Clark, 1983).

Although Wimbush and Dalton (1997) estimate that as much as 75% of losses due to employee theft go undetected, researchers have identified many risk factors such as age, opportunity, job dissatisfaction, socio-economic status, and organizational climate, just to name a few (Greenberg & Scott, 1996; Hollinger & Clark, 1983). For example, a young, dissatisfied employee working in an organization where employee theft is tolerated and merchandise or cash is accessible would be considered at risk for employee theft (Greenberg, 1997; Kulas, McInnerney, DeMuth & Jadwinski, 2007). Many other correlates with employee theft have been noted. Individuals of lower-level moral development were more likely to steal money (Greenberg, 2002) and self-control is linked to intentions of stealing at work (Langton, Piquero, & Hollinger, 2006). Additionally, some deviant personality characteristics that could lead to increased risk of theft have been investigated (Lykken, 1995).

Employee theft is not limited to the taking of concrete items. Employees can induce financial loss by wasting time during their scheduled work day. Termed "time theft" or work withdrawal behavior, this form of unethical behavior includes arriving late to work, leaving work early, taking unacceptably long breaks, and spending scheduled work hours not producing for the employer. Considered a deliberate abuse of time (Stevens & Lavin, 2007), employees commit time theft when they engage in personal phone calls and emails (Atkinson, 2006).

Although reports are inconsistent, The US Department of Commerce reports that $177 billion are lost annually to time theft (McGee & Fillon, 1995). In the construction industry, employees spend about an hour per day, per employee, engaging in non-work related activities (Zane, 2006). In retail settings, the majority (60%) of employees reported stealing time (Boye &

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Slora, 1993). Moreover, one study found that one-fifth of employees admitted to coming to work hungover from drinking alcohol (London House and Food Marketing Institute, 1995). This puts a strain on organizations such that energy is spent reprimanding, supervising, and rescheduling employees who fail to meet their time obligations (Henle, Reeve, & Pitts, 2010).

It has long been recognized that theft can be deterred by eliminating the situations that could lead to theft (Purpura, 1998). If employees do not have the opportunity to take items from work then the detriments of employee theft can be partially avoided. One organization found that by disallowing bags and coats from inventory areas, shrinkage was reduced by almost $50,000 (Weintraub, 1998). It is not easy to implement these security features. Funds for high-definition security cameras and vaults may not be extant, square footage to designate certain areas as restricted-access might not be available, and time and effort to devote towards accountability training and monitoring by supervisors may be a second thought.

<div align="center">Ambiguity</div>

One common rationalization for pilferage is that, "it's only a paperclip." Perpetrators might dismiss this as theft because the company can easily afford it or they will never miss it (Greenberg, 1998). These are attempts to legitimize their actions. If organizations do not sanction individuals for petty theft, then norms for theft may include pilferage as an acceptable behavior, thus reinforcing employees' beliefs. For example, encouraging forces for theft might be financial strains, peer pressure, or personality traits. Inhibiting forces could be the individual's moral development or company code of ethics. Mathematically, Greenberg (1998) posits that an individual will take an item from the firm if the sum of the encouraging forces is greater than the sum of the inhibiting forces, assuming that the forces can be additively combined, or $\sum(E) > \sum(I)$. This means that the line between legitimate and illegitimate taking can be laterally shifted

based on the number of encouraging or inhibiting forces. Central to this investigation, one encouraging force could be the genetic relatedness of the employee to the employer.

Sometimes ownership of property can become muddied within the confines of family. The author recollects an adolescent moment when he cashed in his family's pocket change for dollar bills at the local supermarket. Many would view this as immoral, but at the moment he felt as though it would be acceptable because the coins belonged to his family. This means that the encouraging force of family ties and need for cash outweighed all inhibitory forces. These same principles can be applied to organizational settings:

> Anna, a bowling alley employee and daughter of the owner, brought home a new bowling ball from the pro-shop. She did not pay for it. After all, she might be next-in-line for the ownership position.

> Greg, a lifeguard at the city recreation center, comes in to work a few minutes late each afternoon. This is not an issue because he is certain that his mother, the Operations Manager of the Recreation Department, would not fire him as she would a regular employee.

Each of these situations – property theft and time theft, respectively – are ambiguous with regard to the acceptability of employee deviance. Both forms of theft would likely result in some form of reprimand if enacted by a non-relative employee. These employees may feel entitled to behave differently because of their biological relation to the family firm.

Inclusive Fitness

Because the inclusive fitness theory posits that an individual's relatives are genetic vehicles, it is not surprising that, for example, fathers report providing five times more financial assistance to genetically related offspring than stepchildren (Anderson, Kaplan, & Lancaster,

1999). But, this behavior (i.e., altruism) actually decreases the father's reproductive capacity by downgrading this resource allotment. Intuitively, this is paradoxical phenomenon in the argument for evolution. Hamilton (1964) asserts that an organism's behaviors are focused on one goal; keeping their genes present within the population. So we would not expect a gene for altruism to evolve. But, for illustrative purposes, some ground squirrels give alarm calls to warn other ground squirrels of nearby danger. However, by emitting the alarm, the squirrel makes its location known to the predator. When costs to the self are outweighed by the intended benefit for others, surely altruism favors genetic furtherance.

Because relatives share common genes it is advantageous for an organism to devote resources to relatives and offspring at the expense of one's own reproductive value. In a study of 2,520 women, researchers found that the frequency of helping exchanges in situations such as marital problems, trouble with the police, or illness was a function of genetic relatedness (Essock-Vitale & McGuire, 1985). These women were far more likely to help and be helped by close kin than by distant kin, further supporting the theory of inclusive fitness.

In discussing genetic relatedness as it relates to the variables studied in this thesis, a more specific measure of relatedness must be established. Sewall Wright's (1922) coefficient of relationship (*r*) is a measure of such relationships. Originally intended for measuring inbreeding, coefficient *r*, which ranges from zero to one, can be calculated for the degree of relatedness between two individuals. In other words, *r* is the percentage of genes shared by the individuals. For example, the coefficient of relatedness between a father and his biological son is .50.

Nepotism

Studies which suggest that genetic relationships influence organizational behavior can be explained by the recently emerging work on nepotism. Nepotism in organizations has been

formally defined as "the advancement of relatives (i.e., nepots) on the basis of family rather than merit" (Donnelly, 1964). Surveys indicate that 43% to 50% of organizations have some form of an anti-nepotism policy (Ford & McLaughlin, 1986). These policies, in general, forbid workplace relationships and hiring relatives including cousins, divorcees, and in-laws. The mere presence of anti-nepotism policies provides some support for its investigation.

Although such a practice may seem counterintuitive to business success, it is prevalent in today's organizations (Bellow, 2003). Bellow stresses that nepotism is neither good nor bad in itself, but rather its use determines the connotation. Although it is heavily used in corporate, political, and academic arenas (Vinton, 1998), there is a marked dearth of research and understanding of nepotism in businesses. The prevalence numbers of nepotistic practices vary, but some reports suggest that as many as 90% of U.S. businesses are owned, controlled, or managed by families, many of which are Fortune 500 companies (Conway, 2004). But, the nepotism research foundation is far from solid, which hinders practical advice from being offered. In sum, there is mounting evidence that nepotism is alive, well, and deserving of investigation (Bellow, 2003; Jones, 2004).

Advantages of Nepotism

Although the majority of the literature casts a dark shadow upon nepotism in FOBs, it would not be fair to discount its possible benefits. Hiring a family member can be beneficial. Consider, for instance, a family of dentists. The son or daughter of a dentist may have intimate knowledge of a dentistry position that would not be otherwise possible. Moreover, the hiring of family members could lead to enhanced intimacy, corporate identity, and shared understanding of business practices. Donnelly (1964) suggests that family members are greatly committed and

loyal to their FOBs. The sense of commitment may lead to personal sacrifice, which can boost an FOB's reputation.

These examples demonstrate that nepotism can act as a springboard for a firm's success due to these possible competitive advantages. The advantages may not be limited to the family members working within FOBs. The sense of intimacy could overflow to the non-family members (Kets de Vries, 1996). The rewards sparked by familial sacrifice might spillover, positively affecting turnover, absenteeism, and job satisfaction.

Disadvantages of Nepotism

Nepotism is usually regarded as a negative aspect of FOBs. In some cases, favoritism and family loyalty leads to the promotion, hiring, or offering of resources to a family member who would not be otherwise treated in such a manner. For instance, there is evidence that family members reward their kin with top management responsibilities even when a non-family manager is more competent (Lee, Lim, & Lim, 2003). These authors found that this is generally the case unless the offspring is so unqualified that such an appointment could jeopardize the family business. These findings are not the exception. Successors to most FOBs continue to be offspring (Kirby & Lee, 1996). Sometimes, this takes place regardless successor's ability to contribute to the businesses (Kets de Vries, 1993). Not only does this directly affect the firm's bottom line, but non-family members may feel slighted resulting in deflated morale for those who feel that rewards and upward job movement is given to an undeserving relative (Ford & McLaughlin, 1985).

Helping Behavior

1. "My relative surely wouldn't rat me out if I stole."

We are predisposed to help genetic relatives. So, it is not surprising that parents invest resources such as food and healthcare expenses in those who are more genetically related to themselves (Case & Paxson, 2001). Smith, Kish, and Crawford (1987) analyzed 1000 wills of deceased individuals. They found that deceased individuals bequeath more of their estates (46%) to those who are similar in genetic makeup (e.g., offspring and siblings) than those who are more distant relatives (8%, cousins, grandchildren, nephews). This means that genetic relatedness is likely to be positively related to helping behavior.

In another study, Ma (1992) investigated the link between relationship closeness and high-cost altruism. The results supported the prediction that the tendency of a person to sacrifice his or her life diminishes with relationship distance. Specifically, participants reported a tendency to, first and foremost, sacrifice their life for close relatives, best friends, and finally strangers. This pattern of results also holds true when participants were to choose between rescuing a stranger or a relative.

In organizations, helping behavior can take the form of a supervisor refraining from reporting a nepot-employee's deviant behavior. Whistleblowing is the act of disclosing unethical or illegal behavior to higher management or an external authority figure. Those who witness violators feel obligated to defend moral values (Rothschild & Miethe, 1999). But, there are complex social pressures surrounding whistleblowing, such as group norms on tattling. Because group loyalty is a powerful norming device (Katz & Khan, 1978), whistleblowing behavior may be halted to protect group cohesion (Shaw, 1971).

One such group is a family. By virtue of genetic relatedness families are inclined to protect fellow members and the family's reputation as a whole. In the case of an FOB, an employee could help a fellow family member, and in turn the family, by concealing incriminating information.

Hypothesis 1: Genetic relatedness to the owner of the FOB will be negatively related to the likelihood of whistleblowing by a nepot-supervisor.

Sanctioning

2. "I won't be fired even if my relative finds out that I stole."

The expected severity of sanctions affects employees' decisions to engage in theft at work (Grasmick & Milligan, 1976; Hollinger & Clark, 1982, 1983). Because inclusive fitness theory stresses that genetic relatives are more likely than non-relatives to receive resources from relatives, nepots may realize that sanctions could be far less severe than if they were a non-nepot. In other words, parents reduce the reproductive potential of their child if they would decide to severely sanction (e.g., terminate employment) them for theft actions. The same principles may not hold true for non-relatives, holding all other variables constant.

Hypothesis 2: Genetic relatedness to the owner of the FOB will be negatively related to sanction severity.

Expected Altruism and Inclusive Fitness Theory

3. "It's my money, too."

The absence of whistleblowing among genetic relatives is an example of helping behavior. But this is surely not the initial instance of helping behavior among relatives. Humans have a relatively long childhood and adolescence. Thus, a sizable amount of tangible and

intangible resources is allocated to offspring over an extended period of time. In fact, few species invest more time, energy, and resources in their offspring, beyond conception, than humans (Clutton-Brock, 1991). Inclusive fitness theory provides an explanation for this phenomenon.

As parents provide their offspring with the tools to pass on genetic information, children grow accustomed to receiving these resources (Yee, Huang, & Lew, 1998). Kin might expect the parent to provide gas money for a spring break trip. Or, they might assume that borrowing their parent's car will not be a reprimanding offense. A similar phenomenon may appear in organizations.

In FOBs, nepots have been the recipient of accolades, favoritism, time, energy, and money, from birth because of family ties. So, kin may feel entitled to the firm's profits and property solely because they are genetically related to a high-ranking employee. This has been substantiated such that relatives frequently feel entitled to extra benefits such as attention and monetary awards when working in an FOB (Yee et al., 1998). A similar conclusion was reached by Spranger (2005). This research found that family members within an FOB come to expect certain benefits that are would not be allocated to those who are not family members. I term these special cases as expected altruism. Expected altruism refers to the perceived entitlement of resources and benefits due to previously received altruism. Consider for a moment a scenario where a nepot comes into work late because she is certain that her father, the firm's owner, will not punish her as severely as he would a non-nepot. This is not a farfetched assertion. The fact that she remains alive is proof that her father favored her over non-kin (e.g., meals, clothing, shelter, etc.).

A nepot employee may feel that it is easier to steal an item or time because of the genetic relationship with the business. But, before a theft act is committed, the plausibility of success

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without being caught is presumed to be determined (Kraut, 1976). A negative relationship ($r = -.24$) exists between shoplifting and probability of getting caught (Grasmick & Green, 1980; Mason & Calvin, 1984; Tittle, 1980). With family members in an FOB having an intimate knowledge of the business, synergized by hypothesized expectations of resources and expected altruism, the plausibility and intent of successfully stealing from the FOB may be a function of genetic relationships.

Hypothesis 3: Genetic relatedness to the owner of the FOB will be positively related to the plausibility of engaging in employee theft.

Hypothesis 4: Genetic relatedness to the owner will be positively related to the likelihood of engaging in employee theft.

There are opposing arguments concerning whether nepots actually do receive more favorable treatment than non-nepots. Specifically, nepots may be held to higher standards because they are producing for themselves as well as the family, and therefore shortcomings may be dealt with in a harsher manner (Muchinsky, 2012). Although convincing and likely the case in nepotistic organizations, the argument does have a foothold in the present thesis. Privileges gained outside of work due to family and expectations of those privileges are the main inputs of the perceived expectation of rewards, rather than possible undeserved rewards on the job.

Sex of Beneficiary

Men and women are not equally likely to be favored by parents. Wealthier individuals (i.e., estate $> \sim \$230,000$) bequeath twice as much of their estates to their sons (30%) than to their daughters (15%) (Smith et al., 1987). The underlying rationale is that reproductively successful men have more children than their female counterparts because they can father children with more than one partner. The benefactor places a safer bet when bequeathing the

estate to the son because he will probably produce more grandchildren than the daughter. Bellow (2003) highlights the favoring of males in asset allocation, especially in first-born sons, known as primogeniture. Throughout history males have been the recipient of privileges (e.g., the estate) whereas females were historically given less, or no, privileges.

In addition to privileges, women have been subjected to more severe punishments than men throughout history. Still today, women are subjected to public flogging and execution for violating Taliban law. Sex segregation and unequal sanctioning is still expected in countries such as Saudi Arabia where lashings are court mandated (Micklethwait, 2008). Although extreme, documentation of dismemberment for wearing nail polish, lashings for back talk, and breaking of legs for enrollment in schools is a cruel and horrific reminder of the historical treatment of women (Griffin, 2001).

Although women's rights movements pushed for equality in the workforce in the 1960s and 1970s we still see that corporate privileges (i.e., pay) favor males (Ferraro, 1984; Gibelman, 2003). This speaks to the still-looming effects of sex segregation on decision making in organizations. If we extend this idea to FOBs, male nepots may be disproportionately favored with respect to severe sanctioning, and plausibility and intent to steal from the family firm.

Hypothesis 5: Sex will moderate the relationship between genetic relatedness to the owner and anticipated sanction severity, such that the relationship between genetic relatedness and anticipated sanction severity will be stronger for males than females.

Figure 1. *Hypothesis 5.*

Hypothesis 6: Sex will moderate the relationship between genetic relatedness to the owner and plausibility of employee theft, such that the relationship between genetic relatedness and plausibility of employee theft will be stronger for males than females.
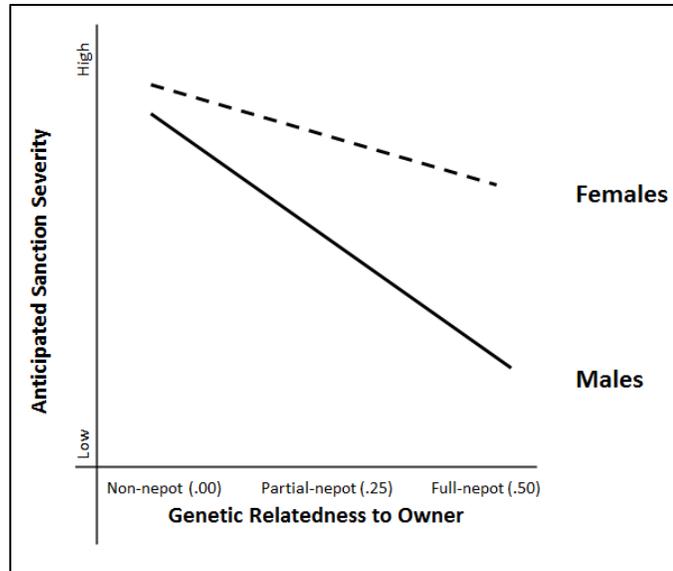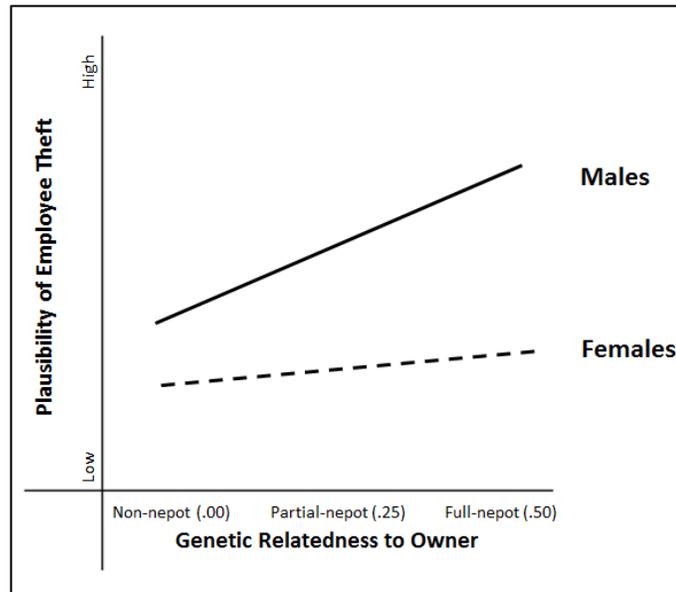

Figure 2. *Hypothesis 6.*

Hypothesis 7: Sex will moderate the relationship between genetic relatedness to the owner and likelihood of engaging in employee theft, such that the relationship between genetic relatedness and likelihood of engaging in employee theft will be stronger for males than females.
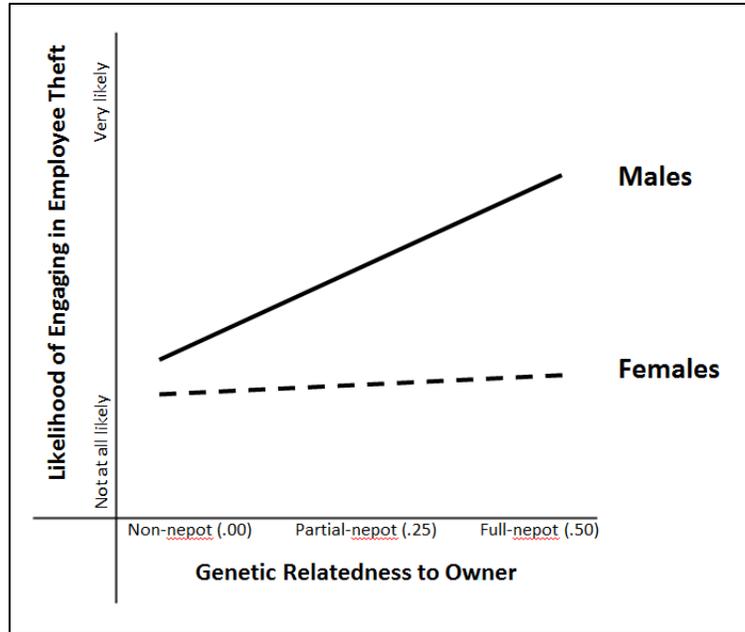
Figure 3. *Hypothesis 7.*

CHAPTER II

METHOD

Participants and Design

Participants were 163 adults from India ($N = 59$) and the US ($N = 106$). Participants were recruited from Amazon Mechanical Turk (MTurk) and offered $0.50 to participate in the experiment, which was hosted on SurveyMonkey. Most of the participants were men (52.1%). Participants' ages ranged from 18 to 68 ($M = 35.2$ $SD = 12.1$) years. The ethnicity of respondents was 50.3% Caucasian, 36.8% Indian, 4.3% Asian-American, 3.7% Hispanic, 3.7% African American, 0.6% Pacific Islander and 0.6% Native American. Most participants were employed (87.1%) and non-students (88.3%). Forty-five percent were married and 47.2% have worked for a family business.

The experiment used a three group (i.e., nepot type) between subjects design. The three nepot manipulations were the following: full-nepot (.5), partial-nepot (.25), or non-nepot (.00). An employee was considered a full-nepot if he or she is the direct offspring (i.e., son or daughter (.5)) of the business owner. A partial-nepot, in the confines of this study, was the niece or nephew (.25) of the owner. A non-nepot (.00) was an employee who is not genetically related to the business owner.

Stimulus Materials

Each participant was randomly presented one of three vignettes (Appendix A). Participants were instructed to immerse themselves into the hypothetical work-life of a cashier and shelf stocker in a family-owned grocery store. The vignettes contained information pertaining to FOB type (i.e., grocery store), genetic relatedness to the owner, job information,

and tenure. The only variable that was manipulated across conditions was genetic relatedness to the owner: full-nepot, partial-nepot, or non-nepot.

Vignette methodology has been used by researchers with success (Piquero & Tibbetts, 1996; Simpson & Piquero, 2002). More specifically, the vignette method has been used to study employee theft (Thomas, Wolper, Scott, & Jones, 2001). Actual theft was not measured by the present methodology. However, there exists a strong correlation ($r = .53$) between intentions and actual behavior as exemplified by a meta-analysis of over 80 representative studies as well as other independent studies (Green, 1989; Kim & Hunter, 1993; Pogarsky, 2004; Sheppard, Hartwick, & Warshaw, 1988). Although actual behaviors and intentions should not be viewed as interchangeable, the relationship between behaviors and intentions is strong enough to render studies, such as this, as worthwhile (Green, 1989; Kim & Hunter, 1993).

<div align="center">Dependent Variables</div>

All measures used the items from the master employee theft activity list (Appendix B). This list was created under the assumption that high-fidelity, realistic, and salient theft activities must be depicted. To supplement the item list, a veteran cashier and shelf-stocker of 5 years at a small, Midwest, family-owned grocery store agreed to be interviewed, and was asked to identify instances where items and time had been stolen by employees in the past. This interview was approved by the branch manager and included no identifying information about offenders. A report of the findings (i.e., a summary of this completed thesis) will be shared as a token of appreciation.

The resulting list contains 35 theft activities, 19 of which are cash or property theft. The remaining 16 items are time theft activities. Items were randomized for each participant. Each

measure had its foundation in the master list; it is the prompts (Appendices C - F) that distinguish the measures.

Likelihood of whistleblowing by nepot-supervisor

The prompt for this measure (Appendix C) indicates that the nepot shift manager witnessed the participant engaging in the various theft activities found in the master list (Appendix B). Then the items from the master list were presented, with tense altered to match the sentence structure of the prompt. The participant then indicated, for each item, on a scale from 1 (not at all likely) to 5 (very likely), the likelihood that the shift manager would report the theft, and thief, to the owner of the FOB.

Anticipated sanction severity

The prompt asked about the type of punishment that is anticipated for each theft activity in the master list (Appendix D). Participants were asked which type of punishment would be most applicable to the offense: no punishment, verbal scolding, reduction in hours, probation, or dismissal. These punishments are considered, by a group of doctoral students, to be generally increasing in severity.

Plausibility of engaging in employee theft

The prompt for this measure inquires about the possibility of being caught engaging in the theft activities, found in the master list (Appendix E). Participants indicated how possible it would be for them avoid be caught from 1 (impossible) to 5 (very possible).

Likelihood of engaging in employee theft.

Participants indicated how likely they would be to actually engage in employee theft, for each activity in the master list, on a scale from 1 (not at all likely) to 5 (very likely). This prompt can be found in Appendix F.

CHAPTER III

RESULTS

Item analysis was performed for each scale to determine if the items were psychometrically sound (Appendix G - J). Item means, standard deviations, and corrected item-total correlations (CITC) were inspected for each item. Items were considered satisfactory if the CITC equaled or exceeded .30.

Four items, across all 4 scales, revealed CITCs less than .40, with 2 items in the Likelihood of Whistleblowing by Nepot-Supervisor scale equaling .30. Although these item-total correlations are low, they meet the minimum requirement, and are retained for further analyses. Additionally, all scales exhibited internal consistency coefficients (i.e., alpha) between .93 and .97.

Seven items, each within the Likelihood of Whistleblowing by Nepot-Supervisor scale, revealed CITCs which exceeded .80. Typically large CITCs are an indicator of a well-discriminating item, but values this large could be an indication of abnormal response patterns. Because the Likelihood of Whistleblowing by Nepot-Supervisor scale was presented first, it may be possible that participants needed to become acclimated, resulting in more normal CITCs in the remainder of the study.

Descriptive statistics and intercorrelations are presented in Table 1. A series of Pearson product-moment correlations indicated that as Likelihood of Whistleblowing by Nepot-Supervisor increased, so did the anticipated severity of the sanctions ($r = .32$). In a similar fashion, as Likelihood of Whistleblowing by Nepot-Supervisor increased, the Likelihood of Engaging in Employee Theft decreased ($r = -.34$). As Plausibility of Engaging in Employee Theft increased, so did Likelihood of Engaging in Employee Theft. However, there exists a

significant correlation between the Likelihood of Whistleblowing by Nepot-Supervisor and the

Plausibility of Engaging in Employee Theft ($r = .19$). This is contrary to expectations.

Additionally, no significant correlation exists between the Likelihood of Whistleblowing by

Nepot-Supervisor and the Likelihood of Engaging in Employee Theft.

Table 1. *Descriptive Statistics and Correlations Among Variables*

Variable	M	SD	1	2	3	4
1. Whistleblowing	116.13	36.17	-			
2. Sanction Severity	103.93	25.69	.33**	-		
3. Plausibility	118.69	26.92	.18*	.04	-	
4. Likelihood of Theft	83.91	29.40	-.03	-.34**	.17*	-

* $p < .05$
** $p < .01$

Genetic relatedness to the owner of the FOB was negatively related to the Likelihood of

Whistleblowing by Nepot-Supervisor ($r = -.24$, $p < .01$). Thus, Hypothesis 1 is supported. To

further inspect this finding, genetic relatedness was dichotomized, creating two independent

groups; those not related to the owning family (i.e., non-nepots) and those related to the owning

family (i.e., partial and full nepots). On Likelihood of Whistleblowing by Nepot-Supervisor

variable, an independent-samples t-test indicated that those who were genetically related to the

owner of the FOB ($M = 103.69$, $SD = 31.71$) were significantly less likely to report that a nepot-

supervisor would disclose their theft actions than those who were not related to the owner ($M = 121.08$, $SD = 35.56$), $t(161) = 3.14$, $p < .01$. The effect size for this difference ($d = -.52$) exceeds

Cohen's (1988) convention for a medium effect.

Genetic relatedness to the owner of the FOB was negatively related to sanction severity

following theft actions ($r = -.46$, $p < .001$). Thus, Hypothesis 2 is supported. When genetic

relatedness was dichotomized, those genetically related to the owner of the FOB ($M = 89.36$, SD

= 21.72) expected significantly milder sanctioning than those not related to the owner (M =

113.61, SD = 20.02), $t(161)$ = 6.81, $p < .001$). The effect size for this difference (d = -1.16)

exceeds Cohen's convention for a large effect.

Genetic relatedness to the owner of the FOB was not significantly related to the

Plausibility of Engaging in Employee Theft (r = -.02, p = .83). Thus, Hypothesis 3 is not

supported. When genetic relatedness was dichotomized, those genetically related to the owner of

the FOB (M = 112.83, SD = 25.48) did not score significantly higher on the Plausibility of

Engaging in Employee Theft scale than those who are not related to the owner (M = 111.98, SD

= 24.88), $t(161)$ = -.20, p = .84) The effect size for this difference (d = .03) did not meet or

exceed Cohen's convention for a small effect.

Genetic relatedness to the owner of the FOB was significantly related to the Likelihood

of Engaging in Employee Theft (r = .23, $p < .01$). Thus, Hypothesis 4 is supported. When

genetic relatedness was dichotomized, those genetically related to the owner of the FOB (M =

85.63, SD = 26.92) were significantly more likely to engage in employee theft than those not

related to the owner (M = 68.94, SD = 26.42), $t(161)$ = 3.71, $p < .001$. The effect size for this

difference (d = .63) exceeds Cohen's convention for a medium effect.

Table 2. *Correlations Between Genetic Relatedness to Owner and Study Variables*

Variable	1	2	3	4	5
1. Whistleblowing	-				
2. Sanction Severity	.33**	-			
3. Plausibility	.18*	.04	-		
4. Likelihood of Theft	-.03	-.34**	.17*	-	
5. Genetic Relatedness to Owner	-.24**	-.46**	-.02	0.23**	-

* $p < .05$
** $p < .01$

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Table 3. *Mean Differences Between Relatives and Non Relatives on Study Variables*

Variable	Related to Owner		Not Related to Owner		t	D	*p*-value
	M	*SD*	*M*	*SD*			
Whistleblowing	103.69	31.71	121.08	35.56	3.14	-0.52	<.01
Sanction Severity	89.36	21.72	113.61	20.02	6.81	-1.16	<.001
Plausibility	112.83	25.48	111.98	24.88	-0.2	0.03	0.84
Likelihood of Theft	85.63	26.92	68.94	26.42	3.71	0.63	<.001

Note. Relatedness to owner of the FOB was dichotomized. Related to Owner indicates that these participants were in the Full or Partial nepot condition.

Three hierarchical moderated regression analyses indicated that hypotheses 5, 6, and 7 are not supported (Tables 4-6). For each hypothesis, sex was entered in the first model, in the prediction of each of the four study variables. In the second model, genetic relatedness was entered. Finally, the interaction term (i.e., genetic relatedness*sex) was entered in the third model. The interaction term did not account for a significant amount of variance in each study variable over and above sex and genetic relatedness. Specifically, the standardized betas (β) and ΔR^2 associated with the interaction term for Sanction Severity ($\beta = -.31$, $\Delta R^2 = .01$), Plausibility of Engaging in Employee Theft ($\beta = -.06$, $\Delta R^2 = .00$), and Likelihood of Theft ($\beta = .27$, $\Delta R^2 = .01$) were not significant.

Although sex was not found to be a moderating variable, an exploratory analysis concluded that females who were genetically related to the owner ($M = 112.32$, $SD = 27.81$) were significantly more likely to expect a nepot to whistleblow than males who were genetically related to the owner ($M = 95.81$, $SD = 33.21$), $t(109) = -2.82$, $p < .01$. Finally, country did not moderate the relationship between genetic relatedness and any study variable.

Table 4. *Heirarchical Regression Analysis of Sanction Severity on Sex, Genetic Relatedness to Owner, and Sex X Genetic Relatedness*

Variable and statistic	Standardized betas		
	Step 1	Step 2	Step 3
Step 1. Sex	.00	.00	.19
Step 2. Genetic Relatedness		-.46***	-.23
Step 3. Genetic Relatedness * Sex			-.31
N	163	163	163
F	.00	21.38***	14.68***
df	161	160	159
R^2	.00	.21	.22
Adjusted R^2	-.01	.20	.20
ΔR^2	.00	.21***	.01

* $p < .05$
** $p < .01$
*** $p < .001$

Table 5. *Heirarchical Regression Analysis of Likelihood of Theft on Sex, Genetic Relatedness to Owner, and Sex X Genetic Relatedness*

Variable and statistic	Standardized betas		
	Step 1	Step 2	Step 3
Step 1. Sex	.24**	.24**	.28
Step 2. Genetic Relatedness		-.24***	-.19
Step 3. Genetic Relatedness * Sex			-.06
N	163	163	163
F	10.11**	10.48***	6.96***
df	161	160	159
R^2	.06	.12	.12
Adjusted R^2	-.05	.11	.20
ΔR^2	.06**	.06**	.01

* $p < .05$
** $p < .01$
*** $p < .001$

Table 6. *Heirarchical Regression Analysis of Plausibility on Sex, Genetic Relatedness to Owner, and Sex X Genetic Relatedness*

Variable and statistic	Standardized betas		
	Step 1	Step 2	Step 3
Step 1. Sex	-.02	-.02	-.24
Step 2. Genetic Relatedness		-.17	-.29
Step 3. Genetic Relatedness * Sex			-.37
N	163	163	163
F	.04	.04	.48
df	161	160	159
R^2	.00	.00	.00
Adjusted R^2	-.01	-.10	-.10
ΔR^2	.00	.00	.00

* $p < .05$
** $p < .01$
*** $p < .001$

Table 7. *Heirarchical Regression Analysis of Likelihood of Theft on Sex, Genetic Relatedness to Owner, and Sex X Genetic Relatedness*

Variable and statistic	Standardized betas		
	Step 1	Step 2	Step 3
Step 1. Sex	.01	.01	-.16
Step 2. Genetic Relatedness		.23**	.03
Step 3. Genetic Relatedness * Sex			.27
N	163	163	163
F	.03	4.44*	3.22*
df	161	160	159
R^2	.00	.05	.06
Adjusted R^2	.01	.04	.04
ΔR^2	.00	.05**	.01

* $p < .05$
** $p < .01$
*** $p < .001$

CHAPTER IV

DISCUSSION

This study intended to bridge the gap between nepotism and organizational psychology by investigating the effects of nepotism on counterproductive work behaviors (i.e., employee theft). In general, genetic relatedness of employees to the owner of the FOB was found to be related to severity of punishments, likelihood of whistleblowing by nepot-supervisor, and likelihood of engaging in employee theft. Furthermore, the standardized mean differences between nepots and non-nepots, for the above three variables, were medium to large.

A possible contributing factor to employee theft is the presumption that family members will not blow the whistle on fellow family members for theft actions. This was supported by the present study. Genetic relatedness to the owner was negatively related to likelihood of whistleblowing by nepot-supervisor ($r = -.24$, $p < .01$). The evolutionary benefits of helping behavior on genetic succession might explain the withholding of incriminating information. It is not surprising that relatives might not share incriminating evidence of their kin, so as to not diminish their reproductive potential.

Much theft may go unreported in FOBs because management policies, that would normally require documentation of theft, could be nullified when family members are the culprits. Furthermore, if nepots learn that they will not be reported, the door is open for future theft and a culture of theft may arise. Complicating interpretation, the likelihood of whistleblowing by nepot-supervisor was not significantly correlated with the likelihood of engaging in employee theft ($r = -.03$, ns.). It is possible that the opportunity for theft (e.g., whistle not being blown) is not powerful enough to elicit theft intentions. Or, plausibility could be entirely independent of theft likelihood.

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Genetic relatedness to the owner was significantly negatively related to the severity of sanctions ($r = -.46$, $p < .01$). Not only are nepots less likely to expect the reporting of their theft than non-nepots, but they also felt that if they were caught, their punishments would be milder than their non-nepot counterparts. Aligned with the expected/reverse altruism theory, this finding demonstrates that nepots might expect milder sanctioning simply because they have received preferential treatment from their relatives for the entirety of their lives.

Finally, and most alarmingly, genetic relatedness to the owner was significantly positively related to the likelihood of engaging in employee theft ($r = .23$, $p < .01$). Here, the effect size for the difference between nepots and non-nepots was medium ($d = .63$). Again, this supports the hypothesis that the acquisition of resources for a lifetime could have some effect on taking from the family business.

Although nepotism can be beneficial to an organization in many instances (Bellow, 2003), the present findings are in support of the darker side of nepotism, where the presence of family members in a work setting can yield detrimental effects. As such, a fair warning could be given to family-owned businesses about the possible side-effects of employing relatives, especially in settings where cash and merchandise are readily attainable. The implications are two-fold. First, organizations are urged to have reservations about hiring relatives. Not only does nepotism, where people are hired, not by merit but by relatedness, violate the best practices as described by over 100 years of industrial and organizational research, but deviant theft behavior could result. Second, if already tasked with operating an FOB, managers should be more aware of the foul-play that might be occurring daily. A possible solution might be training workshops on the maladies of employee theft as well as the importance of procedural justice in sanctioning policies.

Safeguards against employee theft should be present in any business, but the results of this research indicate that FOBs should be on high alert. Managers may be hesitant to accept that their relatives could be stealing from the FOB, which could lead to a culture of theft whereby theft could be tolerated or even encouraged. There is not a 1 to 1 relationship between nepotism and theft, such that not all nepots steal. However, a large body of literature indicates that a strong correlation ($r = .53$) exists between intentions and actual behavior (Green, 1989; Kim & Hunter, 1993; Pogarsky, 2004; Sheppard et al., 1988). In this study, genetic relatedness explained approximately 10% of the variance in each study variable. This means that there are many other factors which play a part in employee theft such as security and financial stressors.

Limitations

As with any research endeavor, this study was not without its limitations. The small sample size, though sufficient for the present study, limits the generalizability of the findings. A larger sample, including a wider variety of geographic regions, would have been ideal. Nevertheless, the findings in this thesis were robust.

Although vignette studies have proven useful (Piquero & Tibbetts, 1996; Simpson & Piquero, 2002), a more ideal methodology would involve tapping the behavioral spectrum of incumbents in FOBs. This would eliminate any issues with the Mechanical Turk sample. A sample of incumbents lives and breathes its experience with employee theft, and thus would be a model group of participants.

Future Research

Future research is warranted by the current findings. A replication of this study, with a larger and more representative sample, could buttress these results. Alternatively, case studies of

FOBs with and without employee theft problems could provide unique insight into the research questions tested here.

If likelihood of engaging in employee theft is considered an outcome, and sanction severity, likelihood of whistleblowing by nepot-supervisor, and plausibility of engaging in employee theft are considered predictors, only 15% of the variance in likelihood of engaging in employee theft is accounted for. Therefore, investigations into other possible moderators, such as leader-member exchange or workplace morale, could better explain this phenomenon.

APPENDICES

APPENDIX A

VIGNETTES

Full Nepot

ABC Grocery is a small, family-owned, and successful grocery store. ABC Grocery is family-owned and your father is the owner. He manages and participates in the daily operations of the grocery store. ABC carries most of the same products as the large supermarkets. You are a cashier and shelf-stocker, and have been working at ABC for about a year. You are paid by the hour and expected to be at work at 8am sharp. Your pay is minimum wage -- $8 per hour.

Partial Nepot

ABC Grocery is a small, family-owned, and successful grocery store. ABC is family-owned and your uncle is the owner. He manages and participates in the daily operations of the grocery store. ABC carries most of the same products as the large supermarkets. You are a cashier and shelf-stocker, and have been working at ABC for about a year. You are paid by the hour and expected to be at work at 8am sharp. Your pay is minimum wage -- $8 dollars per hour.

NonNepot

ABC Grocery is a small, family-owned, and successful grocery store. Although ABC hires some employees who are related to the owner, you are not one of them. The owner manages and participates in the daily operations of the grocery store. ABC carries most of the same products as the large supermarkets. You are a cashier and shelf-stocker, and have been working at ABC for about a year. You are paid by the hour and expected to be at work at 8am sharp. You are paid

by the hour and expected to be at work at 8am sharp. Your pay is minimum wage -- $8 dollars per hour.

APPENDIX B

MASTER EMPLOYEE THEFT ACTIVITY LIST

Property & Cash Theft Activities

1. Take something worth less than $1.
2. Take a few pens from the back office.
3. Take a ream of printer paper from the back office.
4. Take a $5 bill from your cash register.
5. Take a small food item.
6. Eat a sandwich from the deli without paying for it.
7. Take a stick of Chapstick (lip protectant).
8. Take less than $5 from another employee's cash register.
9. Take a small bag of potato chips.
10. "Mark down" a food product by $5 for yourself.
11. Take $5 from another employee's cash register.
12. Take a candy bar.
13. Falsify a receipt to get reimbursed for $10 more than you spent on business expenses.
14. Take $20 from another employee's cash register.
15. Take a $20 case of soda.
16. Take a $30 bottle of alcohol.
17. Take a pair of computer speakers.
18. Take an expensive first-aid kit.
19. Take $100 from the vault when depositing cash at the end of the day.

Time Theft Activities

1. Add 15 minutes on to your breaktime when it is unacceptable to do so.
2. Come to work 5 minutes late
3. Show up to work 5 minutes late.
4. Arrive at work 15 minutes late.
5. Take a 15 minute nap when you should have been working.
6. Spend time fantasizing or daydreaming for 20 minutes instead of working.
7. Gossip for 15 minutes instead of stocking shelves.
8. Leave work 25 minutes earlier than allowed.
9. Come to work 30 minutes late.
10. Try to look busy when doing nothing for 30 minutes.
11. Read books or magazines for an hour during the night shift when you should be working.
12. Take an unexcused 1 hour break without "clocking out."
13. Stock shelves half-as-fast during a 3 hour period to lessen the workload.
14. Stock shelves slowly in order to get paid for 2 hours of overtime pay.

15. Come in to work hungover from a night of drinking alcohol and only completing half of your tasks for the day.
16. Stay home from work for one day by faking or lying about an illness.

Note. Tense of the first word of each sentence is consistent with the prompt.

LIKELIHOOD OF WHISTLEBLOWING BY A NEPOT-SUPERVISOR

Prompt: Joe is your cousin. He is also your shift manager at ABC Grocery. He witnessed you doing some things at work. As the [son/daughter, niece/nephew, *no relation*] of the owner of ABC Grocery, what is the likelihood that he would tell [your father, your uncle, the owner] what happened?

The master list of activities (Appendix B) is placed here.

The following response options follow each activity:

1. Not at all likely
2. Somewhat unlikely
3. Neutral
4. Somewhat likely
5. Very likely

Note. The relationship in brackets varies by vignette. Non-nepot prompt begins with, "Your shift manager witnessed…"

ANTICIPATED SANCTION SEVERITY

Prompt: As the [son/daughter, niece/nephew, *no relation*] of the owner of ABC Grocery, how would [your father, your uncle, the owner] most likely punish you for the activities below, based on the scenario?

The master list of activities (Appendix B) is placed here.

The following punishments follow each activity:

1. He would probably not punish me.
2. He would probably yell at me.
3. He would probably cut my hours.
4. He would probably put me on probation.
5. He would probably fire me.

APPENDIX E

PLAUSIBILITY OF ENGAGING IN EMPLOYEE THEFT

Prompt: Listed below are various activities. Some involve taking something without the intention

to return it while others involve wasting time while you should be working. As the

[son/daughter, niece/nephew, *no relation*] of the owner of ABC Grocery, how possible would it

be for you to not get caught…

The master list of activities (Appendix B) is placed here.

The following response options follow each activity:

1. Impossible
2. Somewhat impossible
3. Neutral
4. Somewhat Possible
5. Very Possible

LIKELIHOOD OF ENGAGING IN EMPLOYEE THEFT

Prompt: The next questions will require you to indicate if you would actually partake in some of these activities. As the [son/daughter, niece/nephew, *no relation*] of the owner of ABC Grocery, what is the likelihood that you would actually:

The master list of activities (Appendix B) is placed here.

The following response options follow each activity:

1. Not at all likely
2. Somewhat unlikely
3. Neutral
4. Somewhat likely
5. Very likely

PSYCHOMETRIC PROPERTIES OF THE WHISTLEBLOWING SCALE

Item	*M*	*SD*	CITC
Take something worth less than $1 (60 Rs).	2.66	1.27	0.62
Take a few pens from the back office.	3.13	1.32	0.82
Take a ream of printer paper from the back office.	2.92	1.41	0.73
Take a $5 bill (300 Rs) from your cash register.	3.50	1.49	0.83
Take a small food item.	2.82	1.25	0.65
Eat a pre-made sandwich without paying for it.	2.90	1.29	0.77
Take a stick of Chapstick (lip protectant).	2.82	1.28	0.74
Take less than $5 (300 Rs) from another employee's cash register.	3.71	1.47	0.80
Take a small bag of potato chips.	2.75	1.24	0.71
"Mark down" a food product by $5 (300 Rs) for yourself.	3.35	1.37	0.84
Take $5 (300 Rs) from another employee's cash register.	3.62	1.54	0.80
Take a candy bar.	2.85	1.27	0.63
Falsify a receipt to get reimbursed for $10 (600 Rs) more than you spent on business expenses.	3.60	1.49	0.80
Add 15 minutes on to your breaktime when it is unacceptable to do so.	3.17	1.34	0.77

Take $20 (1200 Rs) from another employee's cash register.	3.81	1.53	0.76
Take a $20 (1200 Rs) case of soda.	3.73	1.48	0.84
Take a $30 (1800 Rs) bottle of alcohol.	3.80	1.54	0.78
Take a pair of computer speakers.	3.68	1.52	0.82
Take an expensive first-aid kit.	3.50	1.52	0.82
Take $100 (6000 Rs) from the vault when depositing cash at the end of the day.	3.91	1.55	0.74
Come to work 5 minutes late.	2.42	1.24	0.30
Show up to work 5 minutes late.	2.37	1.26	0.30
Arrive at work 15 minutes late.	2.88	1.20	0.63
Take a 15 minute nap when you should have been working.	3.26	1.35	0.78
Spend time fantasizing or daydreaming for 20 minutes instead of working.	2.62	1.17	0.67
Gossip for 15 minutes instead of stocking shelves.	2.50	1.16	0.58
Leave work 25 minutes earlier than allowed.	3.31	1.26	0.79
Come to work 30 minutes late.	3.24	1.34	0.75
Try to look busy when doing nothing for 30 minutes.	2.73	1.18	0.54

Read books or magazines for an hour during the night shift when you should be working.	3.08	1.27	0.68
Take an unexcused 1 hour break.	3.38	1.31	0.75
Stock shelves half-as-fast during a 3 hour period to lessen the workload.	2.76	1.14	0.66
Stock shelves slowly in order to get paid for 2 hours of overtime pay.	3.13	1.25	0.73
Come in to work hungover from a night of drinking alcohol and only completing half of your tasks for the day.	3.28	1.42	0.74
Stay home from work for one day by faking or lying about an illness.	2.88	1.38	0.53

Note. Alpha = .97

APPENDIX H

PSYCHOMETRIC PROPERTIES OF THE SANCTIONING SEVERITY SCALE

Item	M	SD	CITC
Take something worth less than $1 (60 Rs).	2.36	1.33	0.68
Take a few pens from the back office.	1.96	1.33	0.72
Take a ream of printer paper from the back office.	2.70	1.20	0.55
Take a $5 bill (300 Rs) from your cash register.	3.59	1.39	0.67
Take a small food item.	2.33	1.30	0.69
Eat a pre-made sandwich without paying for it.	2.52	1.28	0.74
Take a stick of Chapstick (lip protectant).	2.43	1.32	0.70
Take less than $5 (300 Rs) from another employee's cash register.	3.85	1.33	0.75
Take a small bag of potato chips.	2.31	1.17	0.61
"Mark down" a food product by $5 (300 Rs) for yourself.	3.18	1.33	0.70
Take $5 (300 Rs) from another employee's cash register.	3.80	1.25	0.69
Take a candy bar.	2.31	1.16	0.62
Falsify a receipt to get reimbursed for $10 (600 Rs) more than you spent on business expenses.	3.67	1.34	0.71
Add 15 minutes on to your breaktime when it is unacceptable to do so.	4.10	1.19	0.60

Take $20 (1200 Rs) from another employee's cash register.	3.83	1.17	0.56
Take a $20 (1200 Rs) case of soda.	4.04	0.97	0.67
Take a $30 (1800 Rs) bottle of alcohol.	3.93	1.07	0.53
Take a pair of computer speakers.	3.79	1.14	0.70
Take an expensive first-aid kit.	4.37	1.16	0.56
Take $100 (6000 Rs) from the vault when depositing cash at the end of the day.	2.56	1.24	0.56
Come to work 5 minutes late.	1.58	1.25	0.68
Show up to work 5 minutes late.	1.65	1.01	0.41
Arrive at work 15 minutes late.	2.17	0.90	0.42
Take a 15 minute nap when you should have been working.	2.63	0.94	0.49
Spend time fantasizing or daydreaming for 20 minutes instead of working.	2.36	0.94	0.46
Gossip for 15 minutes instead of stocking shelves.	2.12	1.08	0.65
Leave work 25 minutes earlier than allowed.	2.67	1.01	0.52
Come to work 30 minutes late.	2.80	0.90	0.55
Try to look busy when doing nothing for 30 minutes.	2.37	0.96	0.67

Read books or magazines for an hour during the night shift when you should be working.	2.50	0.91	0.59
Take an unexcused 1 hour break.	2.90	1.00	0.45
Stock shelves half-as-fast during a 3 hour period to lessen the workload.	2.47	1.02	0.58
Stock shelves slowly in order to get paid for 2 hours of overtime pay.	2.71	1.06	0.62
Come in to work hungover from a night of drinking alcohol and only completing half of your tasks for the day.	2.54	0.94	0.48
Stay home from work for one day by faking or lying about an illness.	2.34	0.99	0.51

Note. Alpha = .95

APPENDIX I

PSYCHOMETRIC PROPERTIES OF THE PLAUSIBILITY SCALE

Item	*M*	*SD*	CITC
Take something worth less than $1 (60 Rs).	3.65	1.34	0.43
Take a few pens from the back office.	3.61	1.25	0.65
Take a ream of printer paper from the back office.	3.29	1.45	0.39
Take a $5 bill (300 Rs) from your cash register.	3.17	1.31	0.61
Take a small food item.	3.47	1.35	0.68
Eat a pre-made sandwich without paying for it.	3.53	1.35	0.47
Take a stick of Chapstick (lip protectant).	3.60	1.16	0.60
Take less than $5 (300 Rs) from another employee's cash register.	2.96	1.37	0.53
Take a small bag of potato chips.	3.64	1.42	0.60
"Mark down" a food product by $5 (300 Rs) for yourself.	3.24	1.34	0.53
Take $5 (300 Rs) from another employee's cash register.	2.91	1.17	0.60
Take a candy bar.	3.56	1.39	0.57
Falsify a receipt to get reimbursed for $10 (600 Rs) more than you spent on business expenses.	3.15	1.43	0.37
Add 15 minutes on to your breaktime when it is unacceptable to do so.	2.71	1.45	0.55

Take $20 (1200 Rs) from another employee's cash register.	2.80	1.35	0.60
Take a $20 (1200 Rs) case of soda.	2.75	1.13	0.63
Take a $30 (1800 Rs) bottle of alcohol.	2.77	1.35	0.44
Take a pair of computer speakers.	3.01	1.46	0.55
Take an expensive first-aid kit.	2.55	1.43	0.52
Take $100 (6000 Rs) from the vault when depositing cash at the end of the day.	3.31	1.34	0.54
Come to work 5 minutes late.	3.50	1.58	0.41
Show up to work 5 minutes late.	3.58	1.33	0.44
Arrive at work 15 minutes late.	3.07	1.32	0.48
Take a 15 minute nap when you should have been working.	2.96	1.27	0.53
Spend time fantasizing or daydreaming for 20 minutes instead of working.	3.46	1.10	0.54
Gossip for 15 minutes instead of stocking shelves.	3.43	1.20	0.50
Leave work 25 minutes earlier than allowed.	2.89	1.18	0.55
Come to work 30 minutes late.	2.82	1.23	0.56
Try to look busy when doing nothing for 30 minutes.	3.55	1.32	0.46

Read books or magazines for an hour during the night shift when you should be working.	3.37	1.17	0.45
Take an unexcused 1 hour break.	2.82	1.23	0.51
Stock shelves half-as-fast during a 3 hour period to lessen the workload.	3.34	1.28	0.43
Stock shelves slowly in order to get paid for 2 hours of overtime pay.	3.33	1.11	0.56
Come in to work hungover from a night of drinking alcohol and only completing half of your tasks for the day.	3.15	1.12	0.61
Stay home from work for one day by faking or lying about an illness.	3.59	1.31	0.43

Note. Alpha = .93

PSYCHOMETRIC PROPERTIES OF THE LIKELIHOOD OF THEFT SCALE

Item	*M*	*SD*	CITC
Take something worth less than $1 (60 Rs).	2.44	1.45	0.68
Take a few pens from the back office.	3.01	1.39	0.75
Take a ream of printer paper from the back office.	2.25	1.46	0.57
Take a $5 bill (300 Rs) from your cash register.	1.67	1.31	0.65
Take a small food item.	2.53	1.15	0.64
Eat a pre-made sandwich without paying for it.	2.45	1.40	0.63
Take a stick of Chapstick (lip protectant).	2.37	1.46	0.69
Take less than $5 (300 Rs) from another employee's cash register.	1.53	1.43	0.70
Take a small bag of potato chips.	2.63	1.01	0.49
"Mark down" a food product by $5 (300 Rs) for yourself.	1.91	1.49	0.68
Take $5 (300 Rs) from another employee's cash register.	1.48	1.23	0.75
Take a candy bar.	2.61	0.98	0.55
Falsify a receipt to get reimbursed for $10 (600 Rs) more than you spent on business expenses.	1.66	1.47	0.64
Add 15 minutes on to your breaktime when it is unacceptable to do so.	1.48	0.98	0.54

Take $20 (1200 Rs) from another employee's cash register.	1.66	1.12	0.62
Take a $20 (1200 Rs) case of soda.	1.48	1.27	0.72
Take a $30 (1800 Rs) bottle of alcohol.	1.56	1.03	0.50
Take a pair of computer speakers.	1.67	1.12	0.69
Take an expensive first-aid kit.	1.48	0.94	0.63
Take $100 (6000 Rs) from the vault when depositing cash at the end of the day.	2.37	1.06	0.59
Come to work 5 minutes late.	3.54	1.10	0.63
Show up to work 5 minutes late.	3.50	1.04	0.48
Arrive at work 15 minutes late.	2.90	1.26	0.33
Take a 15 minute nap when you should have been working.	2.16	1.31	0.32
Spend time fantasizing or daydreaming for 20 minutes instead of working.	2.93	1.26	0.58
Gossip for 15 minutes instead of stocking shelves.	2.87	1.33	0.67
Leave work 25 minutes earlier than allowed.	2.40	1.25	0.61
Come to work 30 minutes late.	2.23	1.33	0.48
Try to look busy when doing nothing for 30 minutes.	2.74	1.30	0.75

Read books or magazines for an hour during the night shift when you should be working.	2.82	1.21	0.61
Take an unexcused 1 hour break.	2.06	1.31	0.58
Stock shelves half-as-fast during a 3 hour period to lessen the workload.	2.55	1.30	0.62
Stock shelves slowly in order to get paid for 2 hours of overtime pay.	2.39	1.20	0.70
Come in to work hungover from a night of drinking alcohol and only completing half of your tasks for the day.	2.06	1.34	0.65
Stay home from work for one day by faking or lying about an illness.	2.93	1.28	0.73

Note. Alpha = .96

APPENDIX K

DEMOGRAPHICS

What is your age? _____

What is your sex? (Select one):

MALE

FEMALE

What ethnicity best describes you? (Select one):

CAUCASIAN (white)

HISPANIC-AMERICAN

AFRICAN-AMERICAN

PACIFIC ISLANDER

ASIAN-AMERICAN

INDIAN

NATIVE-AMERICAN

OTHER

Have you ever worked for a family owned business? (Select one)

YES

(if yes) Were you a member of the family who owned the business?

(if yes) How many employees worked for the business?

NO

Are you currently employed? (Select one)

FULL TIME

PART TIME

UNEMPLOYED

Are you a student? (Select one)

YES

NO

What is your marital status? (Select one)

SINGLE

MARRIED

DIVORCED

SEPARATED

What is your highest level of education? (Select one)

ELEMENTARY SCHOOL

HIGH SCHOOL / GED

SOME COLLEGE

ASSOCIATES DEGREE

BACHELORS DEGREE

MASTERS DEGREE

DOCTORATE / PROFESSIONAL DEGREE

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