

Research article

Favoritism, nepotism and cronyism as predictors of job satisfaction: Evidences from Pakistan

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Abstract

The aim of this study was to observe the consequences of favoritism, nepotism and cronyism on job satisfaction in the telecom sector organizations of Pakistan. Convenience sampling technique was used for data collection. 300 questionnaires were distributed to the employees of 4 organizations. Results show that favoritism, nepotism and cronyism are negatively connected with job satisfaction in telecom sector of Pakistan.

Keywords: Favoritism, Nepotism, Cronyism, Job satisfaction, Telecom sector.

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1. Introduction

In most of the developing countries like Pakistan it is common that vacancies are filled on the basis of personal liking and preferences. It was a common practice in public organizations but now it's also very common in private sector organizations as well. In the developed countries private sector organizations are performing well because vacancies are filled on the basis of merit whereas in the developing countries, vacancies are not filled on the basis of qualification, experience etc. therefore, the performance of these organizations is not as good as in developed countries. Telecommunication sector is growing rapidly in the developing countries from last decade. Favoritism, Nepotism and Cronyism are also increased in private sector as well as in the telecom sector therefore

although these companies are earning profits but there profit is not up to mark.

Private sector organizations are providing large number jobs to the people in the developing countries but most of them are not filled on the basis of merit due to which there performance is not as good as it should be. Favoritism, Nepotism and Cronyism are from the upper management of these organizations. Favoritism is very usual in organizations and it exists everywhere (Ozler and Buyukarslan, 2011). Favoritism means to favor someone on competent person just because of personal biasness (Kwon, 2005). Clashes occur in organizations because of favoritism, nepotism and cronyism and employees become disappoint (Ozler and Buyukarslan 2011).

2. Literature Review

2.1 Job satisfaction

Many researchers cleared the concept of job satisfaction in their words. According to Locke (1976) job satisfaction is the response of the employee when he or she has completed the work. Arches (1991) describes Job satisfaction explicate the sensation of employees for their job task.

Job satisfaction not only affects the performance of the employees but also it affects the performance of the organizations because employees are the most important source for the organizations to generate profits. Job satisfaction is the optimistic response of employee about salary, administration, management and responsibilities (Wanous and Lawler 1972; French 1982; Tziner and Vardi, 1984). Organizations need satisfied employees to be operated successfully and to earn maximum profits. The progress and development of the organizations depend upon the efficiency of the workers of the organizations. Job satisfaction is not depending on only one factor it may be positive for one and negative for other (Spector, 1997).

2.2 Favoritism

According to Özler et al. (2007) favoritism means to favor someone on others who are more efficient and competent because of personal involvement. Favoritism is very usual in organizations and it exists everywhere. According to Ponzo and Scoppa (2010) group favoritism is frequent; some time favoritism reduces the expenses of hiring process in organizations. According to Ozler and Buyukarslan (2011) favoritism is not considered as illegal activity due to which people do favor without any hesitation. Nepotism, cronyism and patronage are kinds of favoritism. Nepotism and cronyism are considered in this research paper.

2.3 Nepotism

Nepotism means relatives are preferred on other candidates who may be from blood relation but it is not compulsory. When relation is given more importance on competency, knowledge, talent, capacity and proficiency etc than it does not only affect the performance of other employees but also the performance of the organization. Nepotism not only plays the role in hiring in the organization but also involved in firing the people from the organizations.

One of the reasons of nepotism in small size organizations is the cost of following the procedure of hiring people. It is also more common in under developed countries as compare to developed countries (Araslı and Tumer, 2008). In closely held companies people are not hired on merit on key positions because founders of the organizations want to have full control on the business policies, decisions etc. In closely held companies owners train their children to control the business activities from their childhood. It is also a common thought that nepotism in closely held companies is to keep away from the agency problems (Keleş et al., 2011). Employees of the organizations where nepotism is high cannot perform as well as they can because they become disappoint which affect their efficiency. Vacancies should be filled on merit basis, knowledge, talent, abilities, efficiency etc so that the efficiency, development, prosperity of the organizations can be increased.

2.4 Cronyism

Cronyism is giving support to someone other their relatives which is not justifiable. It is also not considered as harmful as it is in the organizations because it is not illegal in the countries and in case of developing countries it is considered as right of the people in the higher authorities to hire people on the basis of their liking and disliking.

According to Khatri et al. (2003) cronyism is a kind of favoritism in which employer wants to prepare a team of people who can be controlled easily and can be influenced in decision making because they don't want to have any conflict among people. Cronyism reduces the efficiency and performance of people because people are not treated on talent, knowledge, efficiency etc but on the basis of personal dealings, relations, connection.

Sometimes cronyism can be used to improve the efficiency of the workers because when the friends and relatives, people on persona contact are hired they are expected to perform high which may also motivate other people in the organizations to perform better but it may be other way round . According to Arasli et al., (2006) and Arasli & Tumer (2008) investigation showed that favoritism, nepotism and cronyism have negative connection, association with the on job satisfaction not only in public sector organizations but also in the private sector organizations.

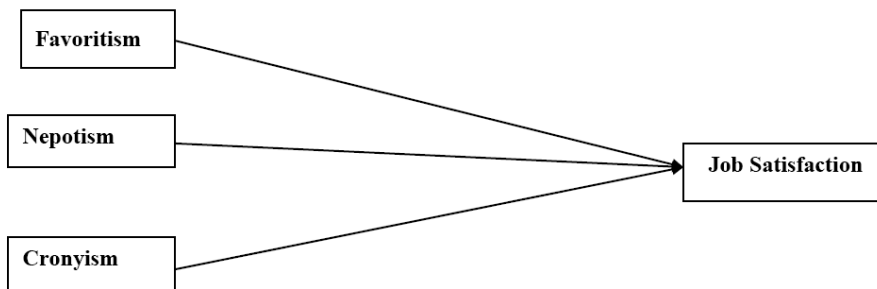


Figure 1: Conceptual model

Research Hypothesis

H1: Favoritism has negative relationship with job satisfaction.

H2: Nepotism has negative relationship with job satisfaction.

H3: Cronyism has negative relationship with job satisfaction

3. Methodology

3.1 Research Design

Employees, workers of companies from telecom sector are considered as targeted population for our research paper. Primary data is used for this research study. Questionnaire is used to collect the data from the employees of telecom companies. SPSS is used to measure the result from the collected data.

3.2 Population, Sample & Respondents

Employees of four telecom companies are contacted and considered for collecting the data to know the affect of favoritism on job satisfaction in telecom sector of Pakistan. 300 questionnaires were floated with the aim of gathering data. 220 completely filled questionnaires were returned by the employees. Employees of all level were approached for data collection.

4. Results and Findings

Questionnaire was developed to gather the data from the employees of the organizations. People hesitate to provide true picture because they feel insecure about their job while discussing about the favoritism.

Table 1: Age of the respondents

Age	Frequency	Percentage
20 – 30	90	40.92
31 – 40	72	32.72
41 – 50	36	16.36
>= 51	22	10

300 questionnaires were floated, out of which 220 questionnaires were returned by the employees of telecom companies. It shows that the response rate was 73.33%. 40.92% workers who responded were less than 30 years old because young people are working in

the telecom sector. Only 10% responsive employees were more than 51 years old.

Table 2: Respondents' profile

Gender	Frequency	Percentage
Male	150	68.18
Female	70	31.82
Secondary	3	1.36
Higher secondary	11	5
Graduation	78	35.45
Master	110	50
M. phil	18	81.9

Mostly in developing countries like Pakistan more male employees are working than female employees. Our result shows that 68.18% male employees responded whereas 31.82% female employees responded.

50% people who filled questionnaire have done master degree in different subjects. Only 1.36% were having secondary education.

Employees who responded in telecom sector of Pakistan are mostly young and married. 75% married and 25% unmarried workers responded.

Mostly young employees are working in telecom sector of Pakistan. 40.92% employees who responded are having 5 or less than five years experience.

Table 3: Results of Regression Analysis

Variables	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
Favoritism	.31	0.10	0.09	0.58004	22.482	0.00
Nepotism	.52	0.21	0.21	0.54361	49.435	0.00
Cronyism	.51	0.21	0.21	0.54752	49.618	0.01
a. Predictors: (Constant), Favoritism, Nepotism, Cronyism,						
b. Dependent variable (Job Satisfaction)						

Table 4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficient	t	Sig.
		Std. Error		Beta		
1	Favoritism	.362	.062	.392	5.472	0.00
2	Nepotism	.418	.058	.573	7.853	0.02
3	Cronyism	.412	.055	.547	7.452	0.03

Dependent Variable: Job Satisfaction

It is clear from findings that there is our results are significant. SPSS is used to measure the results of the data to verify the hypothesis. According to our results, there is positive relationship between the job satisfaction and favoritism. The value of β is 0.392 (Which is positive), T-Value is 5.472 (which is higher than standard 2.00) and P-value or significance level is 0.00 (Which is less than 0.05). Our result show that favoritism affects the satisfaction level of the workers seriously, so much attention should be considered while taking decisions in the organizations. In the telecom sector of Pakistan, favoritism is affecting the workers positively because people have acceptance without any resistance. Nepotism is measured through SPSS because it is also a kind of favoritism. The value of β is 0.573 (Which is positive), T-Value is 7.853 (which is higher than standard 2.00) and P-value or significance level is 0.02 (Which is less than 0.05). Cronyism is also considered one of the favoritism kinds. The value of β is 0.547 (Which is positive), T-Value is 7.452 (which is higher than standard 2.00) and P-value or significance level is 0.03 (Which is less than 0.05). It means nepotism and cronyism also have positive effect on the satisfaction level of the employees in the telecom sector organizations because relatives, personal relations and friends are preferred who not only work hard but also lead and motivate other employees to improve their progress.

Many researchers like Khatri et al. (2003) have found positive relationship between favoritism and job satisfaction while others researchers like Arasli et al. (2006) and Arasli and Tumer (2008) have shown negative relationship between favoritism and job satisfaction. Our results are positive because in the developing countries like Pakistan, people accept these kinds of things without resisting much. People don't take interest and don't bother to take step against these kinds of things as affectively as these are resisted in the developed countries. According to Arasli et al. (2006) mostly in small and less developed countries the environment and society give confidence to the people to do such type of things and people to accept favoritism, nepotism, cronyism without any resistance.

5. Conclusion

Favoritism is positively associated with the job satisfaction in telecom sector of Pakistan. In Pakistan people don't consider and take favoritism much seriously that is why it has positive association with job satisfaction. People accept the favoritism without resistance and they don't feel uncomfortable as discussed by many researchers. Some researchers found that favoritism, nepotism and cronyism reduce the worker efficiency, morale, productivity, performance etc not only in public sector organizations but also in the private sector organizations. Favoritism in different forms can be seen in all kind of organizations not only in developing countries but also in the developed countries. To be the successful and

prosperous organization among the competitors' people should be hired on the basis of knowledge, talent, merit etc for improving the productivity, efficiency of the employees but if they are hired on personal liking and disliking they must be talented and hardworking and they must prove themselves.

6. Limitations and Future Research Directions

The aim of this research article is to measure the impact of favoritism on job satisfaction in telecom sector of Pakistan however other sector like banks, cement, textile, education sector etc can also be investigated in future. Our results are on the basis of 300 floated questionnaires whereas in future sample size can be increased. Our targeted population was employees of telecom sector from Pakistan but in future this study can be conducted in telecom sector of other developing and developed countries as well. Other variables which are affected by favoritism like worker efficiency; organizational performance etc can also be measured in future.

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