Preferential Treatment Impacts Organizational Commitment: Evidence from Public Universities of Pakistan

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Abstract
Preferential treatment is detrimental. Keeping in view this important perspective, this study intends to capture the impact of preferential treatment via favoritism, nepotism, and cronyism on employee commitment in Public Universities of Pakistan. To seek the objectives of the study 400 questionnaires were distributed to employees of different Public Universities. The findings of the study revealed the negative impact of favoritism, nepotism, and cronyism on employees’ commitment. The results of the study confirmed the moderating role of LMX in the relation between favoritism-organizational commitment as well between nepotism-organizational commitment relation whereas, contrary to expectations LMX did not moderate the relation between cronyism and organizational commitment. Practical implications, limitations as well future directions are discussed.

Keywords: Favoritism, nepotism, cronyism, patronage, organizational commitment, In-groups, out-groups

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1. Introduction

One of the controversial issues in many cultural and organizational contexts is preferential treatment. It has been considered as misconduct in the world of merit-based business organizations and cultures (Fu, 2015). In this context, when people are being bestowed any sort of privilege not for being best but because of irrelevant qualification can be referred to as favoritism (Aydogan, 2012). Favoritism means giving preference to someone on the basis of personal liking (Kwon, 2006). Favoritism has three different perspectives like nepotism; where relatives are favored, cronyism; where friends are favored and patronage; where political parties influence to favor their friends or relatives (Abdalla, Maghrabi & Raggad, 1998; Aydogan, 2009; Bute, 2011; Khatri & Tsang, 2003). Apart from these, people are also being bestowed because of their social standing and/or economic status (Jussim, Smith, Madon & Palumbo, 1998), gender physical appearance (Dusek & Joseph, 1983) and because of having good communications with their managers (McGarity Jr & Butts, 1984).

When rights, titles as well workplace positions are given because of personal liking it would cause non-recoverable negativity as well ensure occurrence of damages. As favoritism is unjust as well non-transparent, it may harm other people good intentions (Aydogan, 2012) thus results in causing inefficiency (Kim, 2004), lowers cooperation, sense of team work and level of organizational commitment (Khatri & Tsang, 2003). Furthermore, such a climate of unfairness, injustice, and non-transparency resulting from favoritism, nepotism, and cronyism adversely affects employee morale (Padgett & Morris, 2005) which on one hand lowers organizational commitment and on other hand arouse employees intention to quit (Arasli, Bavik & Ekiz, 2006). Furthermore, such an organizational climate causes total detachment from the organization (Bute, 2009). Moreover, the collective sense of fairness among employees deteriorates when employees are not favored because of better performance (Moon, 2017). As less favored employees may perceive themselves as unwanted thus unappreciated. Hence these negative feelings badly affect their commitment as well engagement ultimately impacting performance...
and productivity (Milliman, Gatling & Kim, 2018). Indeed favoritism negatively impacts psychological as well mental health of employees which causes them to engage in workplace withdrawal (Abubakar, Namin, Harazneh, Arasli, & Tunç, 2017).

Such situations may disrupt employee-organization relation. As perception regarding fairness impacts job-related attitudes as well as behavior (Moorman, Blakely & Niehoff, 1998) like organizational commitment (Buil, Martínez & Matute, 2019). As an individual’s relation with the organization can be well exemplified by its level of commitment to the organization. Where organizational commitment refers to “the relative strength of an individual’s identification with and involvement in a particular organization” (Mowday, Porter & Steers, 1982). It demonstrates a mental state which may as a consequence tailor an employees’ choice regarding whether to continue or discontinue with his/her membership with the organization (Dominic & Salim, 2018; Milliman et al., 2018). If individuals’ identification, as well as psychological connection with employing organization (Joo, 2010), is perceived to be strong then the win-win situation for both or else vice-versa. As organizational practices and policies help in developing such perceptions. Empirical evidence repeatedly illustrated that perception of justice, fairness impacts organizational commitment (Ambrose & Schminke, 2009; Tan & Lau, 2012). This means that employees’ strong psychological connection can be threatened if employees perceive their employing organization as unjust and or unfair.

Another significant factor which impacts the above mentioned proposed relations is Leader-member exchange relation. Having good communication (McGarity Jr & Butts, 1984) and relation with leaders contributes enough in getting favors. Larson (1989) confirmed that subordinates having good positive relations with their leaders (supervisors) rarely get negative performance feedback from them. In-group members having a close relationship with leader always get better performance evaluation as well rating as compared to out-group members (DeCotiis & Petit, 1978) which further lowers the level of organizational commitment among out-group members. In a similar line, in-group members get artificial, inflated performance appraisal ratings because of having affective
ties with their supervisors (Khatri & Tsang, 2003). Contrarily, out-group members sense a feeling of injustice, unfairness when they perceive and believe that personal connections matter a lot in getting a promotion (Hurley, Fagenson-Eland & Sonnenfeld, 1997) which further lowers their morale, motivation, and commitment.

The major cause of formulating groups or “in-groups” at the workplace is to develop strong interpersonal connections as well as relationships (Effelsberg & Solga, 2015). This categorization of people into in-groups as well out-groups most likely to result in workplace favoritism (Arasli & Tumer, 2008). The in-group members are granted relaxation pertaining to work as well as assignments, they enjoy flexible working hours, supervisor’s trust, support as well rewards on the other hand vice-versa for out-group members (Martin, Guillaume, Thomas, Lee & Epitropaki, 2016). Generally, leaders have to treat every employee on a equitable basis (Krajcsak & Gyoker, 2013) however practically it seldom occurs. The out-group members are kept under-privileged regarding all these benefits (Williams, Scandura, Pissaris & Woods, 2016). This sort of biased behavior of leader can engage out-group employees into counterproductive workplace behavior (Hongdan, 2011) ultimately lowering their level of commitment. Thus on the basis of arguments mentioned before we may argue that when some employees are given preferential treatment and others are ignored it may lower their level of commitment. And in this scenario, LMX may moderate the proposed relation between favoritism, nepotism, cronyism-commitment relation.

Preferential treatment is detrimental. No one can deny from this fact that when people are being favored on the basis of personal liking (Kwon, 2006) or not being considered for personal disliking, it badly impacts rest employees’ morale and motivation to perform. Baloch and Iraqi (2020) too concluded that favoritism impacts negatively which de-motivates employees’ leading towards the “brain drain” situation. Moreover, when people are being hired and promoted on the basis of their social standings or personal contacts it contributes to reducing overall business image as well as performance. It has been argued in the literature that these practices are problem of developing nations as well least developed nations.
(Abdalla et al., 1998) where unfair, unjust policies for hiring, promotion, performance appraisal, and disciplinary procedures are implemented (Demaj, 2012).

Pakistan is also an emerging nation with a collectivist society (Hofstede, 1984) thus this cultural context may attribute the occurrence of favoritism, nepotism, and cronyism practices in Public Universities of Pakistan. Public Universities are considered as best venues for conducting such research, as very few studies explored the impact of such practices in the educational sector (Aydogan, 2008, 2009; Yilmaz & Altinkurt, 2011). These studies have been conducted on primary and secondary schools, universities are still ignored. Recently, Aydogan (2012) investigated and confirmed the existence of favoritism in certain academic areas in universities in Turkey which compelled us to explore whether preferential treatment exists in Pakistani Public Universities. If so, whether it influences the organizational commitment level of employees. Little has been known in this specific context, so the current study intends to investigate the impact of favoritism, nepotism, and cronyism on the organizational commitment of employees. Furthermore, the study attempts to establish a moderating role of Leader-member exchange (LMX) in the relation between favoritism, nepotism as well cronyism and employees’ organizational commitment which is too scare in literature and serves as the contextual contribution of the study.

The current study consists of two main parts (theoretical as well as practical). In theoretical (part one) the literature pertaining to preferential treatment and organizational commitment along with the moderating role of LMX is reviewed and hypotheses are developed. Moreover, the conceptual model of the study is constructed. The second practical part entails detail about methods employed to collect and analyze data, results, discussion as well as implications. The specific details about the organization of the paper are in the following manner. The introduction section entails a brief discussion about the variables under study, highlighting gaps and discussion regarding how these are related to each other. Then literature is comprehensively reviewed to further elaborate discussion relating to constructs. On the basis of the reviewed
literature, arguments are made to develop hypotheses. Next, methods employed in the current study to gather and analyze data are discussed in detail. Then results of the current study are reported as well discussed. Finally, the discussion is made explaining the reasons for acceptance and rejection of hypotheses, concluding the discussion section with the discussion of theoretical, practical & policy implications following limitations as well as future directions.

2. Theoretical Underpinning

2.1 Preferential Treatment and Organizational Commitment

2.1.1 Favoritism, Nepotism, Cronyism

In developing or emerging countries personal liking as well preference is given much importance as compared to an individual’s knowledge, skills, expertise, and relevant qualification for the job (Kapucu & Palabıyık, 2008; Shabbir & Siddique, 2017). Nepotism to great extent exists in all cultures however severity regarding associated cost may differ as it is contingent on cultural values (Hudson & Classen, 2017). Specifically, in public organizations, people prefer to hire reference-based employees or employees having relations with a friend or family (Khatri & Tsang, 2003). Moreover, public sector appointments are usually based on political favoritism (Kapucu & Palabıyık, 2008). In an organizational context, the main reason for employees’ disappointment is the existence of such practices like favoritism, nepotism, and cronyism (Ozler & Buyukarslan, 2011). Favoritism means preferring someone on the basis of personal liking or disliking (Kwon, 2006). In a similar connection, when people are provided special privileges regarding employment, career development, and other personnel-related decisions on the basis of personal liking or disliking is referred to as favoritism. When an individual gets favors in the area of recruitment, selection, promotion, and other similar associated gains because of having kinship ties is referred to as nepotism (Ozesmerci, 2003). And when an individual gets preferential treatment because he/she is a friend is referred to as cronyism (Arasli & Tumer, 2008). When a boss favors his subordinate on the basis of
having a relationship, not on the basis of his individual devotion towards work is said to be cronyism (Ozler & Buyukarslan, 2011).

Leaders practice this for many reasons such as to maximize and protect their self-interest, to seek out personal interests or interests of a family friend or family member (Cropanzano, Howes, Grandey, & Toth, 1997). Sometimes to influence and control situations, leaders deliberately favor some employees than others to get their loyalty (Blase, 1988). However, this sort of differential treatment can be detrimental as it can negatively impact employees’ morale and trust, can de-motivate them which in turn results in conflict lowering group cohesion and performance (McKnight, Ahmad, & Schroeder, 2001). In a similar vein, Baloch and Iraqi (2020) too confirmed the negative impact of favoritism which results in employee de-motivation, ultimately employee experiences “brain drain” situation. Problems arise when employees think that certain individuals’ are being treated differently as they belong to or not to firm’s owner or manager’s family or to some privileged group for selection or promotion (Grensing-Pophal, 2007). This for sure deteriorates the employees’ collective sense of fairness (Moon, 2017). In return, they may think about themselves as unwanted. These adverse feelings adversely affect employees’ commitment and engagement which in return affect performance as well as productivity of them (Milliman et al., 2018). Moreover, employees’ mental as well psychological health is badly threatened which may cause them to engage in withdrawal behaviors (Abubakar et al., 2017).

Despite the above mentioned facts, favoritism, nepotism, and cronyism are widespread practices in majority businesses today. These practices are common in developing as well as developed nations (Arasli & Tumer, 2008; Kayabaşı, 2005; Kapucu & Palabıyık, 2008). Maybe the underlying reason for practicing these can be a fact that it is neither considered as a criminal act nor corruption (Ozler & Buyukarslan, 2011). It has now become a common behavior considered as a routine matter, part of life (Gyimah-Boadi, 2000). Maybe no one takes into account its negative effects on employees (Aydogan, 2012; Keles, Ozkan & Bezirci, 2011). Even though favoritism, nepotism, and cronyism
were found to be a major cause of job stress which led to increasing dissatisfaction among staff about their employing organizations (Arasli & Tumer, 2008). Furthermore, Arasli, Arici and Çakmakoğlu Arici, (2019) confirmed that favoritism negatively impacts job embeddedness. In a similar context, Arici, Arasli, Çobanoğlu and Hejraty Namin (2019) too found that perception of high favoritism leads towards high turnover intentions. As it disrupts situation causing a lack of trust which negatively impacts satisfaction, commitment, loyalty as well as individual performance, moreover can holds back internal management system (Keles et al., 2011). Thus granting privileges to certain individuals can be dangerous. As it is considered as unethical (Iqbal & Ahmad, 2020).

2.1.2 Organizational Commitment

Commitment has been recognized as an important ingredient for developing and maintaining long term relations (Tellefsen & Thomas 2005). Organizational commitment can be referred to as person’s emotional attachment with his/her employing organization (Cook & Wall, 1980). To be committed an individual needs to be associated with the organization and devote effort, energy as well time to attain goals of the organization. Meyer and Allen (1997) claimed that proper management produces favorable outcomes, for instance, it can lower absenteeism, turnover, and increase effectiveness and organizational performance. Allen and Meyer (1990) categorized organizational commitment into three forms: affective, continuance, and normative commitment. The affective component deals with individuals’ emotional attachment, involvement, and identification with the organization. The continuance component deals with the cost associated with leaving the organization and the normative commitment means employees’ feel obliged thus remains with the organization.

An individual’s identification and his/her psychological connection with the employing organization (Joo, 2010) drives an individuals’ dedication, commitment. Soon after hiring his/her commitment to the organization starts to develop. Committed employees strive hard, exert high level of efforts towards the attainment of goals and objectives than less committed employees
Higher scorers contribute at the highest level (Berberoglu, 2015). Those who are compassionately cared most likely to reveal organizational commitment. Kousar Parveen, Gillani and Arif (2020) exposed that organizational commitment and compassionate care behavior are significantly positively related. But the existence of widespread favoritism, nepotism, and cronyism stresses an individual. Consequently lowers his/her commitment to the organization (Khatri & Tsang, 2003).

As a common fact an individual who devotes his effort, energy as well time for achieving organizational goals and objectives feels disappointed in the existence of unfair, unjust practices and policies concerning recruitment, selection, promotion, performance appraisal etc within organization. Top management behavior and practice helps in gaining trust (Simsek & Tasci, 2004). When top management employs these practices consequently lose employees’ trust as well chances of organization in attaining goals. Since, trust is the main element required for firms’ long term profitability and prosperity (Cook & Wall, 1980). If not, lost trust negatively affects satisfaction, commitment, sense of organizational belongingness, creativity etc.

Moreover, when rights, job titles as well positions are unfairly given it may distort employees’ good intentions (Aydogan, 2012) and badly impacts their morale (Padgett & Morris, 2005) as well as motivation to perform (Baloch & Iraqi, 2020). Consequently, it leads to inefficiency (Kim, 2004), lowers cooperation and commitment (Khatri & Tsang, 2003), and increases employees’ intention to leave the job (Arasli et al., 2006; Arasli et al., 2019). Moreover, Arici et al., (2019) confirmed the negative effect of favoritism on job embeddedness and on three dimensions of organizational justice (procedural, distributive, and interactional). Thus, it can be concluded that the existence of favoritism, nepotism, cronyism practices within an organization, lowers employees’ commitment to the organization. Thus, on the basis of the arguments stated above, it may be hypothesized that:

\[ H_1: \text{Favoritism impacts organizational commitment negatively.} \]
\[ H_2: \text{Nepotism impacts organizational commitment negatively.} \]
\[ H_3: \text{Cronyism impacts organizational commitment negatively.} \]
2.2 The Moderating Role of LMX

There are contradictions regarding consequences associated with favoritism, nepotism, and cronyism. For instance, researchers’ explored negative (Aydogan, 2012; Arasli at al., 2006; Khatri & Tsang, 2003; Padgett & Morris, 2005) as well as positive (Montgomery, 1991; Ponzo & Scoppa, 2010) consequences associated with the existence of favoritism, nepotism, and cronyism within organizations. These mixed results provide support for including relevant moderating variable. These contradictions in results depict that the original proposed relations may be influenced by the moderating variable, thus leader member exchange (LMX) is used as a moderating variable for the current study. As, the type of relation and communication between leader and subordinates determine to whom to provide favors (McGarity Jr & Butts, 1984).

The LMX model hypothesizes that the behavior of a leader may not be consistent for all subordinates (Lee ,Park, Lee & Lee, 2007). It is a general consideration that leaders make only close relations and connections with fewer subordinates (in-group) which are characterized by high levels of mutual trust, respect, support, open communication, affection and obligation (Epitropaki & Martin, 2005; Graen & Schieman, 1978; Graen & Uhl-Bien, 1995; Liden, Wayne & Stilwell 1993). Thus high quality relation confirms higher levels of communication and reciprocal obligations on both sides which consequently enhances the level of agreement concerning these obligations (Tekleab & Taylor, 2003). Correspondingly, high quality relation with leaders helps employees’ in developing high expectations concerning their treatment by the organization (Piccolo, Bardes, Mayer & Judge, 2008).

Additionally, from employees’ perspective, the quality of leader-member relation determines the amount of effort (physical-mental) would be exerted, the extent to which information and social support would be provided (Liden, Sparrowe & Wayne, 1997). As in-group members are more likely to be satisfied, motivated, and committed as compared to the out-group members (Allinson, Armstrong & Hayes, 2001). As high quality leader-member relation ensures the exchange of greater effort and other required resources.
as compared to low quality relation. LMX directly impacts the level of organizational commitment (Kee, Ansari, & Aafaqi, 2004) of employees. As greater the level of trust, communication, contribution, and support for in-group members, the high reciprocation would be from their side (Carson & Carson, 2002) and vice-versa for others.

In a similar connection, perceived fairness is too significantly related to organizational commitment (Masterson, Lewis, Goldman & Taylor, 2000). Conversely, perceived deception/inequity impacts negatively. As unfair practices and/or policies may compel employees’ to hoard ideas thus they may drag back their feet. If employees’ expectations regarding fair treatment do not meet it may result in more detrimental effects on their commitment towards the organization. On the basis of the arguments stated above, it may be hypothesized that the level of quality relation between leader and subordinate may impact the relationship between favoritism, nepotism, cronyism, and organizational commitment. Hence, the hypothesized relation is:

$H_4$: LMX moderates the relation between favoritism and organizational commitment.

$H_5$: LMX moderates the relation between nepotism and organizational commitment.

$H_6$: LMX moderates the relation between cronyism and organizational commitment.

In organizational context corruption not only includes bribery, fraud, blackmailing, conspiracy, but also nepotism, cronyism, etc. (Pinto, Leana & Pil, 2008). As cronyism and nepotism are endemic as well as emblematic traits of Asian culture which reinforce working relationships-which differentiates Asia from West (Andrews, Htun & Nimanandh, 2016). In Asia particularly in Pakistan despite recognizing the detrimental effects of these unethical practices, there still remains a dearth of knowledge pertaining to the existence of such practices in public organizations specifically universities. As causes, mechanisms as well as manifestations of such type of corruption stays below the radar (Rowley & dela Rama, 2017). Thus conducting research in Pakistani public organizations holds its importance.
Furthermore, in countries where there is poor accountability framework, the public organizations in those specific countries lack merit based decisions. Pakistan is a relatively high power distance country (Hofstede, 1984) thus Pakistani society is described to have high inequalities pertaining to the distribution of power and wealth. The paternalistic culture specifically compels to explore preferential treatment impact on the commitment of public university employees. As Pakistani public organizations are much infected by such practices like non-transparency, favoritism as well as escalated political influence, etc. (Nasir & Bashir, 2012). Moreover, some employees are treated on special grounds for just having high contacts while others’ are not even praised for their outstanding work. These factors most likely to provoke negative emotions which can negatively impact ones’ level of commitment. Additionally, there is a lack of accountability, biasness, and unfairness (Nasir & Bashir, 2012) which further impacts proposed relations. The common voice around the world compels to create ethical work environments but unfortunately, public organizations are still ignored in Pakistan. Thus to fill this gap, the current study is going to be conducted in Public Universities of Pakistan.

2.3 Conceptual Model

![Conceptual Model Diagram]

*Figure 1:* Conceptual Model
2.4 Econometric Models

\[ OC = \beta_0 + \beta_1 \text{FAV} + e \]
\[ OC = \beta_0 + \beta_1 \text{NEPO} + e \]
\[ OC = \beta_0 + \beta_1 \text{CRON} + e \]
\[ OC = \beta_0 + \beta_1 \text{FAV} + \beta_2 \text{LMX} + \beta_3 \text{FAV*LMX} + e \]
\[ OC = \beta_0 + \beta_1 \text{NEPO} + \beta_2 \text{LMX} + \beta_3 \text{NEPO*LMX} + e \]
\[ OC = \beta_0 + \beta_1 \text{CRON} + \beta_2 \text{LMX} + \beta_3 \text{CRON*LMX} + e \]

Where FAV= Favoritism, NEPO= Nepotism, CRON= Cronyism, and LMX = Leader-member exchange

3. Methods

3.1 Participants & Procedure

The data is collected using a convenience sampling technique. This sampling technique is regarded as the most common because of easy availability and accessibility to gather responses (Passmore & Baker, 2005). Despite certain limitations, it is still used by top tier researchers who publish their work in top tier journals. As this technique is the most commonly used method of sampling in quantitative research and considered as most suitable when the data need to be generated from a large pool of respondents (Axinn & Pearce, 2006).

For this 400 employees working in different Public sector Universities of Pakistan were approached. The data was gathered on self-administered questionnaire. A survey was personally conducted to get fast and accurate responses. Prior permission was taken from Universities’ higher authorities to ensure a smooth data collection procedure. They were ensured concerning the confidentiality of data.

The sample consists of 57% male and 43% females. The respondents’ were of ages between 20-30 years with a percentage of 41.5%, 31-41 year were 38.3 % and 42 years and above were 20.2% respectively. The educational attainment was about 63% M.Phil and 37% were PhD. Regarding experience the respondents’ possess experience of less than 5 years was about 27%, the experience of 10-15 years were possessed by 53% and the remaining 20% have experience of more than 16 years and above.
3.2 Measures

In order to collect appropriate responses already developed scale were used. All scale items were measured on five-likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”. For measuring favoritism, nepotism, and cronyism, a scale developed by Abdalla et al. (1998) which consists of 25-items grouped under three dimensions (nepotism, favoritism, and cronyism) were adopted. The Cronbach alpha α was 0.945 and for each dimension was 0.85, 0.82, and 0.88 respectively. In order to measure organizational commitment, 18-item scale developed by Allen and Meyer (1996) was used. The scale consists of 6-item each for affective, continuance, and normative commitment with Cronbach alpha α value of 0.87, 0.79, and 0.72 constituting an overall alpha α value of 0.79. For measuring LMX, 12-item scale developed by Linden and Maslyn (1998) was adopted with an alpha α value of 0.92. There were four dimensions of LMX, however, as per Graen and Uhl-Bien (1995) these dimensions depict high correlation thus can be used as a single measure. Thus throughout the analysis, LMX has been taken as an overall construct rather than analyzing every single dimension separately.

3.3 Data Analysis

Descriptive statistics was conducted to get respondents’ average responses. Pearson correlation analysis was conducted to inspect the direction of relation and strength of association among variables under study. Linear regression analysis was conducted to test different hypotheses. The current study utilized moderated regression analysis (Cohen, Cohen, West, & Aiken, 2013) to inspect the moderating role of LMX on IV-DV relationship. For said purpose, all independent variables (separately) and moderator were centered. Moderated regression analysis was carried out in three steps. In the first step, demographic variables were entered following the second step in which all independent variables (separately) and moderators were entered. Lastly, in the third step, the interaction term of all independent with moderating variables was entered.
4. Results and Discussion

4.1 Results

Table 1

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>Favoritism</td>
<td>4.18</td>
<td>2.16</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Nepotism</td>
<td>4.36</td>
<td>0.55</td>
<td>0.64**</td>
<td>1</td>
<td>0.68**</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cronyism</td>
<td>2.13</td>
<td>0.64</td>
<td>0.53**</td>
<td>0.69</td>
<td>-0.51**</td>
<td>1</td>
<td>-0.48**</td>
</tr>
<tr>
<td>OC</td>
<td>3.72</td>
<td>0.57</td>
<td>0.56**</td>
<td>-0.69</td>
<td>-0.63**</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>LMX</td>
<td>3.76</td>
<td>0.59</td>
<td>0.44*</td>
<td>0.56**</td>
<td>-0.48**</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: Where OC= Organizational Commitment, LMX= Leader member exchange.


Descriptive statistics and correlation analysis is provided in Table 1 which depicts the values of mean, standard deviation, and values of correlation coefficient among variables. The correlation coefficient of favoritism with nepotism, cronyism, and LMX is positive having values of 0.64, 0.53, and 0.44 whereas it has a negative relation with organizational commitment with the coefficient value of -0.50. The relation of nepotism with cronyism and LMX is positive as indicated by the values of correlation coefficient 0.68 and 0.56 and negative with an organizational commitment that is -0.69. Similarly, the relation between cronyism and organizational commitment is negative -0.51 and positive with LMX 0.63. Lastly, the correlation between organizational commitment and LMX is negative as indicated with the correlation coefficient value that is -0.48 respectively.

4.1.2 Regression Analysis

In order to check the impact of favoritism on organizational commitment and to investigate the moderating role of LMX in the relation between favoritism and organizational commitment, two hypotheses were formulated which were H1 and H4. The results of the study shown in Table 2(a) confirms a significant negative connection between favoritism and organizational commitment indicating β= -0.56, p<0.001 which confirms the acceptance of H1. As for the moderating role of LMX is concerned, the values indicate the moderating role of LMX as β= 0.68, p<0.05. Thus, H4 accepted.

<table>
<thead>
<tr>
<th>Table 2(a)</th>
<th>OC</th>
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<tr>
<td>Predictors</td>
<td>B</td>
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<tr>
<td>Step 1</td>
<td></td>
</tr>
<tr>
<td>Control Variable</td>
<td>0.15**</td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
</tr>
<tr>
<td>FAV</td>
<td>-0.56***</td>
</tr>
<tr>
<td>LMX</td>
<td>0.48**</td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
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<tr>
<td>FAV*LMX</td>
<td>0.68**</td>
</tr>
</tbody>
</table>

Similarly, to inspect the association between nepotism and organizational commitment as well to find moderating role of LMX
in relation between nepotism and organizational commitment two hypotheses were formulated which were $H_2$ and $H_5$. The results indicated in Table 2(b) revealed significantly negative association between nepotism and organizational commitment ($\beta=-0.49$, $P<0.05$). Thus, $H_2$ accepted. Concerning moderating role, the findings of the study confirmed the moderating role of LMX in relation between nepotism and organizational commitment ($\beta=0.63$, $p<0.05$), so $H_5$ is supported.

<table>
<thead>
<tr>
<th>Predictors</th>
<th>OC</th>
<th>R²</th>
<th>$\Delta$R²</th>
</tr>
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<td><strong>Step 1</strong></td>
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<td></td>
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<tr>
<td>Control Variable</td>
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<td></td>
<td></td>
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<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td></td>
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<tr>
<td>NEPO</td>
<td>-0.49**</td>
<td>0.331**</td>
<td>0.296</td>
</tr>
<tr>
<td>LMX</td>
<td>0.41**</td>
<td></td>
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<tr>
<td><strong>Step 3</strong></td>
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<td></td>
<td></td>
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<tr>
<td>NEPO*LMX</td>
<td>0.63**</td>
<td>0.379</td>
<td>0.314**</td>
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</tbody>
</table>

Lastly, to investigate the connection between cronyism and organizational commitment as well to check the moderating role of LMX in between above-proposed relation two hypotheses were developed which were $H_3$ and $H_6$. The results of the study indicate a negative connection between cronyism and organizational commitment with values of $\beta=0.66$, $P<0.001$, thus $H_3$ supported. Contrarily to expectations, the results indicate no moderating (insignificant) role of LMX in the relation between cronyism and organizational commitment, hence $H_6$ rejected.
Table 2(c)

<table>
<thead>
<tr>
<th>Predictors</th>
<th>B</th>
<th>R²</th>
<th>ΔR²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Variable</td>
<td>0.25**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRON</td>
<td>-0.66***</td>
<td>0.410**</td>
<td>0.369</td>
</tr>
<tr>
<td>LMX</td>
<td>0.58**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRON*LMX</td>
<td>0.69</td>
<td>0.413</td>
<td>0.401**</td>
</tr>
</tbody>
</table>

4.2 Discussion and Conclusion

The results of the study depict greater support for the majority of developed hypotheses. In order to check the proposed connections and relations, six hypotheses were formulated. Among those five hypotheses were accepted (H₁, H₂, H₃, H₄ & H₅) and one hypothesis H₆ was rejected. To investigate the impact of preferential treatment (favoritism, nepotism, and cronyism) on organizational commitment three hypotheses were developed H₁, H₂, and H₃, and all hypotheses were accepted. The results of the study are consistent with previous studies. Working with or under such persons, who are appointed at important positions, not because of their skills, abilities, and/or qualification lowers confidence, efficiency, satisfaction, performance, and organizational commitment (Ates, 2005).

This is a common fact that when preferential treatment (nepotism, favoritism, and cronyism) is considered normal, it is confirmed that employees of those particular organizations are not been treated fairly by their top authorities. Unfair environment challenges organizational democracy which leads to adversely affect employees’ morale, satisfaction, motivation, commitment, loyalty, etc. Moreover, such practices adversely affect qualified employees’ enthusiasm resultantly lowering their efficiency (Bute, 2011) which causes lower organizational efficiency as well as effectiveness. It means that in the context of Pakistan employees like other employees of developed nations also consider preferential treatment bad. They also consider it unfair and unjust if someone is bestowed or rewarded on the basis of personal liking, or because he/she is relative or friend.
Regarding the moderating role of LMX three hypotheses were developed, among them moderating role of LMX is confirmed in the relation between favoritism and organizational commitment as well between nepotism and organizational commitment. Thus two hypotheses (H₄ & H₅) were accepted whereas, the findings showed no moderating role of LMX in the relation between cronyism and organizational commitment, hence H₆ rejected. The findings of the study (H₄ & H₅) are consistent with previous studies. As research studies on social psychology as well on the theory of social identity emphasize that people feel obligatory to bestow privileges to those having the same beliefs and behavior (Sidanius & Pratto, 1999). Being a member of a social group, people evaluate as well as classify themselves accordingly (Schopler & Insko, 1992). People show biasness and in social comparison and tend to favor their own group members (Doosje & Ellemers, 1997). When the boss gives differential treatment (preferential treatment) to in-group members. They generally reciprocate in similar ways. They become closer whereas others progressively distance themselves. Similarly, when leaders/supervisors give favors to own group members (in-group) it lowers the level of organizational commitment in other out-group members, thus this alters the relation between preferential treatment and organizational commitment relation.

However, in the case where LMX played no moderating role can be because of the reason that sometimes to avoid unfavorable reactions leaders/managers may favor negative characters within the organization to stop them from engaging in negative behaviors and actions. In such scenarios leaders’ give unwilling favors, they incline more towards those negative people having negative characteristics in other group members (Dasgupta, 2004) to avoid negativity. This can be a compelling reason for the rejection of the hypothesis. Moreover, the studies on preferential treatment as well LMX have been to a great extent carried out in developed nations. Very few studies have been conducted in emerging contexts specifically Public Universities of Pakistan. As context-culture matters a lot (Grandey, Fisk & Steiner 2005), the study which has been conducted in a different context can have different findings as
well as implications. Hence, this may be another convincing reason for hypothesis rejection.

Concluding this, the benefits associated with favoritism, nepotism and cronyism are just for privileged person not for the entire organization. Where institutional/organizational success can be achieved by each individual’s contribution and commitment. In any context, the dominance of unfair work environment is quite alarming. In all those institutions and organizations where there is prevalence of unfair practices and policies may paralyze their efficient human resources from stepping forward. As “what is bad, unfair and unjust” is considered “bad, unfair and unjust” everywhere; this is universal truth a conventional wisdom thus applied in the whole world without making distinctions between developed and developing nations. These findings of the current study expanded the literature pertaining to preferential treatment and LMX. Moreover, these results contributed enough to widen the level of understanding of readers’ relating to these issues in academia specifically in Pakistan.

4.3 Theoretical, Practical & Policy Implications

The study results generated fruitful implications. The current study findings contribute to expanding existing literature related to preferential treatment and organizational commitment. Pakistan is a collectivist country (Hofstede, 1984) where collectivist cultural norms necessitate one to understand the adverse effects of preferential treatment on several job-related outcomes. Thus present study widens the level of understanding by comprehensively examining and contributing valuable insights into this perspective.

The higher authorities of Public Universities of Pakistan also need to deal with preferential treatment issues positively as it reduces the morale of other employees which consequently affects their commitment, performance, and productivity. To eradicate or to reduce the impact of such activities, they need to develop appropriate norms to prevent any sort of preferential treatment. The top authorities need to set strategies in an objective manner to avoid such unfair practices within educational institutes at any cost. They need to develop policies/guidelines in this regard as a preventive measure.
Moreover, the study results revealed the need for Public Universities to re-regulate their human resource management practices by ensuring fairness and transparency. As perceived justice and fairness contributes positively to gain employees’ commitment consequently improving their efficiency and performance on the job. Furthermore, to reduce its negative impact universal ethical standards can be helpful in executing employment, promotion, performance appraisal, rewarding, and dismissal decisions. This is a universal approach and management of Public universities can benefit from best practices adopted in other best Universities of the world to get fruitful results.

“Bad apples” are produced in “bad barrels” thus it’s important to identify “bad barrels” who contribute in producing “bad apples”. When institutions/organizations are held accountable for their unethical, unfair, illegal treatment (Wells, 2014) situation definitely improves. The intensity and depth of such practices can be dealt by carrying out an independent audit of the existing workforce. The fear of accountability may hinder top authorities in engaging in such unethical practices.

The study has important policy implications. The Pakistan Labour Ministry has to oversee and ensure equity, fairness, transparency in labor employment-related matters. Laws to serve this purpose have already been drafted against such illegal, immoral practices however top authorities practicing this (offenders) need to be punished and penalized to guide future employment decisions. This would ensure improvement in recruiting, selecting, placing, promoting, rewarding, recognizing, training, and even punishing decisions.

4.4 Limitations & Future Directions

Despite fruitful contributions, the study has certain limitations as well. First is the issue of generalizability as the study could not contact all Public universities of Pakistan which itself hinders study results generalizability. Secondly, for better understanding, a comparison in the practices adopted by Public and Private Universities needs to be made which would also increase the scope and worth of the study. Future researchers’ also need to include other missing links for more valuable contributions.
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