STUDY ON FAVOURITISM AND ITS IMPACT ON LEADERSHIP AND ORGANIZATIONAL CULTURE: AN ANALYSIS

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ABSTRACT

Objective: Favoritism can be defined as "the practice of treating people better than others". Leadership is the process of social influence as the behavior of the leader affects the followers' behavior to a great extent. Organizational culture may be defined as some standards and rules set by the people through their interpersonal relationships, words and gestures. The purpose of this paper is to understand to what extent the favouritism impacts the leadership and organizational culture. ***Conclusion****: The findings are favouritism impacts the leadership and organizational culture as it leads to low performance, demotivation, conflict, lack of integrity, character , distrust, low engagement, and low employee commitment etc.* ***Implication:*** *The favouritism has negative impact on the leadership and organizational culture.* ***Originality/value****: The paper reports that building the strong leadership can reduce favouritism and enhance the organizational culture.*

Key Words: Favouritism, Leadership and Organizational culture

INTRODUCTION

Favoritism can be defined as "the practice of treating people better than others". Favoritism can be seen in two different ways: 1) the tendency of people to favor one over another, and 2) the preferential treatment towards those people with whom you have some personal relation, like those persons can be your family members, relatives, friends or neighbors. Favoritism

can be seen in different situations: 1) when business people have to request for the permission from a public sector official of the state office, 2) when the person who is looking for a job applies in the private sector. Favoritism doesn't only apply to the situation where there are two people involved, it can be displayed or viewed in a group also. Leadership is the process of social influence as the behavior of the leader affects the followers' behavior to a great extent. Leader is the member of the group or organization who plays an important role in influencing the behavior of the members of group or organization. Leadership is all about guiding the followers in the right direction and also about understanding the future needs that could arise because of the innovations that takes place in that course of time. Future leaders are made by looking at the characteristics of the potential leader. Udai Pareek (2007) defines leadership as the act of making an impact on others in a desired direction. Organizational culture may be defined as some standards and rules set by the people through their interpersonal relationships, words and gestures. According to Needle (2004), organizational culture indicates the beliefs, values and principle of an organization. Culture involves the organization's values, beliefs, vision, habits, symbols, norms, systems, assumptions and language.

OBJECTIVES

- To analyze the level of favouritism in the organization.
- To understand the leadership and organizational culture.
- To measure the impact of favouritism on leadership and organizational culture.

LITERATURE REVIEW

Conger et.al (2000) studied about the Charismatic leadership which is based upon follower perceptions of their leader's behavior. The followers perceive the observed behavior of the leader as expressions of charisma. The leader's behavior shows the task orientations, people, and individual's participative. The Conger–Kanungo model differentiates leadership from other leadership into two dimensions. The first factor talks about what follower's think, that how much ahead the leader wants to go in his/her life. The second factor being, how sensitive the leader is towards environment opportunities, follower's needs and the constraints faced by leader.

Arasli et.al (2002) studied about Nepotism, cronyism and favoritism that takes place in the organization .All these are unprofessional practices, that is giving preferential treatment to relatives and friends in employment. An analysis was then conducted to assess the impact of these practices on job stress, job satisfaction, and intention to quit behavior of employees, the informal communication that takes place in the organization. The result of the study was that nepotism, favouritism and cronyism is a major reason behind job stress, dissatisfaction with the organization and the workplace. Nepotism is the major reason for dissatisfaction job stress.

Prendergast et.al (2004) studied the conditions under which favouritism existed and it cost the organization. They also studied the effects of favouritism on optimal extent of authority, the use of bureaucratic rules and the effects of favoritism on compensation.

Brown et.al (2005) Leaders who follow the ethical code of conduct are identified by the organizations and results in having a large number of followers. For leaders to be seen as ethical leaders and to have influence on employees for ethical outcomes, they must be seen as attractive, credible, and legitimate. The leaders should be open, honest and should be fair to all the employees.

Walumbwa et.al (2008) suggested that Leaders should behave ethically, so that, they can have an impact on the people who would like to follow the same ethics as the leaders. Leaders should also communicate ethically. Leaders should also reinforce the ethical climate. Leader behavior should be able to promote the positive ethical climate and positive psychological capacities, an internalized moral perspective; it helps in developing greater self-awareness.

Joseph et.al (2009) studied about the relation between organizational culture, organizational learning, and worker involvement and worker productivity. And he found out that there was considerable relation between these variables.

Kargas et.al (2015) studied about the leadership and organizational culture. These are most important elements for the organization, if the organization wants to compete successfully and wants to gain a sustainable advantage. They studied the interconnection between the elements and formed a competitive industry. The study resulted in a strong relationship between the organizational culture and leadership.

Kaur.J (2015) studies that leadership competencies can be enhanced through mentoring process and the culture of the organization can be enhanced by right leadership. The balanced leadership can be groomed by mentoring process.

RESEARCH METHODOLOGY

Sampling Design: Convince sampling
Sample: 80 employees

Data Collection instrument

A questionnaire is a set of systematically structured questions used by a researcher to get needed information from respondents. Questionnaires have been termed differently, including surveys, schedules, indexes/indicators, profiles, studies, batteries, tests, checklists, scales, inventories, forms, inter alia. As an important research instrument and a tool for data collection, a questionnaire has its main function as measurement. It is the main data collection method in surveys and yield to quantitative data.

Favouritism questionnaire: The questionnaire consists of 20 items. The respondent is required to rate each item on 5 point Likert scale to indicate how much the item is true about the organization.

Leadership Styles: The questionnaire consists of 18 items. The respondent is required to rate each item on 5 point Likert scale to indicate how much the item is true about the organization.

Organizational Culture: The questionnaire consists of 30 items. The respondent is required to rate each item on 5 point Likert scale to indicate how much the item is true about the organization.

Hypothesis

Null Hypothesis (H_0) - There is no significant relationship between favouritism and leadership.

Alternate Hypothesis (H_A) - There is significant relationship between favouritism and leadership.

Null Hypothesis (H_0) - There is no significance between favouritism and organizational culture.

Alternate Hypothesis (H_B) - There is significance between favouritism and organizational culture.

DATA ANALYSIS

The Cronbach's Alpha reliability coefficient is 0.843, which means that the questionnaire is reliable as this value is close to 1.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.843	.813	20

CORRELATION

		FAVOURITISM	LEADERSHIP
FAVOURITISM	Pearson Correlation	1	-.231[*]
	Sig. (2-tailed)		.039
	N	80	80
LEADERSHIP	Pearson Correlation	-.231[*]	1
	Sig. (2-tailed)	.039	
	N	80	80

*. Correlation is significant at the 0.05 level (2-tailed).

According to the above table, the Pearson Correlation Coefficient is -0.231 depicts that according to the responses, there is a negative relationship between Favouritism and leadership, which implies that as favouritism increases the leadership approach decreases as by taking and giving the favours the leadership becomes weak.

REGRESSION

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.231[a]	.053	.041	5.799

According to the regression test applied on the data collected, the R^2, the value has come out to be 0.053 i.e. 5.3% of the independent variable i.e. Favouritism on the dependent variable i.e. Leadership. So, there is a positive impact of Favouritism on the Leadership. The adjusted R^2 value comes out to be 0.041 which means that there is 4.1% impact of the independent variable i.e. Favouritism on the dependent variable i.e. Leadership.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	147.561	1	147.561	4.387	.039[b]
	Residual	2623.327	78	33.632		
	Total	2770.887	79			

a. Dependent Variable: LEADERSHIP, b. Predictors: (Constant), FAVOURITISM

According to the above table, regression conducted between dependent variable i.e. Leadership and independent variable i.e. Favouritism, it helped in establishing a relationship, that there was a causal relationship between both the variables as seen from correlation table. The significance value .039 shows that the employees believed that there exists a relationship between Favouritism and leadership and there is no significance difference in the response of the people and they also believed that leadership gets affected by favouritism shown by the person. Thus we reject null hypothesis and accept the alternate hypothesis.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	73.280	4.024		18.213	.000
	FAVOURITISM	-.135	.065	-.231	-2.095	.039

a. Dependent Variable: LEADERSHIP

The B value comes out to be -0.135, which means that if there is 1% change in Favouritism then there will be 13.5% change in the Leadership. There is a weak negative relation between Favouritism and Leadership. And the extent of relation is such that if there is 1% increase in the independent variable then it can cause decrease of 13.5% in the dependent variable.

CORRELATION

		FAVOURITISM	ORGANIZATIONALCULTURE
FAVOURITISM	Pearson Correlation	1	-.219
	Sig. (2-tailed)		.051
	N	80	80
ORGANIZATIONALCULTURE	Pearson Correlation	-.219	1
	Sig. (2-tailed)	.051	
	N	80	80

According to the above table, the Pearson Correlation Coefficient is -0.219 depicts that according to the responses, there is a negative relationship between Favouritism and organizational culture, which implies that as favouritism increases, the organizational culture decreases and the organizations should take care to avoid it so that organization culture remains intact. It is also supported by the value of significance as well.

REGRESSION

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.219[a]	.048	.036	5.448

a. Predictors: (Constant), FAVOURITISM

According to the regression test applied on the data collected, the R^2, the value has come out to be 0.048 i.e. 4.8% of the independent variable i.e. Favouritism on the dependent variable i.e. Organizational culture. So, there is a positive impact of Favouritism on the organizational culture. The adjusted R^2 value comes out to be 0.036 which means that there is 3.6% impact of the independent variable i.e. Favouritism on the dependent variable i.e. Organizational culture. So, it doesn't mean that the Organizational culture is wholly dependent on the Favouritism. If these factors are adjusted then it may happen that Favouritism can have more impact on the Organizational culture.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	116.340	1	116.340	3.920	.051[b]
	Residual	2314.860	78	29.678		
	Total	2431.200	79			

a. Dependent Variable: ORGANIZATIONALCULTURE, b. Predictors: (Constant), FAVOURITISM

According to the regression conducted between dependent variable i.e. Organizational Culture and independent variable i.e. Favouritism, it helped in establishing a relationship, that there was a causal relationship between both the variables as seen from correlation table. The significance value .051 shows that the employees believed that there exists a relationship between Favouritism and organizational culture and there is no significance difference in the response of the people and they also believed that organizational culture gets affected by favouritism shown by the person. Thus we reject null hypothesis and accept the alternate hypothesis.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	71.785	3.780		18.993	.000
	FAVOURITISM	-.120	.061	-.219	-1.980	.051

a. Dependent Variable: ORGANIZATIONALCULTURE

The B value comes out to be -0.120, which means that if there is 1% change in Favouritism then there will be 12% change in the Organizational culture.

CONCLUSION

In today's organizations, the impact of favoritism can be seen, as it destroys the organization culture and results in low engagement, integrity and low employee commitment towards the organization. Favoritism is a problem with many organizations today. Favoritism weakens the integrity of the organization's value and it promotes a very bad culture which results in distrust among people because of which people are not able to do group/team work which ultimately results in productivity of the organization. Leaders in organizations are faced with dilemmas when they have to take decisions in which they might have to favor someone,

intentionally or unintentionally. Many times it happens that the leaders play favorites knowingly. Sometimes they play favorites unknowingly because of personal bias and the lack of self awareness. Regardless of the reason behind it, favoritism has a great impact on the organization and its environment. In an organization where favoritism prevails, it is seen that the employees, start to replicate the wrong behaviors as they witness the same happening in their organization. Here leadership plays a vital role, it becomes the responsibility of the leader to build a culture that he/she wants in the organization and want people to embrace. But when the leaders themselves only start displaying favoritism, it becomes very difficult to control it and lower level ranks also start to practice favoritism .For example: a leader in an organization is not transparent about the decisions he makes or about the various processes that takes place in the organization suppose employee's promotions, if he displays favoritism, then the grapevine communication will start taking place about the leader and his/her actions and the employees will become demoralized, upset and disengaged about working in the organization and the same will be reflected from their behaviors too. This will ultimately result in the employees at lower levels, to start practicing favoritism and they will also start picking selected employees for certain works, they will not try to engage new people with their team, hence the teams won't be as effective as it could be, conflicts may also arise because of the biases shown over meager issues. Organizations won't be able to work with its full potential because of all these issues. Organizations have to end this cycle, which becomes a big challenge for them, they spend more time in solving these issues rather than working towards productivity and sustainability.

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