Kinship rules: Understanding HR in Latin America

Looking for a job in Latin America? Cultural studies of the region say kinship matters. A new book looks at the implications for HR managers and policies.

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They say it's not *what* you know, but *who* you know. In Latin America, this saying could go further: it's all about who you know *really well* or are related to by blood.

For example, at the Nissan plant in Lerma, Mexico, many employees are related to each other because one of the most common ways to get hired is through family referrals. Other studies of Mexico, Chile, Brazil and other Latin American countries have similarly found that kinship or close relationships are crucial to hiring and other human resources (HR) practices. Contrast this with the United States, where studies have indicated that acquaintances or weak ties are the more common paths to a new job.

Summing up relevant research on human resource management in Latin America, Anabella Davila of EGADE Business School in Mexico and **Marta Elvira** of IESE consider hiring, promotions, training and labor relations with social networks in mind. Their chapter, titled "Human Resource Management in a Kinship Society: The Case of Latin America" appears in the book *Handbook of Human Resource Management in Emerging Markets* (Edward Elgar Publishing Ltd., 2015).

Kinship at work

Because Latin Americans tend to find jobs through their network of relatives and close friends, many organizations in the region predominantly hire the kin of existing employees. While this flies in the face of hiring purely according to merit, family members working

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together can encourage trust, loyalty and responsibility among staff.

Kinship — and, by implication, shared social class — also matters for job promotions. In Chile, for example, joining a certain country club may count in addition to job performance to climb the corporate ladder. This can lead to a frustrating glass ceiling for those from a lower social class, the researchers note.

More ties that bind

Looking at the subject of human resource management in Latin America through a social network lens is particularly useful, the co-authors explain, "because relationships play a central role in daily life across this region's societies." In fact, a study from the GLOBE project — an extensive, empirical study of the world's cultures — found "family collectivism and group loyalty in Latin America to be among the highest in the world," the co-authors summarize.

To understand the shared benefits and responsibilities within social networks, the authors distinguish between strong and weak ties. Strong ties imply intimate relationships where there is mutual obligation. Weak ties tend to connect distant acquaintances who only rarely keep in contact.

People in modern market economies tend to have relatively few strong ties but many weak ties that are useful at work. In contrast, Latin American societies tend to have more extensive networks of strong ties, cemented through family connections and social class.

Throughout Latin America — as in China, for example — social networks are key to open doors to jobs, elite schools, business deals and political influence. Yet Davila and Elvira summarize some of the specific rules of social networks varying from country to country. In Chile, what is called *compadrazgo* requires the continuous exchange of favors between members of the middle class. In Mexico, some unwritten rules of *compadrazgo* are similar, but all socio-economic classes are involved. In Brazil, the distinctive concept of *jeitinho* is explained as the use of personal contact, friendly smiles and empathy to find a "way out" of the infamous red tape and bureaucratic restrictions.

Culture clash?

A kin-favoring, local culture and more professionalized human resources practices can clash. Moreover, HR practices may be changing with the increased use of technology — such as

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hiring through job-search websites.

Viewed another way, kinship culture can be both an asset and a liability for human resource management. It can lead to high levels of trust and reciprocity inside the workplace, but it can also be exclusionary and nepotistic. The challenge for human resource departments is to engage with the local culture and make the most of it — and that means understanding the family, class and cultural values that underpin it.

Understanding Latin America's kinship society and HR is one aim of this chapter by Davila and Elvira. The co-authors go on to provide guidelines for further academic studies of HR practices as viewed under a social-network lens.

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