

HOW FRIENDSHIP TIES IMPACT HIRING
DECISIONS – A CROSS-CULTURAL STUDY
BETWEEN LATIN AMERICA AND THE UNITED
STATES

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ABSTRACT

Previous research has found evidence for the impact of friendship ties on human resource selection decision making. The objective of this current study is to find how friendship ties impact hiring decisions in two culturally different contexts, the United States and Latin America. In collectivist Latino countries, it is predicted that friendship ties would play more of a role in selection decisions than in the individualistic context of the United States. Survey data was collected from 193 professionals in both cultural contexts. Results support our hypotheses that friendship ties impact human resource decisions, and this association is stronger in the collectivist context of Brazil.

Key words:

Latin America, United States, collectivism, rule-based regulation, relation-based regulation, trust, human resources, social capital, individualism, collectivism.

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CHAPTER I

INTRODUCTION

The goal of this study is to identify the influence of social ties on hiring decisions in the United States and in Latin America. Previous academic studies indicate that Latin America is high in collectivism, and individuals are strongly integrated into in-groups (Hofstede, 1983; Hofstede & McCrae, 2004). The most important in-groups in Latin American countries are family and close friends (Hustead, 2002). These social ties may influence decisions made by individuals, and this may extend to organizational hiring decisions. In contrast, the American culture is highly individualistic, and individuals are encouraged to attain their own goals independently of others (Hofstede, 1983; Kimmelmeier et al., 2003; Triandis, 1989). Thus, social ties should not have a significant influence on hiring decisions in this context.

Previous research in other cultural contexts, by Sue-Chan and Dasborough (2006), has found that friendship ties do impact human resource selection decisions. The intent of this research is to replicate and extend their empirical work by studying not only the impact of particularistic ties on hiring decisions, but also the impact of general distrust, the status of the Human Resources Management department in the organizations, trust in friend, the type of social network (family/personal), and the selection criteria (task/social) individuals use in collectivist and individualistic cultural contexts. The importance of the

new variables is to enable a deeper analysis of the human resource selection decision making process in these contexts.

In the literature review chapter, the historical backdrop of the two cultural settings is discussed to provide general background about the two contexts in which the research is conducted. Then, the extent to which Latin America and the United States are rule-based or relation-based is examined. This refers to how regulations are applied in organizational settings. In rule-based societies, transactions are based on formal agreements and are likely to be enforceable, while in relation-based societies, transactions are based on personal and implicit agreements (Li, Park, & Li, 2004). Following this discussion, the levels of bureaucracy in both cultural contexts and how individuals deal with bureaucracy are analyzed, as well as the status of the human resources management department. Finally, cultural values and the role of trust and social capital in both cultural settings are discussed.

In the methods chapter we describe the research design, data collection techniques, the sample size and characteristics, the procedure and measures utilized in this study. A between-subjects factorial design was used to explore the relationship between friendship ties and selection decision making in Brazil and the United States. The sample comprised of professionals involved in the selection decision-making process from various organizations. The respondents answered a scenario-based questionnaire, and reported their responses to questions assessing the variables of interest. The results of the research support the hypothesis that friendship ties impact selection decisions, and it is more strongly observed in the more collectivist cultural context of Brazil. In the final

chapter, we discuss the research findings and articulate the theoretical and practical implications arising from the research.

CHAPTER II

REVIEW OF LITERATURE

Introduction

This research seeks to examine if particularistic ties impact selection decisions, in particular, in the Latin American and American cultural contexts. It is a replication and extension of Sue-Chan and Dasborough's research (2006). Their research investigated the influence of particularistic ties on selection decisions in Hong Kong (China) and in Australia. They found that particularistic ties do influence selection decisions and are manifested differently in different cultures.

In our research we go beyond the Sue-Chan and Dasborough study by adding other variables, such as the impact of distrust, the status of the Human Resources Management department in the organizations, trust in friend, the type of social network (family/personal), and the selection criteria (task/social) individuals use in the different cultural contexts, to further obtain knowledge about the factors that impact human resource selection decisions.

In this chapter we discuss the historical background of Latin America and the United States, their use of rule-based regulation, and cultural values of both contexts. First, the influence of colonization is discussed and related to the current patterns of governance in Latin American countries and the United States. Then, the approach of organizations in both contexts to rules is discussed, as well as their approach to Human

Resources Management. In the section on cultural values, the importance of trust in building social capital is discussed, as well as the prevalent cultural values of individualistic and collectivistic countries.

Historical Context

Latin America

Latin America is a social-political denomination for countries in the Americas that use, primarily, the languages originated from Latin (Doyle, 1954; Ryan, 1947). The word *Latino*, borrowed from the Spanish term *Latino Americano*, or Latin American in English, will be mentioned often throughout this thesis. Latino countries share a similar history of colonization and exploitation by European countries. They are mostly developing countries, meaning that they present significant levels of illiteracy, high levels of social inequality, low standards of living, and are still focused on the production of raw or primary materials rather than on manufacturing (The World Bank, 2006). Male dominance remains as a strong characteristic of Latin American countries (Cagan & Juliá, 1998; Mayo & Resnick, 1996). In these countries, the man is seen as the leader of the family, holding better jobs and receiving better wages than females, even though more women are now participating in the economy (Colón-Warren & Alegría-Ortega, 1998; Elson & Pearson, 1981).

Latin American countries also share a history of authoritarianism and corporatism, a heritage from their colonial stage (Pike, 1974; Roxborough, 1984). The two terms are directly related to absolutist or centralist regimes, where the dominant group establishes control over the country (Wiarda, 2004). Wiarda explains how the

authoritarian systems imposed by Spain and Portugal over their colonies are still part of political practices of Latino countries. Even though the majority of the Latin American countries are officially democracies, they are not entirely democratic because basic rights, such as fair participation in elections and freedom to join organizations, are not available for all citizens (Wiarda, 2004).

Along with the state-centered tradition, Latino countries also inherited a bureaucratic state system, characterized by rigidity and hierarchy (Tapia-Videla, 1976). This bureaucratic state system was implemented by the colonial powers to maintain control over the colonies' economic activities (Simmonds, 1985). The influence of history on Latin American social and economic characteristics is discussed in the following sections. Next, the historical context of the United States is reviewed.

United States

The United States is a developed country, presenting uniform economic growth, low levels of unemployment and inflation, high rates of literacy, advanced technology, and high income per capita (The World Fact Book, 2006). The success achieved by the United States in comparison to Latin America may be explained by some fundamental differences in its colonization, such as the creation of a variety of regional societies committed to the capitalist mode and a mix of centralist and decentralist administration (Earle, 1992). It is important to note that the United States became independent from British control in 1776 and by the late nineteenth century, it was rising as a world power (Adas, 2001); while for most Latin countries, independence from European countries

came later in the nineteenth century. In addition, the United States has not experienced military dictatorships, as was the case of many Latin American countries.

Even though the U.S. was also colonized by Europeans, its settlement patterns differed from those of Latin American countries. While in Latin America merchants and missionaries generally did not establish permanent ties to the land, in the U.S. settlers became permanent residents (Adas, 2001). This could be a reason for the earlier industrialization and development of the United States. Permanent residents would be more committed to transform the land into a more developed and independent country.

The historical background of the United States and Latin America facilitates the understanding of social and economic patterns of the two cultural contexts. In the next section, the approach to organizational rules in the United States and in Latin American countries is discussed.

Rule-based Regulation

In Sue-Chan and Dasborough's (2006) study, they investigated if particularistic ties (friendship ties) impact selection decisions in relation-based Hong Kong Chinese and rule-based Australian cultural contexts. They found that particularistic ties do influence selection decisions, in different degrees for relation- and rule-based cultures. In this thesis we investigate if particularistic ties impact hiring decisions in the relation-based Latin American and rule-based American cultural contexts. In this section we define rule- and relation-based regulation, the Latin American and American approach to organizational rules, and their approach to Human Resources Management.

Li, Park and Li (2004) make a distinction between two modes of governance, relation- and rule-based regulation. Rule-based governance is characterized by transparent regulations, universally applied, and for a state able to enforce rules (Li et al., 2004). The use of formal contracts in transactions in addition to an efficient public system to enforce rules, and an efficient information structure (information is easily accessible to all individuals), promotes high levels of public trust, or trust toward others (Li et al., 2004). On the other hand, relation-based governance is associated with information being not easily accessible, being very local and private (Li et al., 2004), making it very hard for individuals to obtain information about other individuals or organizations. Relation-based governance is characterized by unfair, nontransparent rules, and a state that is unable to enforce rules (Li et al., 2004). As a result, in relation-based systems, people tend to rely on personal relations and social networks to bypass public rules and to protect self-interest.

Based on the above distinction, we define Latin America as a relation-based society, where public institutions are bureaucratic and not facilitative. Bureaucracy permeates many instances of Latinos' lives. When applying for a bank loan, for example, Latinos go through many steps, dealing with many forms, and then waiting a long time to obtain approval for the loan. These steps increase the cost of transactions. Li and colleagues associate relation-based governance to high costs of business transactions and bureaucracy. As a result of these transaction costs, in bureaucratic countries, people will try to find ways around the rigidities of the system. There is a term for this in Brazil, '*jeitinho*', which is commonly used by Brazilians to label the avoidance of lengthy and bureaucratic processes (Hustead, 2002).

According to Lomnitz (1988), bureaucracy in a social system usually results in the creation of informal mechanisms. These informal mechanisms are created to address problems that the bureaucratic social system can not address. Lomnitz concludes that rigid state structures will result in people trying to find a way around undesirable situations can be directly related to the use of social networks and friendship ties in order to go through complex processes. Lomnitz states:

“Informal exchange of services and goods within a formal social system develops in response to scarcity. Informal exchange tends to deal with commodities that are not freely available in the formal systems: rationed or restricted goods, access to decision makers, influence on administrative decisions, or more generally preferential treatment at the hands of the modern bureaucracies” (1988, p. 43).

Rigidity of state structures and bureaucracy may not be the only reasons leading Latin Americans to try to find ways around bureaucratic situations. High levels of corruption in Latin America is associated with a lack of trust in the legitimacy of the political system in those countries (Seligson, 2002). The lack of trust in the political system, and in other segments of the society, results in individuals searching for alternative solutions for problems that cannot be solved through regular procedures.

Contrary to the concept of relation-based governance, Li, Park and Li (2004) associate rule-based governance to low costs of business transactions. In rule-based societies, there is no need to use personal networks to obtain favors since public regulatory institutions are more efficient in facilitating transactions. While individuals still use personal networks in their transactions, this is not a condition for the transactions to happen.

The United States' mode of governance is primarily rule-based (Maurer & Li, 2006), and individuals are provided with reliable public regulatory institutions. Even though the United States government and businesses are sporadically criticized because of unwanted levels of bureaucracy (Bagley & Revesz, 2006; Nossiter, 2005; Prados, 2006) and corruption (Hill, 2006; Labaton, 2006; Richardson, 2006; Wilke, 2006), these levels are considerably lower than the Latin American levels (Hustead, 2002). According to Li, Park and Li (2004), the United States is one of the most rule-based countries, which means that regulatory institutions are able to enforce rules, facilitating transactions among individuals.

Further, a country's legal system has been associated to the country's levels of corruption. While in many Latin American countries, the legal system, based on civil law, is inefficient, excessively regulated, weak in enforcing rules, and biased toward the elites, the United States' legal system, based on common law, is viewed as more efficient, stronger at enforcing rules, and fair (La Porta, Lopez-De-Silanes, Shleifer, & Vishny, 1997; Pinheiro, 1996; Waldron, 2006)

Due to the differences in terms of rule-based regulation in the U.S. and Latin American Brazil, we hypothesize:

Hypothesis 1: Brazilian organizations will rely less on rule-based regulation than American organizations.

Human Resource Management Status and Selection Criteria

The human resources function in an organization involves many activities ranging from selecting the best candidate that matches the firm's available positions, to developing compensation systems (Wright, McMahan, Snell, & Gerhart, 2001). Selecting the best employees seems to be the universal objective of the human resources function in organizations, however the criteria used to select employees may vary according to the countries' characteristics (Huo, Huang, & Napier, 2002).

The differences in the use of regulations in Latin America and the United States are reflected also in their organizations and working relationships. Pearce, Branyiczki and Bigley argued that political systems influence organizational practices, by establishing the rules for organizational functioning, and by enforcing laws (2000). Huo, Huang and Napier (2002) have argued that understanding the governance characteristics of the country and the cultural environment in which firms are inserted, facilitates the comprehension of their human resources practices. Later, Gomez and Sanchez (2005) have discussed the impact of countries' legal systems in determining firms' regulations, including human resources regulations.

According to Li, Park, and Li (2004), in rule-based countries, working relationships are clearly defined in job descriptions, manuals, professional contracts, and laws; while in relation-based countries, working relations are less objectively defined. In addition to these organizational characteristics, the characteristics of the individuals of rule-based and relation-based countries are likely to shape human resources practices differently in those cultures. Peppas

(2006) found that subjective criteria, including loyalty in the candidate impact selection decisions of Latino managers. Huo, Huang and Napier (2002) found that in the relation-based Mexican cultural context, the candidates' right connections is one of the three main important criteria in selection decisions.

Considering that in Latino countries laws and regulations are associated with bureaucratic and lengthy processes, and people find ways of avoiding them by using interpersonal connections, it is possible that an employer would hire a job seeker less qualified for a position than other candidates, based on his/hers personal relationship with the person. In addition to bureaucracy avoidance, Latin Americans will hire based on the fact that building social capital is an important element in the work place, creating a family type of environment that favors interpersonal relationships (Gomez & Sanchez, 2005; Stephens & Greer, 1995).

In the opposite side, the rule-based United States uses more formal procedures and written rules than countries characterized by relation-based systems (Shaw, Tang, Fisher, & Kirkbride, 1993). Thus, in this country, selection decisions are strongly based on job interviews, technical skills and previous work experience (Glinow, Drost, & Teagarden, 2002; Huo et al., 2002). A study by Peppas (2006) has demonstrated that Americans, when making selection decisions, tend to rate individualistic characteristics such as self-reliance and competitiveness higher than Latinos. In the U.S., the emphasis on formal rules and high levels of general trust toward others should result in a selection process that is based more on job related criteria, assessment tools, interviews, and proven experience (rule-based criteria), than on relation-based criteria, such as friendship ties to the candidate or loyalty.

After comparing the Latin American and the American approach to the human resources function, we hypothesize that:

Hypothesis 2a: Brazilian organizations will not value the formal role of Human Resources Management in the organization as much as Americans organizations.

Hypothesis 2b: Brazilians will rely more on social criteria than Americans.

Hypothesis 2c: Americans will rely more on task criteria than Brazilians.

Trust and Social Capital

In Sue-Chan and Dasborough's study (2006), it was found that in the Hong Kong Chinese cultural context, friendship ties (guanxi) influence hiring decisions positively. They also found that in the rule-based Australian cultural context, the stronger the friendship ties (mateship) the more likely it will have an impact on selection decisions. According to both concepts of guanxi and mateship, the ultimate goal is facilitating the exchange of social capital, derived from people's interactions and social networks.

Social capital is considered the outcome of social relations, an exchange of abstract resources such as shared values, knowledge, signs, words, behaviors and information (Baker, 2000; Glover & Hemingway, 2005; Gomez & Sanchez, 2005). Applied to people's daily lives, social capital can be understood by the exchange of valuable information among friends, relatives, professionals, and people in general (Glover & Hemingway, 2005). Through social capital, networks, and cooperation people exchange information, experiences, and favors (Gomez & Sanchez, 2005; Portes, 1998). Social capital could explain, for example, why people refer friends and relatives to jobs.

Being part of a group includes helping people to find jobs and providing references for them.

The exchange of social capital among people may vary with the country, depending on the cultural values of the society. In the Chinese culture for example, trust is an important component of relationships (Sue-Chan & Dasborough, 2006), underpinning *guanxi*. Consequently, exchange of social capital is based on interpersonal trust (Rao, Pearce, & Xin, 2005). In collectivist cultures such as those in Latin America, trust is a very important element in people's relationships (Li et al., 2004; Michailova & Hutchings, 2006). When establishing social or economic relations, Latin Americans tend to favor friends because they belong to the in-group, and are considered more trustworthy than individuals from the out-group. According to Baker (2000) when a social network is tight, as in the case of Latin America, social capital is created through trust, and resources are only generated or exchanged between the in-group members.

Rao, Pearce and Xin argue that, under non-facilitative governments, reciprocal relationships provide a solution for the lack of support and protection from the government (2005). Under non-facilitative governments, relationships tend to be based on reciprocity and trust. This is explained by the fact that individuals are not provided with protection, and cannot rely on the government to punish individuals that do not follow common rules. Thus, individuals will rely on particular relations to obtain benefits that are not provided by the government. Individuals in low trusting cultures find it more difficult to trust people that are not part of their group of friends and family. Brazilians, like other Latin American nationalities, demonstrate low trust toward others (Lazzarini, Madalozzo, Artes, & Siqueira, 2005).

In addition to the role of government in facilitating exchange among individuals and building a trustworthy environment for exchanges to happen, levels of corruption in Latin American countries are also associated with the reduction of generalized trust among individuals (Seligson, 2002). In non-facilitative, bureaucratic governments, such as those in Latin American countries, high levels of corruption result in lower levels of interpersonal trust (Seligson, 2002). General distrust, caused by high levels of corruption in Latin America (Hustead, 2002) can be a complementary reason for the fact that Latinos favor individuals from their in-group. By referring members of his/hers in-group to a job position, Latinos avoid risks associated with hiring untrustworthy individuals that do not belong to their in-group.

The U.S. facilitative government fosters the exchange of social capital among individuals by providing the support necessary to guarantee that those individuals that do not follow the society's rules are punished (Rao et al., 2005), and that rules are universally applied. As a result there is a larger predictability of individuals' attitudes and the assurance that deviant behaviors will be effectively taken care of. Based on this, we argue that American society is more trusting than the Brazilian society. The lower levels of corruption in the United States (Hustead, 2002), resulting from its facilitative government, also contribute to the increased generalized trust among individuals. Following this, the distinction between belonging to the in-group or out-group is not generally as important for determining social behavior as it is for non-trusting societies, such as those encountered in Latin America (Triandis, 1989).

Considering the characteristics of the Latino and American cultures in terms of trust and social capital, the third group of hypotheses of this thesis are as follows:

Hypothesis 3a: Brazilians will demonstrate higher levels of distrust toward others than Americans.

Hypothesis 3b: Brazilians will demonstrate higher levels of trust toward their friends (in-group) than Americans.

Particularistic Ties in Selection Decision Making

An important distinction between the U.S. and Latin America lies in their cultural values. One of the most recognized studies on culture was conducted by Hofstede, where participants provided information about their basic cultural values. Hofstede studied cultural differences in 71 countries between 1967 and 1973, and found that nations can be characterized according to four dimensions of culture: 1) individualism versus collectivism; 2) masculinity versus femininity; 3) large or small power distance; 4) strong or weak uncertainty avoidance (Hofstede & McCrae, 2004). For the purpose of this current research, we only focus on individualism and collectivism, as these cultural values have the largest impact on our subject of study.

Latin American countries are high in collectivism (Hofstede & McCrae, 2004). In these countries, being integrated into groups is an important facilitator for social capital exchange. Reciprocity is highly valued among the in-group's members, and particular relations highly valued, and rules are not universally applied (Michailova & Hutchings, 2006).

In collectivist cultures, being part of a group or being recognized as belonging to a certain group is an important condition that might determine one's success or failure

(Hustead, 2002). Directly associated to collectivism is the concept of particularism.

Particularism means that particular relationships are relevant in people's relations, more than rules and laws (Michailova & Hutchings, 2006). Michailova and Hutchings characterize particularistic cultures in this way:

In particularistic cultures there is often an absence of defined legal systems and relationships and associations have developed to determine what gets done in business, politics and society. In these societies the application of existing rules depends on the relationships between people responsible for making decisions in a given situation. In particularistic societies, decisions are not based on uniform rules, rather consideration is given to making particularistic judgments focused on the exceptional nature of present circumstances (p. 391).

In collectivist cultures, family is considered the most important group, and there is a strong sense of trust embedded in family relations (Triandis, 1989). In this sense, social capital generated among family members is more valuable compared to the social capital generated among other social groups, and family members should be given preference when favors are exchanged.

Alternatively, the U.S. is considered very high in individualism (Allik & Realo, 2004; Kimmelmeier et al., 2003; Triandis, 1989). Individualism is derived from the liberal ideas of individual freedom, human rights, and the reduction of state control over people (Kimmelmeier et al., 2003), and appears to oppose the regulations imposed by Britain in the eighteenth century (Grabb, Baer, & Curtis, 1999; Kimmelmeier et al., 2003). The individualistic characteristics of the American culture include emphasis on individual independence, self-reliance, loose relationships and loose relation to the in-group (Triandis, 1989).

We argue that the cultural values of individualism and collectivism will impact human resource selection decisions. Given the cultural differences between the

individualistic American culture and the collectivistic Latin American culture discussed in this thesis, our fourth hypotheses are:

Hypothesis 4a: Brazilians have closer particularistic ties than Americans.

Hypothesis 4b: In the selection context, Brazilians are more likely to interview and hire their friends for organizational positions than Americans.

Hypothesis 4c: In the selection context, Brazilians are more likely to rely on their family social networks than Americans.

CHAPTER III

METHODOLOGY

Design

We used a between-subjects factorial design to explore the role of friendship ties in human resource selection decision making. The cultural context was the between-subjects factor (Brazil/USA).

Data Collection and Context

An English and Portuguese version of a four-page questionnaire was administered in the United States and Brazil, respectively. Many of the questionnaire items are based on earlier work by Sue-Chan and Dasborough (2006). To ensure that the Portuguese version of the questionnaires were equivalent to the English version, we followed steps suggested by Serakan (1983). The translation was made by the Brazilian researcher, who has a good understanding of both languages, as well as both cultures. After translating from English to Portuguese, we did a back translation of the Portuguese version. We also conducted a pilot test of the Portuguese version of the questionnaire with three Brazilians and we made the necessary changes.

Firms and individuals in the United States and Brazil were contacted by telephone or e-mail, and were invited to participate in the research study. Scripts for the invitation e-mails were the same in content for both English and Portuguese versions. Instructions

and details about the research were exactly the same in both languages. We tried to maintain the same procedures in both cultures to ensure equivalent response attitudes (Serakan, 1983). We either collected the questionnaires at the firms, had the questionnaires mailed to us, or collected them electronically via the internet. Data was collected in both countries for a three month period, from August to October, 2006.

Questionnaires did not contain information that would identify participants in order to maintain participants' anonymity and to avoid socially desirable responding. In the invitation message, participants were informed that all the information provided would remain anonymous and confidential. Socially sensitive behaviors, in this situation, the misuse of organizational rules in selection decisions, could lead participants to provide desirable answers or to omit information (Goodstadt & Gruson, 1975; Paulhus, 1984).

Participants of cross-cultural research may become self-conscious and concerned about looking inferior when compared to other countries. This problem is reinforced when the researcher is a local citizen living in a different country and is collecting the data to be used abroad (Serakan, 1983). According to Serakan, there is a chance that participants' responses will be biased in a way to avoid making their country look inferior. To minimize this problem we established some partnerships with local human resources departments and firms in Brazil, and in the United States.

Sample

The American participants were sourced from various states in the United States, but at least 50 percent of the participants were from the state of Oklahoma. The Brazilian

participants were sourced from the states of South and South East regions of Brazil, such as Sao Paulo, Rio de Janeiro, Espirito Santo, Rio Grande do Sul, and Santa Catarina.

In both countries, all participants were, in some way, involved in the selection process of new employees to be hired in their department/firm. Eighty-two professionals working in national and international firms in the United States, and one hundred one professionals in Brazil participated in the study. The average age of the U.S. sample ranged from 40 to 49 years old, and the Brazil sample from 30 to 39 years old. Sample participants represented different levels of experience, ranging from junior to senior. In terms of gender, the samples include a balanced participation of men and women, as displayed in Table 1 (see Appendix).

Procedure

All participants were presented with a hypothetical scenario where they were asked to imagine they had a friend applying for a job in the same firm they work. This scenario was used by Sue-Chan and Dasborough (2006) in their study on friendship ties and human resources selection decisions. The purpose of the scenario was to lead participants to think about a situation where they needed to make a selection decision including one of their close friends, referred to as “X”.

Participants were asked whether or not they would recommend the friend for an interview, and also whether or not they would recommend the friend to be offered the position at their firm. They were also asked whether they believe that their current colleagues would recommend their friend for the final interview and the job offer. A scenario was used in order to isolate the effect of the variable of interest (particularistic

ties/friendship) on the dependent variable (selection decision- making). The participants' responses to the scenario should relate to their actual behavior, as found by other researchers (Jago & Vroom, 1978).

The scenario presented to the participants is below:

X (your friend) has applied for a job at your company. X has had a lot of personal problems to deal with in the last 5 years: a sick child and a depressed spouse. X has told you, though, that all of his/her personal problems are now under control. Based on your own personal experience with him/her over the last 5 years and on the resume s/he submitted, you privately believe that X is no better than an average employee and is uncertain whether his/her performance is due to his/her personal problems. There are at least 5 other applicants whom you consider to be far superior to X. You don't know any of these candidates personally. Your company has two job openings and will invite only 3 applicants for extensive, day-long interviews.

Measures

Distrust: We used a single-item measure to assess participants' general ideas about trusting other people. The measure was adopted from Rao, Perace and Xin's measure for generalized trust (Rao et al., 2005). The item was as following: 'Generally, would you say that you can't be too careful in dealing with people?'. A five-point Likert scale (1 = strongly disagree; 5 = strongly agree) was used to assess this item.

Rule Based Regulation: We used a 6-item measure from Podsakoff and MacKenzie (1994) to assess whether participants' organizations take a rule-based approach. Example items include: 'In my organization, violations of rules and procedures are not tolerated'; 'My organization takes a relaxed approach to rules and policies'; 'In my organization, little flexibility is allowed in the interpretation of the policies and procedures'. The alpha coefficient for this measure was .82. A five-point Likert scale (1 = strongly disagree; 5 = strongly agree) accompanied each of the items.

Human Resources Status: We used a 4-item measure of Human Resources status, using items from Galang (2004). Example items include: 'HR is viewed as an important department in the company'; HR seems to keep informed about the best human resource management practices that are used in other countries'. A five-point scale, which ranged from 1 (not at all) to 5 (extremely), accompanied each of the items. The alpha coefficient for this measure was .82.

Social Network: We used items from Rao, Pearce and Xin (2005) to assess the nature of the social relationship between the participant and the person X. We adapted the items by exchanging the word 'associate' for 'X'. A five-point Likert scale (1 = strongly disagree; 5 = strongly agree) accompanied each of the items. Following an exploratory factor analysis (details are in the Results section), we constructed two separate scales. The two scales represent family social network (2 items, alpha = .79) and personal social network (3 items, alpha = .72).

Hiring Criteria: We used items from Galang (2004) to assess the criteria participants used to make their decisions about recommending X for an interview and for a job offer. Following an exploratory factor analysis (details in Result section), we constructed two separate scales, representing task criteria (3 items, alpha = .81) and social criteria (3 items, alpha = .72). A five-point scale, which ranged from 1 (not at all) to 5 (extremely), accompanied each of the items. Example items for task criteria include: 'Ability to perform technical job requirements'; 'Proven work experience in similar job'. Example items for social criteria include: 'Belief that person will stay with company'; 'Right connections'.

Particularistic Ties (friendship ties): A 1-item pictorial measure of the interpersonal interconnectedness (Aron, Aron, & Smollan, 1992) was used to assess participants' sense of their friendship with X. Participants were asked to indicate which pair of circles represents best their relationship with X, this person with 'whom you have the closest, deepest and most involved social relationship (not a romantic partner, not a husband/wife, etc.)'. One circle of each pair represented 'self' (participant) and the second represented 'other' (the participant's friend). The interconnectedness of the two circles represented the closeness of the relationship between the participant and his/her friend X.

The main outcome measures were taken from Sue-Chan and Dasborough (2006). After reading the scenario participants were asked four questions. The first two questions intended to assess the participants' recommendations regarding the candidate X. The questions were as follows:

1. How likely are you to recommend to the selection committee that X be invited for an interview? Possible responses ranged from 1, "I would definitely not recommend that X be interviewed" to 5, "I would definitely recommend that X be interviewed".
2. How likely are you to recommend to the selection committee that X be offered employment in your firm? Possible responses ranged from 1, "I would definitely not recommend that X be offered employment" to 5, "I would definitely recommend that X be offered employment".

The other two questions intended to assess what participants thought their co-workers would decide about X. The purpose of this was to indirectly measure selection decisions; asking what co-workers would do in the scenario may serve to reduce socially desirable responding (Fisher, 1993). The questions were as follows:

1. How likely are other people in your organization to recommend to the selection committee that X be invited for an interview? Possible responses ranged from 1, “Others would definitely not recommend that X be interviewed” to 5, “Others would definitely recommend that X be interviewed”.
2. How likely are other people in your organization to recommend to the selection committee that X be offered employment in your firm? Possible responses ranged from 1, “Others would definitely not recommend that X be offered employment” to 5, “Others would definitely recommend that X be offered employment”.

CHAPTER IV

RESULTS

Data Cleaning

Before testing our hypotheses, we cleaned the data. The importance of cleaning the data for statistical analysis has been addressed by Malhotra and colleagues as a way of maintaining consistent and reliable data (1996). We excluded cases with over 25% missing responses. By eliminating those cases we tried to exclude responses by participants who may not have been concentrating on the task and could negatively impact overall results. Fourteen cases from the Brazil sample and one case from the U.S. sample were excluded as the basis of this criterion. We also eliminated 3 cases which were “outliers” from the Brazil sample. They reported disproportionate firms’ size compared to the rest of the sample. While the average firm size in both countries ranged from 1,600 to 1,700 approximately, the 3 eliminated cases reported firm’s size over 30,000. In addition, organizations with less than 5 people were excluded from the analysis. For this reason, 3 cases from the Brazil sample were excluded.

Factor Analysis

We performed an exploratory factor analysis to examine the underlying structure of the data for the social network and hiring criteria scales (see Table 2). The method utilized was Principal Axis factoring with Varimax rotation.

For the social network criteria, three factors emerged: factor 1 (personal social network), explaining 23% of variance; factor 2 (family social network), explaining 14% of variance; and factor 3 (relationship closeness), explaining 8% of variance. Based on these results, we constructed 2 scales, personal and family social network. Relationship closeness was not necessary, as we already have a measure of this using the pictorial scale (Aron et al., 1992). One of the 3 items measuring personal social network was eliminated because of cross loadings. It was a reverse scored item, what could have confused respondents, since it was the only negatively worded item in the scale. Hence, we ended up with 2 items measuring family social network, and 3 items measuring personal social network.

For the hiring criteria, two factors emerged: factor 1 (task-related criteria), explaining 31% of variance; and factor 2 (social-related criteria), explaining 24% of variance. Based on these results, we constructed 2 scales, task related and social related criteria. Items 2 and 7 of the original hiring criteria measure were deleted because of cross-loadings. As a result, the number of items used was reduced from 8 to 6 (Table 2).

Descriptive Statistics

The means, standard deviations and inter-correlations among the variables are shown in Table 3. The main independent variable, particularistic ties, was correlated with country and levels of distrust. Specifically, Brazil reported stronger friendship ties and higher generalized distrust than the U.S. The main dependent variable, offer of a job, was positively correlated with country, particularistic ties to the candidate, task criteria, social criteria and recommending the friend for an interview.

Hypothesis Testing

Analysis of variance (ANOVA) was used to test the hypotheses. This procedure enabled the researchers to evaluate the mean differences between the two cultural groups: Latin America (Brazil) and America (USA). The ANOVA results are shown in Table 4.

Consistent with Hypothesis 1, Brazilians rely less on rules ($M = 2.97$, $SD = .79$) than Americans ($M = 3.29$, $SD = .72$). Additional analysis indicated that the difference was statistically significant ($F(1,187) = 7.94$, $p < .01$).

Hypothesis 2a was not supported. Even though the results for the status of the Human Resources Management department were lower for Brazilians ($M = 3.37$, $SD = .87$) than Americans ($M = 3.60$, $SD = .73$), it was not statistically significant. Hypothesis 2b was supported with Brazilians ($M = 3.62$, $SD = .96$) relying more on social criteria than Americans. The difference was statistically significant ($F(1,174) = 12.55^{**}$). Hypothesis 2c was not supported, with Brazilians ($M = 4.27$, $SD = .73$) relying more on task criteria than Americans ($M = 4.00$, $SD = .91$). The difference was also significant ($F(1,177) = 4.87^*$).

Consistent with Hypothesis 3a, Brazilians demonstrate higher levels of generalized distrust toward others ($M = 3.91$, $SD = .98$) than Americans ($M = 3.45$, $SD = .93$). Additional analyses indicated that the difference was statistically significant ($F(1,189) = 10.65$, $p < .01$). In contrast to Hypothesis 3b, Americans trust their friends more ($M = 4.40$, $SD = .78$) than Brazilians trust their friends ($M = 4.06$, $SD = 1.06$). The analyses of the difference was statistically significant ($F(1,191) = 5.95$, $p < .05$).

Consistent with Hypothesis 4a, Brazilians have closer particularistic ties ($M = 4.09$, $SD = 1.52$) than Americans ($M = 3.26$, $SD = 1.40$). The difference was statistically

significant ($F(1,187) = 14.78, p < .01$). Further, Brazilians are more likely to interview a friend ($M = 3.55, SD = 1.29$) than Americans ($M = 2.84, SD = 1.09$), with a statistically significant difference ($F(1,179) = 15.57, p < .01$); and Brazilians are more likely to hire ($M = 3.27, SD = 1.32$) a friend than Americans ($M = 2.65, SD = .99$), also with a statistically significant difference ($F(1,179) = 12.05, p < .01$). These results support Hypothesis 4b. However, Hypothesis 4c was not supported. There is no statistically significant difference between Brazilians ($M = 1.49, SD = 1.08$) and Americans ($M = 1.75, SD = 1.17$) in their use of family social network in the selection context. In both cases, the mean for family social network was lower than the mean for personal social network.

CHAPTER V

DISCUSSION AND CONCLUSION

Discussion of Findings

This study replicated and extended Sue-Chan and Dasborough's (2006) investigation examining the influence of relation- and rule-based regulations on hiring decisions. Similar to their study, we investigated whether particularistic ties based on friendship impact decision-making in the selection context. Sue-Chan and Dasborough (2006) conducted their studies in Australia and in Hong Kong, comparing selection decisions in rule- versus relation-based cultures. To examine the generalization of their results, we conducted a replication study in the United States and Brazil. Australia and the United States are both advanced capitalist economies that represent individualist cultures (Triandis, 1989). On the other hand, Hong Kong (China) and Brazil represent collectivist cultures (Triandis, 1989).

In this thesis we extended Sue-Chan and Dasborough's research by testing the differences between the United States and Brazil in regards to the impact of particularistic ties on hiring decisions, as well as country difference in trust, rule-based regulation, HR status, and selection criteria.

Our findings demonstrate that Latin Americans rely less on regulations in organizations than Americans. These results support the earlier arguments that collectivist cultures are less rule-based than individualistic culture

(Li et al., 2004; Michailova & Hutchings, 2006; Sue-Chan & Dasborough, 2006). In collectivist cultures, bureaucratic, lengthy processes lead individuals to find alternative ways for dealing with regulations. Furthermore, corruption may be associated with the less frequent use of regulations and more frequent use of social relations.

Although there is not a significant difference between Brazil and the U.S. in regards to the status of the human resources function, the U.S. group attributes slightly higher status to the human resources function than Brazilians do. These results are compatible with the idea that, in collectivist cultures, bureaucracy (in this case, bureaucracy applied to the human resources function in the firm) leads individuals to perceive regulatory sectors as inefficient and unable to provide services with quality (Lomnitz, 1988).

Moreover, in individualist cultures, job-related criteria are the most relevant criteria in selection decisions (Huo et al., 2002), positively influencing individuals' opinions about the status of the human resources function. This statement was challenged by the results found in this study for the hypothesis about the use of task criteria for selection decisions. Brazilians reported that they rely more on task criteria than Americans. This result may be explained by the difference between the samples. The Brazilian sample was mostly constituted of residents of larger cities; while the American sample was mostly constituted by residents of a small town, in a region of the United States that carries collectivistic characteristics (Vandello & Cohen, 1999). This result may also be a function of socially desirable responding. With regards to other criteria used for selection decisions, Brazilians also rely more on social criteria than Americans, consistent with the literature discussed earlier (Hustead, 2002; Li et al., 2004).

Support was also found for the hypothesis about generalized distrust, with Brazilians demonstrating higher levels of distrust toward others, than Americans. These findings support the literature on Latin American culture. The importance of belonging to a group and the emphasis on personal and tight relations among people in collectivist cultures influence individuals, who tend to not trust people that are not part of their immediate personal group. Supporting these ideas, our research found that Brazilians present low levels of trust toward others (Lazzarini et al., 2005; Pearce et al., 2000; Rao et al., 2005).

Brazilians were expected to trust their friends more than Americans because, in collectivist cultures, relationships are based on trust (Lazzarini et al., 2005; Pearce et al., 2000; Rao et al., 2005). On the other hand, Americans were expected to display lower levels of trust toward their friends when compared to Brazil. However, our results did not support these arguments. The results could be explained by the fact that the U.S. sample was largely constituted of individuals working in a small town, with approximate 40,000 inhabitants. The Brazil sample consisted mostly of individuals working in larger cities. In small towns, the chances of referring a friend that joins varied mutual social groups are larger than in the cities. In this setting people are frequently in contact with the same friends, in different social contexts (school meetings, parties, social clubs, or church services), which may create more trustworthy relationships. In addition, the collectivistic characteristic of the Southern states in the United States and the promotion of collectivist practices by the churches (Vandello & Cohen, 1999) could explain these results also.

Another possible reason for these findings is the decline of generalized trust and the increase in particularized trust among Americans in the last four decades (Uslaner,

2000). Factors such as growing skepticism toward government, increase in religious fundamentalism and economic inequality have impacted the ability of Americans to trust others (Uslaner, 2000). Consequently, Americans are placing more importance on trusting their friends within their immediate social networks.

The findings demonstrate that the Brazil cultural context is stronger in particularistic ties than the U.S. cultural context. It was also found that Brazilians interview and hire friends more frequently than Americans. These results support the theoretical arguments presented earlier in this thesis. Collectivist Latin American countries are higher in particularistic ties and, as a consequence, individuals demonstrate favoritism toward other individuals in their in-group, such as friends or relatives (Gomez & Sanchez, 2005; Hofstede & McCrae, 2004; Hustead, 2002; Triandis, 1989). However, there was not a significant difference between the two groups in the utilization of the family social network for selection decisions. Again, this may be explained by the location characteristics of the American sample as discussed previously.

Theoretical Implications

This research adds to the literature by replicating and extending Sue-Chan and Dasborough's work (2006), in two different countries (Brazil and USA). In addition, study presents a broader scope because it includes other variables such as distrust, the status of the Human Resources Management department, trust in friend, the type of social network, and the selection criteria used in different cultural contexts. The reason for incorporating these additional variables is to uncover additional information about why individuals recommend their friends for organizational positions.

This research contributes to previous research on social capital in collectivist and individualistic cultures, demonstrating that social capital is more easily built in collectivist cultures, such as Latino countries, than in individualistic cultures, such as the United States (Gomez & Sanchez, 2005). The fact that Brazilians are more likely to refer friends for jobs than Americans supports this argument. Since social capital is derived from reciprocal relations among people (Portes, 1998), the stronger ties among Latinos would favor the creation of social capital in Latin American countries compared to the United States.

This research also reinforces previous research about general distrust toward others, demonstrating that Brazilians are more likely to distrust others than Americans (Lazzarini et al., 2005; Pearce et al., 2000; Rao et al., 2005). Our finding also supports literature on the importance of social networks for Latin Americans (Gomez & Sanchez, 2005; Hofstede & McCrae, 2004; Husted, 2002). Latin Americans reported that they used their social network to make human resource selection decisions, more so than Americans. Based on the results, we conclude that cultural values do have an impact on selection decisions. Specifically, in collectivist cultures, friendship ties are utilized in the selection decision making process.

Our results contribute to the literature on selection criteria. We used a scale adapted from Galang (2004) to assess the criteria participants used to make their selection decisions. Items from the scale measure task-related and social-related criteria. These two categories of job criteria are important, and factor analysis shows that empirically they represent two separate constructs. Traditionally, organizations focus on task-related criteria, such as being able to perform a task and the skills required. We argue, however,

that social criteria is also an important factor to consider. The social criteria measured in this scale reflects the social capital that an organization will be gaining when hiring that candidate.

We also make contributions to the social network literature. We adapted a social network scale from Rao, Pearce and Xin (2005) for this research. We found support for dividing this scale into two; identifying two different types of social networks, personal and family. While previous research has only made the distinction between social networks consisting of work colleagues and non-work colleagues (family and friends), we argue that there should be 3 categories of networks: family, friends, and colleagues. The reason for this is that people will use family networks differently to how they use friendship networks. There are also different motivations for using these types of networks.

Practical Implications

The results of this thesis have practical implications for international businesses and professionals working in culturally diverse environments. Foreign professionals working in the U.S. or Brazil should be aware of cultural peculiarities of decision-making for the selection process of new employees. Since management practices, including human resource management practices, are highly influenced by cultural characteristics (Laurent, 1986; Schneider, 1988), it is necessary that multinational firms and expatriate employees understand cultural aspects of the country they are entering, as well as how that culture is reflected into the management practices of the organizations. Professionals will need to learn that, to increase their chances of getting a job in collectivist cultures,

they need to build social networks and, not rely solely on their task related skills. They should be aware that social criteria are just as important as job criteria in collectivist cultures.

Despite the negative perception surrounding hiring friends, relying on social networks for human resource selection decisions may not necessarily always be negative. Utilizing social networks to fill positions is beneficial if it helps to allocate the person that best fits with the firm's culture and work team, and if it controls turnover. Recently, firms such as Quicken Loans, have been promoting the use of employees' referrals as a solution for their increasing needs for faster selection processes (Taylor, 2006). Caution is required however, as a study by Castilla (2002) demonstrated that referrals demonstrate higher performance levels only in the first months of employment. In the long run, their performances tend to decrease and, as a result, the firm does not enjoy the expected economic returns. Furthermore, he also finds that even though referrals are more likely to complete initial training in the firm, their performance decreases if the referrer leaves the firm (Castilla, 2002). Thus, the firm only enjoys economic returns from referred employees if referrers stay in the firm.

Limitations and Future Research

The above implications should be considered in light of the research limitations. First, the type of firm or type of business may influence how intensively firms make use of social capital for selection decisions. A limitation of this study is the failure to control for type of firms being studied. A small family-based firm may select employees using more social-related criteria than task-related criteria. A large firm or a firm owned by

many shareholders may rely on rules and regulations more heavily in order to secure more standardized procedures and better control of management indicators. We know from the correlations that organization size was positively associated with rule-based regulation (and no other study variables); however without access to accurate information about the actual type of firms participating in this study (family-owned, private, public company), we could not test these assumptions.

Since we did not control type of firm, it is difficult to evaluate how homogenous or heterogeneous the samples were. Thus, it is also difficult to evaluate if our samples (Brazil and U.S.) are large enough to provide us with most of the elements that characterize the population studied, the population of professionals that are involved in the selection process in their organizations in the two different cultures. Previous studies have demonstrated that wrong inferences can be drawn if the sample size is not appropriate (McLarty, 1987).

In terms of using a scenario, it is suggested that future research evaluates how realistic the scenarios are for the cultural groups studied. It is possible to obtain responses that are comparable to real situations by utilizing a research setting that is similar to the applied settings (Cleveland, 1991; Eastman, 1994; Jago & Vroom, 1978). However, results can be negatively affected if the scenario contains information that is very different from the real context (Murphy, Herr, Lockhart, & Maguire, 1986). At the end of the survey, we asked participants about previous experience with a similar scenario in their current organization, and many of the participants in both contexts reported that they had experienced making the decision to select (or not select) a friend for an interview or a position.

Based on our findings, we suggest some directions for future research. First, future research should investigate if type and size of firm impacts the firm's choice about making use of relation- versus rule-based criteria in selection processes. With this information we may find that the type of organization and its size play a more important role than the cultural context in determining the use of formal rules in selection processes. In a study by Kotey and Sheridan (2004) in the individualistic cultural context of Australia, they found that the use of formal recruitment sources and procedures in Human Resources is influenced by the organization's size. The smaller the firm in terms of number of employees, the less its reliance on formal procedures in Human Resources Management (Kotey & Sheridan, 2004).

Second, investigating long-term results of selection decisions would have enabled us to evaluate the positive and negative outcomes of utilizing various selection criteria. In this study participants were not asked about the long-term results of their past referral experiences and whether the referral cases they knew about resulted in high performance, long-lasting experiences for the firms. Future research should probe this further.

Finally, it is indicated that complementary studies, similar to the study by Castilla (2002), are conducted in order to analyze positive and negative outcomes for firms relying on social- or job-related criteria in selection decisions. While Castilla's study was based solely on a retail bank in the U.S., future studies should be conducted in different countries and institutions to control for cultural differences, as well as differences in type of firms. It is important to determine the consequences of using social networks for human resources selection, such as the impact on employees' turnover, productivity, commitment, and satisfaction. Tse and Dasborough (2007) found that friendships at work

promoted high quality team member exchange relationships and positive affective climates in the workplace. Hence, if friends or family are selected for a position in an organization, these positive outcomes may eventuate via the previously established relationship quality.

Conclusions

In this thesis we investigated the impact of friendship ties on selection decisions in Latin America and in the United States. Professionals in the U.S. and in Brazil completed a questionnaire where they provided us with information about general distrust, the extent to which their organizations were rule-based, and the status of the human resources function in the organization. Participants were then presented with a hypothetical scenario in which a friend was a candidate for a job in their organization. They provided us with information on their friendship ties to their friend, the type of social network through which friendship developed and whether they would refer the friend to an interview and for a job position. They also informed us about the hiring criteria they used in making their selection decision.

The results demonstrate that Brazilian organizations rely less on rules than Americans, Brazilians have closer friendship ties than Americans, and are more likely to interview and offer a job to a friend than Americans. We also found that Brazilians demonstrate higher levels of generalized distrust than Americans, and they trust their friends less than Americans do. However, in terms of the importance of the HR function, and using family social network, there is no significant difference between the two cultures. These results support previous research findings by Sue-Chan and Dasborough

(2006), demonstrating that friendship ties impact selection decision making. As it was predicted in this thesis, in collectivist Latino countries, friendship ties play more of a role in selection decisions than in the individualistic context of the United States.

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APPENDIX

IRB Approval

Oklahoma State University Institutional Review Board

Date: Thursday, August 24, 2006
IRB Application No: BU0636
Proposal Title: Human Resource Selection in Latin Cultures - The Impact of Friendship Ties

Reviewed and Processed as: Expedited

Status Recommended by Reviewer(s): Approved Protocol Expires: 8/23/2007

Principal Investigator(s):
Marie Desborough 328 Business Stillwater, OK 74078
Ana Carolina Vaqueiro 2018 Sunset Drive Stillwater, OK 74074

The IRB application referenced above has been approved. It is the judgment of the reviewers that the rights and welfare of individuals who may be asked to participate in this study will be respected, and that the research will be conducted in a manner consistent with the IRB requirements as outlined in section 45 CFR 46.

The final versions of any printed recruitment, consent and assent documents bearing the IRB approval stamp are attached to this letter. These are the versions that must be used during the study.

As Principal Investigator, it is your responsibility to do the following:

1. Conduct this study exactly as it has been approved. Any modifications to the research protocol must be submitted with the appropriate signatures for IRB approval.
2. Submit a request for continuation if the study extends beyond the approval period of one calendar year. This continuation must receive IRB review and approval before the research can continue.
3. Report any adverse events to the IRB Chair promptly. Adverse events are those which are unanticipated and impact the subjects during the course of this research; and
4. Notify the IRB office in writing when your research project is complete.

Please note that approved protocols are subject to monitoring by the IRB and that the IRB office has the authority to inspect research records associated with this protocol at any time. If you have questions about the IRB procedures or need any assistance from the Board, please contact Beth McTernan in 219 Cordell North (phone: 405-744-5700, beth.mcternan@okstate.edu).

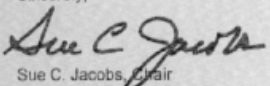
Sincerely,

Sue C. Jacobs, Chair
Institutional Review Board

Table I. Sample

	U.S. Mean (SD)	Brazil Mean (SD)
Age	6.43 (2.04)	4.91 (2.03)
Gender	1.67 (.47)	1.67 (.47)
Hired	1.33 (.48)	1.26 (.44)
Size	1763.15 (2308.55)	1628.75 (3353.04)

N = 193 (U.S. = 82, Brazil = 111)

Notes:

Age: 1 = Below 20, 2 = 20 to 24, 3 = 25 to 29, 4 = 30 to 34, 5 = 35 to 39, 6 = 40 to 44, 7 = 45 to 49, 8 = 50 to 54, 9 = 55 to 59, 10 = 60 to 64, 11 = 65 and above

Gender: Male = 1; Female = 2

Hired: 1 = Person has referred a friend for a job before; 2 = Person has not referred friend for a job before

Size = number of employees in the organization

Table II. Factor Loadings

a. Job Criteria Scale

	Factor	
	1 Task Criteria	2 Social Criteria
Ability to perform technical job requirements	.72	.24
Belief that person will stay with company	.35	.70
Right connections	.07	.72
Proven work experience in similar job	.83	.12
Potential to do a good job	.71	.17
Future co-workers' opinions	.13	.56

Extraction method: Principal Axis Factoring. Rotation method: Varimax with Kaiser

b. Social Network Scale

	Factor	
	1 Personal Social Network	2 Family Social Network
My relationship with X is more social than work related	.86	.15
I know X through my family network	.17	.86
X is a personal friend	.61	-.02
I know X from my time at school or university	.37	.02
X is a family relative	.03	.74

Extraction method: Principal Axis Factoring. Rotation method: Varimax with Kaiser

Table III. Descriptive Statistics

		Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Country	1.42	.50																	
2	Age	5.60	2.17	.35**																
3	Gender	1.67	.47	.00	-.18*															
4	Distrust	3.71	.98	-.23**	-.11	-.06														
5	Regulation Based	3.10	.78	.20**	.10	-.11	-.04	(.82)												
6	HR Status	3.47	.82	.14	.02	.11	-.13	.24**	(.82)											
7	Organization Size	1683.53	2965.57	.02	.05	-.01	-.14	.16*	.07											
8	Particularistic Ties (friendship)	3.74	1.53	-.27**	-.10	.03	.17*	.08	.12	-.07										
9	Trust friend	4.21	.97	.17*	.13	-.02	-.15*	.15*	.10	.09	.08									
10	Personal Social Network	3.80	1.20	.06	-.06	.09	.03	.07	-.04	-.06	-.03	.39**	(.72)							
11	Family Social Network	1.60	1.12	.11	.05	-.03	-.17*	.10	.06	-.05	-.13	.13	.17*	(.79)						
12	Task Criteria	4.15	.83	-.16*	-.12	.07	.15*	.07	.06	.02	.17*	.03	-.02	-.25**	(.81)					
13	Social Criteria	3.40	.96	-.26**	-.06	.01	-.00	.11	.22**	.02	.15*	.01	-.07	-.02	.46**	(.72)				
14	Interview	3.23	1.25	-.28**	-.14	-.05	.07	-.02	.06	.05	.22**	-.04	.02	-.02	.31**	.43**				
15	Offer	2.99	1.22	-.25**	-.12	-.14	.10	-.00	.03	-.05	.17*	-.05	-.02	-.01	.28**	.46**	.77*			
16	Other Interview	3.33	.95	-.22**	-.14	-.06	-.01	-.05	.03	-.09	.09	.03	-.01	.05	.10	.31**	.59*	.51*		
17	Other Offer	3.22	.99	-.15	-.06	-.15*	-.08	-.06	-.02	-.08	-.02	.04	-.09	.00	.09	.32**	.44*	.55*	.83*	

N = 193; ** = p<.01 * = p<.05; Gender: 1= Male, 2 = Female; Country: Brazil = 1, U.S. = 2 Note: Alpha reliability coefficients are on the diagonal

Table IV. ANOVA

	U.S. Mean (SD)	Brazil Mean (SD)	F (df)
Distrust	3.45 (0.93)	3.91 (0.98)	F(1,189) = 10.65**
Regulation Based	3.29 (0.72)	2.97 (0.79)	F(1,187) = 7.94**
HR Status	3.60 (0.73)	3.37 (0.87)	F(1,188) = 3.57
Particularistic Ties (friendship)	3.26 (1.40)	4.09 (1.53)	F(1,187) = 14.78**
Trust Friend	4.40 (0.78)	4.06 (1.06)	F(1,191) = 5.95*
Personal Social Network	3.88 (1.07)	3.73 (1.30)	F(1,189) = .73
Family Social Network	1.75 (1.17)	1.49 (1.08)	F(1,189) = 2.50
Task Criteria	4.00 (0.91)	4.27 (0.73)	F(1,177) = 4.87*
Social Criteria	3.12 (0.89)	3.62 (0.96)	F(1,174) = 12.55**
Interview	2.84 (1.09)	3.55 (1.29)	F(1,179) = 15.57**
Offer	2.65 (0.99)	3.27 (1.32)	F(1,179) = 12.05**
Other Interview	3.10 (0.85)	3.52 (1.00)	F(1,176) = 8.92*
Other Offer	3.06 (0.86)	3.35 (1.07)	F(1,174) = 3.88

N = 193; ** = p<.01 * = p<.05

VITA

Ana Carolina De Almeida Vaqueiro

Candidate for the Degree of

Master of Science

Thesis: HOW FRIENDSHIP TIES IMPACT HIRING DECISIONS – A CROSS-CULTURAL STUDY BETWEEN LATIN AMERICA AND THE UNITED STATES

Major Field: International Business and Economic Relations

Education:

2006: Completing the requirements for the Master of Science degree with a Major in International Business and Economic Relations at Oklahoma State University, Oklahoma, United States.

2003: Graduated Bachelor of Science in Psychology from Universidade Federal Fluminense, Rio de Janeiro, Brazil.

1997: Received High School degree from Colégio Salesiano Nossa Senhora da Vitória, Espírito Santo, Brazil.

Experience:

2005-2006: Employed as a Graduate Research Assistant in the Psychology Department at Oklahoma State University, Oklahoma, United States.

2003-2004: Worked as a Human Resource Analyst for Claro, Rio de Janeiro, Brazil.

2003: Provided independent Human Resources consulting services for private businesses in Rio de Janeiro, Brazil.

2002-2003: Volunteered as a Human Resource Consultant for Meta Consulting.

2002-2003: Worked as a Human Resource Analyst for Vivo, Rio de Janeiro, Brazil.

2000-2002: Worked as an Intern in the Human Resources Department of Vivo, Rio de Janeiro, Brazil.

Name: Ana Carolina De Almeida Vaqueiro

Date of Degree: December, 2006

Institution: Oklahoma State University

Location: Stillwater, Oklahoma

Title of Study: HOW FRIENDSHIP TIES IMPACT HIRING DECISIONS – A
CROSS-CULTURAL STUDY BETWEEN LATIN AMERICA AND
THE UNITED STATES

Pages in Study: 49

Candidate for the Degree of Master of Science

Major Field: International Business and Economic Relations

Scope and Method of Study: Previous research has found that friendship ties impact human resource selection decision making. The objective of this current study is to extend the work of Sue-Chan and Dasborough (2006), to examine if friendship ties impact hiring decisions in two culturally different contexts, the United States and Latin America. In collectivist Latino countries, it is predicted that friendship ties would play more of a role in selection decisions than in the individualistic context of the United States. Survey data was collected from 193 professionals in both cultural contexts.

Findings and Conclusions: Results from the surveys support the hypotheses that friendship ties impact human resource decisions, and this occurs more in collectivist contexts such as Brazil, than in individualistic contexts such as the U.S.

ADVISER'S APPROVAL: Marie Dasborough
