

The Employee Outcomes of Workplace Favoritism in Turkish Public Sector

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Abstract

This paper investigates the effect of workplace favoritism on job satisfaction and intent to quit, and mediating the role of job frustration in these relationships. Data was collected from a sample of 267 public hospital employees in Turkey. Structural equation modeling analyses indicated that workplace favoritism was directly and indirectly effect on intent to quit and this relation was partially mediated through job frustration. Surprisingly, authors didn't not find support for hypothesis that the direct relationship between workplace favoritism and job satisfaction, but we found that workplace favoritism indirectly affect job satisfaction and job frustration fully mediate this relationship.

Keywords: workplace favoritism, job satisfaction, intent to quit, job frustration, collectivism

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Introduction

Favoritism is widespread cultural problem around the world. Tsui and Farh (1997) have shown us that guanxi as a type of favoritism is dominant in Chinese business life. “Wasta” as a form of favoritism is basic in Arab culture. Wasta provides unfair advantages to people because it depends on who they know (Mohamed & Mohamad, 2011). A recent survey revealed that workplace favoritism was found to be prevalent in the large U.S. companies (Gardner, 2011). As in other societies, favoritism is one of the most important management issues in Turkish business life (Izmir Chamber of Commerce, 1993).

According to well-known study of Hofstede’s research (1984) about national culture, Turkey is a collectivistic society. This result refers that the in-groups relationship and personnel networks between friends, families, clans or organizations is very important in Turkey. In such a relational collectivistic culture, different types of favoritism can easily occur (Rhee, Uleman & Lee, 1996). Because of the collectivist cultural characteristics of Turkey, favoritism is frequent in this society. Past studies have provided some evidences supporting this argument. For example, Mutlu (2000) found that nepotism and favoritism is widespread problem in Turkish organizations. Kasimoglu and Halici’s (2002) study showed that workers always complain from favoritism in organization in Turkey.

The past studies concerning favoritism have focused on in-group/out group favoritism (Aboud, 2003; Galinsky & Moskowitz, 2000). Others focused on racial favoritism (Aberson & Ettlín, 2004; Rosette, Leonardelli & Phillips, 2008). Although workplace favoritism has been emphasized as a significant problem (Prendergast & Topel, 1996) in the literature, very few studies try to find out its negative consequences in any individualistic or collectivistic societies. In order to fill this gap, we examine the relationship between workplace favoritism and two of the most important employee work outcomes which include job satisfaction and intent to quit. And, we also investigate the mediating role of job frustration in these relationships. Frustration is very important variable in organizational behavior, because it’s accompanied one of the most serious experienced negative emotions (e.g. annoyance and anger) in organizational life (Keenan & Newton, 1984). So, we make a contribution to the literature by investigating the role of workplace favoritism on employee work outcomes where mostly collectivistic society in Turkey.

Types of Favoritism

Workplace favoritism is type of injustice in organization (Roberts, 2009). It means that treating to employees differentially in the distribution of resources (Johnson, 2005). There are some close concepts with favoritism. These are nepotism and cronyism. But the meanings of these concepts are different. Nepotism is related to favoring relatives by a person who has power (Ford & McLaughlin, 1986) while favoritism is not only restricted to relatives. Second, According to Meriam Webster dictionary “cronyism” means that political preference for relatives or close friends regardless of their qualifications and skills by manager. Favoritism is different from cronyism for two reasons. First, political preference is not necessary in favoritism, it is related to any kind relationship that provide unfair advantage to a person. Second, a person who is the subject of favoritism isn’t required relatives or close friends.

Favoritism, Job Satisfaction and Intent to Quit

Job satisfactions refer to employee's content his or her job. For example, satisfying and liking the job in any workplace. And intent to quit means that the worker does not wish to continue the existing job. The relationship between these variables can be explained as follows: if decisions in organization are based on relationship rather than employee performance, it can be mentioned workplace favoritism. In other words, if managers use their authority to reward privileged employees without regard to their true performance, they can cause favoritism in the workplace. Furthermore, if managers treat to employees inconsistently and unfairly, employees begin to consider that there is an unjust administration in the organization. Thus, workers lose their concentration for their work do. As a result, employees' job satisfaction decrease, and they want to quit to job. Based on these assumptions, we test our two hypotheses below;

Hypothesis 1: There is a negative relationship between workplace favoritism and job satisfaction.

Hypothesis 2: There is a positive relationship between workplace favoritism and intent to quit.

Mediating Effect of Job Frustration

Workplace favoritism refers to the privileged behavior among the employees by management in organization. If employees believe that there is favoritism in the workplace, in this case they may start to think that it was impossible achieving their goals with their effort. Because of this, employees will feel themselves frustrated (Lawrence & Edward, 1980). Job frustration means the lack of opportunities for goal attainment in organization (Spector, 1978). Frustrated employee thinks that all ways is blocked to achieving his/her desired goals (Spector, 1978). Because of the employee's sense of frustration, he/she can't perform effectively in his/her work related duties (Keenan & Newton, 1984). As claimed by Locke (1969, 1970), feeling of frustration or absence of the possibility of achieving goals cause a decrease of job satisfaction of employees. In a similar way, if the employees consider themselves as blocked in organization, they can decide to leave work. Based on these assumptions, we test our mediation hypotheses below;

Hypothesis 3: Job frustration mediates the relationship between workplace favoritism and job satisfaction (3a) and intent to quit (3b).

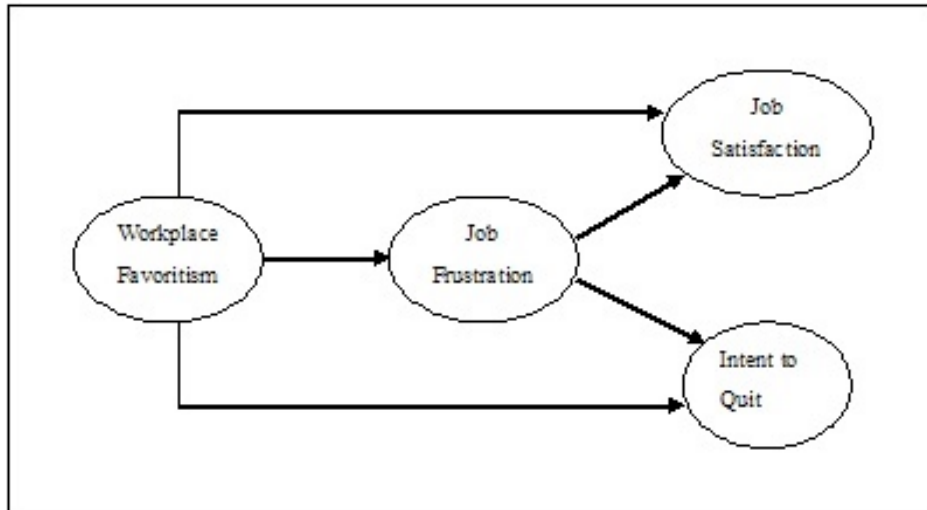


Figure 1: Theoretical Model

METHODS

Sample

Özbilgin (2012) noted that, although many types of nepotism as a part of favoritism manifest both public and private sector, it more common the public sector than private sector in Turkey. So, because of the favoritism is more prevalent in public sector, we picked employees of three public hospitals in Turkey to test our theoretical model. The average number of employees ranged from 300 to 500 in the hospitals. One of the authors applied to with the petition to the Health Ministry to collect data for this study. After receiving permission, author went to negotiation with hospital top level managers about how data is collected from employees. After the negotiations, one of the authors and his assistants was begun to distribute the questionnaires, and they collected filled questionnaires in the organizations. Participants completed questionnaires during work hours facilitated by researchers. All data collection process continued throughout the one month. In total, around 500 questionnaires were distributed and around 300 questionnaires (%60) were collected by researchers in five hospital organizations. After checking all the data collected, 267 questionnaires (%53) have been used for analysis.

52% of the sample is nurses, and the other employees (e.g., computer operators, auxiliary staff) are. 53% of research participants were women (%4.5 is missing). The mean age of participants was 33.4 years (range 19–55 years) and standard deviation was 7.38. %48 of sample was graduated from university and %37 of them had a high school degree. The tenure ranging from less than 1 year to 33 years ($M = 11.1$ $SD = 7.01$). The average annual income level of research participants was \$ 7315.

Measurement Scales

We used translation / back translation method (Brislin, 1970) which was followed to translate the English measures into Turkish for all scales. One of the authors used a small pilot study with graduate students of Turkish business faculty for clarity of meaning and edited the measures for better understanding of our sample.

Workplace favoritism.

To assess the employees' perception of workplace favoritism, we used Roberts' (2009) seven-item scale. Sample items include "decisions are based on relationships rather than performance" and "some employees are given preferential treatment". Answers are obtained using a 5 point Likert-type scale (1= strongly disagree, 2= disagree, 3= slightly disagree, 4= neither agree nor disagree, 5= strongly agree). The reliability coefficient of this scale was .88.

Job frustration.

We measured the employees' perceptions of job frustration using Peters, O'Connor and Rudolf's (1980) three-item scale. Answers are obtained on a five- point Likert-type scale where 1= strongly disagree and 5= strongly agree. Sample item of it is "being frustrated comes with this job". The reliability coefficient of this scale was .73.

Job satisfaction.

Employees' job satisfaction was measured using the three item developed by Cammann, Fichman, Jenkins, and Klesh (1983). This scale measures subjective attitudes of the employees about work and organizations. Sample item of it is "all in all, I am satisfied with my job". Answers are obtained on a five- point Likert- type scale where 1= strongly disagree and 5= strongly agree. The reliability coefficient of this scale was .72.

Intent to quit.

We measured employees rated intent to leave their job using Lichtenstein, Alexander, McCarthy and Wells' (2004) three-item intent to quit scale. Answers are obtained on a five- point Likert- type scale where 1= strongly disagree and 5= strongly agree. Sample item of it is "I frequently think of quitting this job". The reliability coefficient of this scale was .81.

Data Analysis

To test our hypotheses, we used structural equation modeling (SEM) approach with AMOS 16. Because, SEM is a confirmatory approach to data analysis; it provides researchers with a comprehensive manner for assessing theoretical models (Anderson & Gerbing, 1988). We evaluated Model fit using the Goodness of Fit Index (GFI), Comparative Fit Index (CFI), and Tucker-Lewis Index (TLI) and Incremental Fit Index (IFI) and RMSEA (Root Mean Square Error of Approximation). Fit Index values of over 0.90 and RMSEA value of less are desirable and indicate an acceptable fit of the model to the data (Hu and Bentler, 1999).

We used two-step analytical techniques to test the hypothesized model shown (see Figure 1) suggested by Anderson and Gerbing (1988). First, we confirmed using confirmatory factor analysis to determine whether the measured variables reliably reflect the hypothesized latent variables (workplace favoritism, job frustration, job satisfaction and intent to leave), and later conducted SEM to estimate the fit of the hypothesized model to data. In the second step, a series of SEM path models were tested.

Descriptive Statistics

Table 1 shows the means, standard deviations, intercorrelations, and reliability coefficients of the variables. Only gender ($r = .158, p < .05$) and age ($r = -.178, p < .01$) are significantly correlated with workplace favoritism, and annual income is significantly correlated with intent to quit ($r = .204, p < .01$). Workplace favoritism is correlated with job frustration ($r = .313, p < .01$) and intent to quit ($r = .345, p < .01$). Job frustration is correlated with job satisfaction ($r = -.391, p < .01$) and intent to quit ($r = .316, p < .01$). And, job satisfaction is significantly correlated with intent to quit ($r = .258, p < .01$).

Later, we tested confirmatory factor analyses (CFA) to examine the distinctiveness of the four self-reported employee variables (workplace favoritism, job frustration, job satisfaction, and intent to quit). The results of CFA show that the four factor measurement model is a better fit than other models (See Table 2).

Table 1: Means, Standard Deviations, Cronbach's Alpha, and Correlations among Variables

Variable	Mean	SD.	1.	2.	3.	4.	5.	6.	7.	8.
1. Gender	NA	NA	1							
2. Age	33.4	7.4	-.251**	1						
3. Education	14.3	2.6	.031	.073	1					
4. Experience (yr.)	11.1	7.1	-.199**	.825**	.112	1				
5. Annual Income (US\$)	7315	309	.022	.225**	.537**	.322**	1			
6. Workplace Favoritism	3.18	.90	.158*	-.178**	.076	-.112	.017	(.88)		
7. Job Frustration	2.87	.95	.041	.003	.082	-.002	.016	.313**	(.73)	
8. Job Satisfaction	3.25	.89	-.005	-.074	-.084	-.091	-.069	-.097	-.391**	(.72)
9. Intent to Quit	2.59	1.05	.130	-.103	.156*	-.032	.204**	.345**	.316**	-.258*

Note. $N = 402$. Cronbach's alpha is presented in parentheses;

NA: Not applicable.

* $p < .05$

** $p < .01$

Table 2: Model Fit Results for Confirmatory Factor Analyses

Models	χ^2	df	$\Delta\chi^2$	Δdf	CFI	TLI	RMSEA
Four-factor model	205.12	98	—	—	.940	.926	.064
Three-factor model (job satisfaction and intent to quit are combined)	369.98	101	164.86	3	.849	.820	.100
Two-factor model (job frustration, job satisfaction and intent to quit are combined)	502.67	103	297.55	5	.775	.738	.121
Single-factor model	806.59	104	601.47	6	.605	.544	.159

All $\Delta\chi^2$'s are significant at $p < .01$

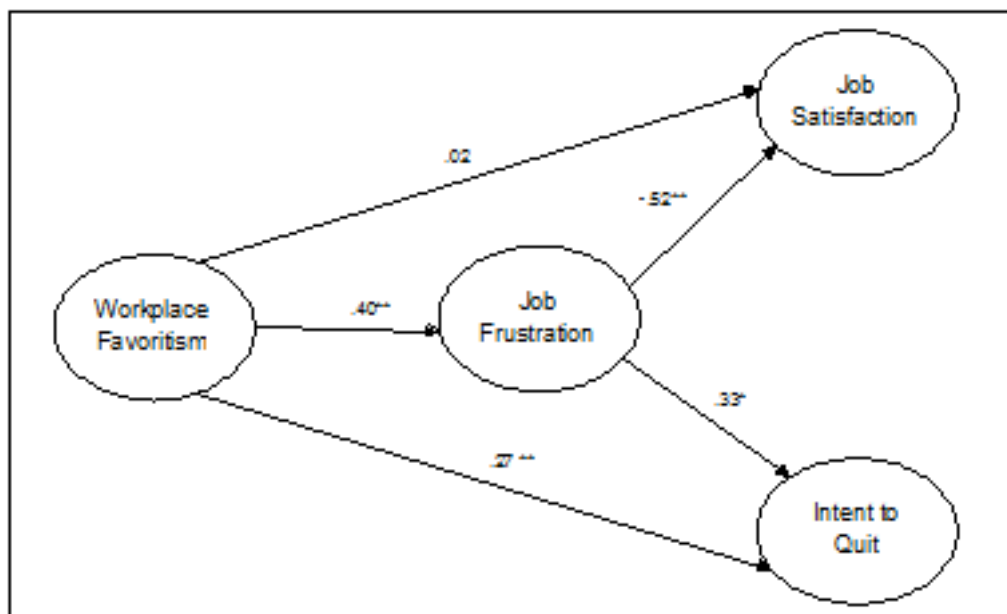
Structural Equation Modeling

We tested our hypotheses by estimating in a structural equation model using the maximum likelihood estimation procedure. Results for the hypothesized structural model show a good fit to our data ($\chi^2(212,901)/df(99) = 2.151$, $p < .01$, GFI = .907, IFI = .937, TLI = .922, CFI = .936, RMSEA = .066). These results indicate that data were consistent with the hypothesized model. Results are presented Figure 2 and Table 3.

Hypothesis 1 argued that there is a negative relationship between workplace favoritism and job satisfaction. Inconsistent to expectation, results didn't support this argument. Thus, our first hypothesis was rejected. Hypothesis 2 argued that there is a positive relationship between workplace favoritism and intent to quit. Results also supported this argument. Thus, our second hypothesis was accepted.

According to the SEM analysis results, workplace favoritism is not directly related to job satisfaction, but it's negatively and indirectly related to job satisfaction (indirect path = .207, $p < .01$) and job frustration fully mediates this relationship. Thus, *H3a* was supported. Consistent with the expectation, workplace favoritism is both directly and indirectly and positively related to intent to quit and job frustration partially mediates this relationship. Thus, *H3b* was supported (indirect path = .132, $p < .01$, and the direct path = .268, $p < .01$).

Figure 2: Results of Standardized Regression Weights



* $p < .05$

** $p < .01$

Table 3: Results from Tests of Direct, Indirect and Total Effects of Variables

Predictor	Outcomes	Direct Effect	Indirect Effect	Total Effect
Workplace favoritism	→ Job frustration	.397**	.000	.397**
Workplace favoritism	→ Job satisfaction	.023	-.207**	-.184*
Workplace favoritism	→ Intent to quit	.268**	.132**	.400**
Job frustration	→ Job satisfaction	-.522**	.000	-.522**
Job frustration	→ Intent to quit	.331**	.000	.331**

* $p < .05$

** $p < .01$

Discussion

Theoretical Contribution

Despite the various studies showing the impact of organizational justice on employee outcomes in the literature (Colquitt, Conlon, Wesson, Porter, & Ng, 2001), researchers have not yet focused on the consequences of workplace favoritism as a part of organizational injustice. In the present study, we extended organizational justice theory and research on workplace favoritism and by founding the effect of it on job satisfaction and intent to quit. We also found that the effect of workplace favoritism on job satisfaction and intent to quit were mediated by job frustration. So, this study makes a significant contribution to the field of organizational behavior by revealing previously unknown relationships.

Managerial Contribution

The results of this study indicates that workplace favoritism negatively impact on job satisfaction and positively impact on intention to leave. Managers who giving importance organizational effectiveness should try to show that favoritism is not take part in the organizational practices. While doing this, managers should clearly express to employees convincingly that the decisions in the organization are based on performance rather than personal relationships and they clearly demonstrate the high-performing employees are always rewarded in organization. This situation should be expressed frequently by managers in the meetings and negotiations with employees. In other words, they must convince to employees that no one is privileged within the organization.

Limitation and Future Research Suggestion

There are some limitations are associated with our study. First, we conducted our study in a collectivistic (Hofstede, 1984) and developing country. The model of our study can result differently in developed or other developing countries. Therefore, our results may not generalizable. Second, our study was conducted on a relatively small sample and it needs to be repeated in larger sample in the future.

Third, our model is simple (but easily understood), and more complex model needs to be researched in next studies. For instance, different mediators such as work stress, work alienation, exhaustion, work family interference and moderators such as personality, locus of control and cultural factors and can be investigated in the relationship between workplace favoritism and job satisfaction and intent to quit by researchers. In addition, the relationship between favoritism and other work related variables such as organizational citizenship behaviors, organizational commitment, and organizational trust or health problems (e.g. alcohol addiction, smoking, headache problems) can be investigated.

Conclusion

In this study, we try to draw attention to previously unexamined consequences of workplace favoritism for practitioners and researchers. We provide the significant evidence to understand the effects of workplace favoritism on two important employee work outcomes. We also provide the evidence that the mediating role of job frustration in the relationship workplace favoritism and employee work outcomes.

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