

CORPORATE TABOOS

Leadership Failures We All See But No One Fixes

Issue #2

Playing Favorites: How Nepotism Lite Quietly Destroys Trust

— and the Transparency System That Levels the Playing Field

The newsletter for leaders who prefer honest diagnosis over comfortable denial.

The War Story

Everyone at Meridian Group knew that if you wanted a choice project assignment, you needed to be on Derek's radar.

Not because Derek was corrupt — he wasn't. He was genuinely well-intentioned, sociable, and enthusiastic about developing his people. The problem was his definition of 'his people.' It was, in practice, the four or five direct reports who grabbed lunch with him, laughed at his jokes, shared his taste in sports teams, and happened to look and sound a lot like Derek himself.

The others — Priya, Marcus, and a rotating cast of quieter contributors — kept delivering solid work and kept watching the interesting opportunities land somewhere else. The AI strategy project went to Jake, who had been on the team eight months. The client-facing presentations went to Courtney, who Derek described, without apparent irony, as 'just a natural.' When Priya asked about the criteria for project selection in a one-on-one, Derek said something about 'reading the team's strengths' and moved on.

Within eighteen months, Priya had accepted an offer at a competitor. Marcus had stopped raising his hand for anything. Three exit interviews in a row mentioned 'lack of opportunity.' Derek, meanwhile, was genuinely puzzled. 'I thought we had a great culture,' he said.

Playing favorites doesn't feel like favoritism to the person doing it. It feels like being a good judge of talent.

Name the Failure: Nepotism Lite

Favoritism in corporate settings rarely looks like the cartoonish version — the boss's nephew getting hired despite being unqualified, the CEO promoting his college roommate. That kind of favoritism is visible, scandalous, and occasionally illegal.

What we're talking about is subtler, more pervasive, and in some ways more damaging because it's so easy to rationalize. Call it Nepotism Lite: the consistent, often unconscious pattern of directing opportunities, visibility, flexibility, and grace toward a preferred subset of the team — not based on merit, but based on personal comfort, similarity, and social ease.

It operates through small, individually defensible decisions that compound into a pattern that everyone on the team can feel but that the leader genuinely cannot see:

- The same two or three people are tapped for high-visibility projects.
- Certain employees get more latitude when they make mistakes; others face immediate scrutiny.
- Informal feedback and mentorship flows to the in-group; others get formal reviews twice a year and nothing in between.

- Credit gets attributed unevenly — the in-group gets praised publicly; others' contributions get absorbed into team accomplishments.
- Scheduling flexibility, remote work arrangements, and other perks are quietly easier to access for some than others.

Each of these decisions, in isolation, seems explainable. Together, they form a pattern. And patterns communicate louder than any stated value about fairness.

Why It Persists: The Comfort of the Familiar

Favoritism persists not because leaders are malicious but because human beings are wired for in-group affinity. We trust people who remind us of ourselves. We enjoy people who are easy to be around. We unconsciously equate social ease with competence, and we confuse visibility with output.

What the Leader Believes	What's Actually Happening
"They're just more talented."	Talent is being confused with social fluency and proximity to the leader.
"They step up — others don't."	The in-group steps up because they know opportunities will come. Others have learned not to bother.
"I treat everyone the same."	Differential treatment is invisible to the person giving it; painfully visible to those receiving it.
"They've earned the trust I give them."	Trust was granted, not earned — based on likability and shared background, not demonstrated performance.
"I give everyone a chance."	Opportunities require awareness and confidence to pursue. Both erode when the outcome feels predetermined.
"I know my team's strengths."	What the leader knows is who they're comfortable with. That's not the same as a strengths assessment.

There is also a structural amplifier: leaders who play favorites rarely get direct feedback about it. The in-group has no incentive to say anything. The out-group has learned that raising it leads nowhere good. And senior leadership rarely sees the pattern until attrition makes it undeniable.

What Favoritism Actually Costs

Your best non-favorite performers leave first — they have options and they use them. Those who stay disengage; learned helplessness sets in when the system feels rigged. Innovation

collapses because ideas travel through trust networks, and those networks are narrow. Diversity initiatives fail, because Nepotism Lite is almost always correlated with demographic homogeneity in the in-group. And when the manager is eventually gone, they leave a team that has forgotten how to advocate for itself.

The Transparency System: Four Mechanisms That Level the Field

The antidote to favoritism is not forced equality — pretending everyone's work is identical when it isn't. It's structured transparency: making the criteria and decisions visible enough that favoritism has nowhere to hide. Here's how to build it.

Mechanism 1: Write Down the Criteria Before You Decide

Most opportunity allocation happens in a leader's head, in a meeting, in five minutes. Someone needs to lead the client presentation. A name surfaces. It gets confirmed. End of process.

The fix is simple: before allocating a significant opportunity, write down the two or three criteria that matter for this specific assignment. Visibility with senior leadership? Technical skill in a specific area? Availability given current load? Whatever they are, write them down first — then apply them.

This single habit does more to eliminate favoritism than almost anything else, because it forces the leader to decide what matters before they've already subconsciously decided who gets it. If the criteria keep producing the same names, that is information worth examining.

Try This Template

Before assigning a high-visibility opportunity, write: "For this assignment, what matters most is: (1) ____, (2) ____, (3) ____. Based on these criteria, I'm assigning it to ____ because ____." If you can't fill in that last blank without the answer feeling contrived, you don't have criteria yet — you have a preference.

Mechanism 2: Track Opportunity Distribution Visibly

What gets measured gets managed. Keep a simple running log — a spreadsheet is fine — of who receives what: stretch assignments, client-facing opportunities, speaking slots, mentorship time, public recognition. Review it quarterly.

You don't need to share the raw data with the team. You need to see it yourself. Patterns that are invisible in the moment become obvious in aggregate. If the same three names appear in every column and four other names appear in none, you now have objective information to act on rather than a vague sense that 'everyone gets opportunities.'

Track This	How Often to Review
Stretch project assignments	Quarterly
Client-facing or senior leadership visibility	Quarterly
Public recognition (team meetings, all-hands, emails)	Monthly
Informal mentorship / coaching time per direct report	Monthly
Flexibility accommodations granted vs. requested	Quarterly
Positive vs. corrective feedback ratio by person	Quarterly

Mechanism 3: Make Opportunity Accessible, Not Just Available

Leaders often believe they've leveled the field by announcing that 'anyone can raise their hand' for opportunities. They haven't. Raising your hand requires confidence that the hand will be seen — and in a team where the pattern of selection is clear, many people have stopped raising their hands entirely.

Accessible means proactive. It means approaching the quieter contributor and saying: 'I'm thinking about who should lead the client briefing next month. What would you need to feel ready for something like that?' It means rotating visibility — not based on who performs perfectly, but on who is ready to grow. It means making the path legible: 'Here's what I'm looking for before I'd put someone on a project like this. Let's talk about where you are and what would close the gap.'

Availability without accessibility is an opportunity that exists only on paper.

Mechanism 4: Audit Your Informal Attention

Much of Nepotism Lite lives not in big decisions but in daily texture: who you stop to chat with, whose ideas you expand on in meetings, who gets the benefit of the doubt when they're late to deliver. This is the hardest to fix because it's the most habitual.

A practical tool: at the end of each week, spend two minutes asking yourself three questions:

- Who did I give substantive feedback or coaching to this week?
- Whose work did I recognize, publicly or privately?
- Who haven't I spoken with meaningfully in more than two weeks?

The last question is the most revealing. If certain names never appear in the first two columns but always appear in the third, that's not a coincidence — it's a pattern, and it's yours to correct.

The Deeper Issue: Similarity Bias and Who Gets Seen

Favoritism correlates uncomfortably with demographic patterns. The in-group tends to reflect the leader's own background, communication style, and cultural references. Leaders who are predominantly socializing with, mentoring, and promoting people who look and sound like them are not — in most cases — doing it intentionally. But intent doesn't change impact.

A transparency system helps here precisely because it moves the process from intuition to criteria. Criteria can be examined. 'I just have a feeling about Jake' cannot. When you require yourself to articulate why someone is getting an opportunity, you create space to ask whether that reasoning would hold if Jake were someone else.

Similarity bias isn't a character flaw — it's a cognitive default. The solution isn't shame; it's structure. Shame changes how leaders feel. Structure changes what they do.

A Word for the Out-Group: What to Do When the Field Isn't Level

Most readers of this newsletter are not just leaders — they've been on the receiving end of favoritism too. A few practical things that actually help:

- Make your work visible, specifically. Don't assume good work speaks for itself. Send a brief update when you complete something significant. Put it in writing. Create a paper trail of accomplishment that exists independent of social proximity to your manager.
- Name what you want explicitly. 'I'd like to be considered for projects like X' is far more actionable than hoping your manager notices your interest. Ambiguity helps the system continue as-is.
- Build lateral relationships. If the in-group sits between you and your manager's attention, build relationships sideways and upward — with other leaders, with cross-functional peers, with mentors outside your direct chain. Visibility that doesn't depend on your manager's preferences is visibility that can't be withheld.
- Name the pattern carefully, and to the right person. If you've done the above and the pattern hasn't shifted, a direct conversation with your manager — specific, behavioral, non-accusatory — is worth having. If that fails, HR or a skip-level conversation may be appropriate. The goal is to make the invisible visible without making yourself a target.

The Hard Truth

Not every favoritism problem is fixable from inside a team. Some managers genuinely lack the self-awareness to see the pattern, even when it's named directly. In those cases, the most powerful career move is sometimes a lateral transfer or a new team — not because the out-group member failed, but because the system has failed them. Staying in a rigged game and playing harder rarely beats finding a different table.

Quick Reference: The Anti-Favoritism System at a Glance

Mechanism	The Practice	Frequency
Criteria-first decisions	Write down what matters before deciding who gets the opportunity	Every significant assignment
Opportunity tracking	Log who gets what: projects, visibility, recognition, coaching time	Quarterly review
Proactive access	Approach the quiet contributors. Make the path to opportunity legible.	Ongoing; weekly habit
Attention audit	End-of-week check: who got feedback, recognition, meaningful contact?	Weekly, 2 minutes
Pattern review	Look at the aggregate data quarterly. If names are lopsided, ask why.	Quarterly

The Bottom Line

Derek didn't think he was playing favorites. He thought he was building a team. And in a narrow sense, he was — just not the team he was supposed to be leading. He was building a team of people who were comfortable to be around, while the rest of his actual team quietly concluded that the game wasn't worth playing.

Priya's exit interview said it plainly: 'I never felt like my work had the same weight as other people's work. I couldn't figure out what I was doing wrong.' She wasn't doing anything wrong. The system was doing it wrong — and the system was Derek.

The transparency mechanisms above won't make every decision frictionless. They will make your decision-making legible — to your team and to yourself. And when the criteria are visible and the distribution is tracked, favoritism has nowhere quiet to live.

Your team is watching how you allocate what matters. Make sure what they see can withstand being described out loud.

Coming Up in Issue #3

Promoting the Wrong People — The Peter Principle in Action. Your best salesperson just became a mediocre manager. Your top engineer is now drowning in one-on-ones she never wanted. The company rewarded performance with a job that punishes it. Next issue: why we keep doing this, and a better way to recognize top talent without breaking your team.

Forward it to someone who needs it. You know who they are.