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RELATIONSHIP BETWEEN NEPOTISM, FAVORITISM, CRONYISM, AND  
COLLECTIVE LEADERSHIP

Master's Thesis

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I have written this master's thesis independently. All viewpoints of other authors, literary sources and data from elsewhere used for writing this paper have been referenced.

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**Abstract**

This thesis discussed the relationship between nepotism, favoritism, cronyism, and collective leadership in Ghana's public and private banking sectors. A quantitative analysis method was used, and a convenient sampling method was employed to sample 997 respondents who assessed 127 branch managers. SPSS statistical tool was used to analyze the data. Linear regression was used to explore the relationship between unethical behaviors and collective leadership.

The result established that nepotism and cronyism positively correlated with alignment and cohesion, while favoritism negatively correlated with alignment and cohesion. Nepotism and favoritism showed a negative association with the architecture of internal, while cronyism showed a positive and significant relationship.

Nepotism showed a positive relationship with the control feedback system, and favoritism showed a negative and significant relationship with the control feedback system. Cronyism led to a positive and significant relationship with the control feedback system.

## 1. Introduction

Nepotism, favoritism, and cronyism are all unethical forms of behavior in which preferences are given to acquaintances, friends, family, or political allies. It can be done by hiring or promoting an employee based on personal interest instead of merit. Human resource officers/heads of departments in an organization are part of individuals that determine the success or downfall of an organization based on those they recruit to fill vacant spaces. Employees are meant to be recruited or promoted without any form of bias.

Giving privilege to family members to fill a vacant position is considered "nepotism," giving special treatment to friends is referred to as "favoritism," and showing favoritism to an employee due to a personal relationship is considered "cronyism." (Demaj, 2012).

The adverse effects of unethical behavior are two-sided (Organisation and Staff). Granting employees unearned privileges reduces trust, job satisfaction, organizational commitment, and individual performance (Keleş et al., 2011).

Leaders are relied upon to be straightforward in completing tasks expected of them. Nepotism, favoritism, and cronyism - hereon referred to as NFC are ongoing issues in organizations, and the adverse effects can be positive or negative. Arasli and Tumer (2008) studied how nepotism, favoritism, and cronyism behaviors affect job stress and job satisfaction in North Cyprus using respondents from the banking sector. They concluded that NFC practices create job stress and increase dissatisfaction. A different study by (Nadeem et al., 2015) showed that nepotism, favoritism, and cronyism are negatively related to job satisfaction. Nepotism, favoritism, and cronyism explain how leaders in an organization recruit or promote employees while disregarding the basic principle of fairness and equity. Evidence also showed that managers recruit employees based on personal interest and not qualification (Alesina & Giuliano, 2007).

NFC explains how preferential treatments are given to relatives, friends, and cronies, and it is done by either hiring, promoting a family member, a friend, or a political crony to fill up a position at work, thereby neglecting the qualified ones that would fit in that position (Demaj, 2012). The interest of this thesis is to explore the relationship between nepotism, favoritism, cronyism, and leadership behaviors.

Leadership is the ability of a person or group of persons to influence and direct their followers or other members of an organization. Leadership involves the whole organization achieving the set goals (Van & O'Connor, 2007). Put differently, irrespective of an individual position in an organization, such an employee is expected to act as a leader and take the initiative while considering the organization's objective.

Different leadership behaviors have been studied in the literature, some of which are: autocratic leadership, authentic leadership, democratic leadership, transactional leadership, and transformational leadership. Each leadership behavior possesses different characteristics which determine how it affects or influences organizations or workplaces, resulting in greater employee efficiency and increased productivity. Irrespective of the style, it all boils down to achieving the organization's goal (Jain & Luhar, 2021).

In this thesis, emphasis was laid on organisational leadership to explore how nepotism, favoritism, and cronyism, which thrive on the unfair treatment of employees, would influence organisational leadership, which thrives on fair opportunities for everyone.

Organisational leadership is a concept that encompasses both individual and collective leadership (Kivipõld & Vadi, 2010). Collective leadership has been painted poorly over the years because of the belief that it could lead to chaos and slow progress in an organization (Raelin, 2018). It simply means that everyone in an organization is part of the decision-making process, which hinders its activities.

In contrast to traditional leadership norms, few works focus on understanding leadership as a complex and dynamic behavioral and social system consistent with the belief in a collective form of leadership (Maupin et al., 2020).

Collective leadership happens when different individuals collaborate to achieve a specific objective. When leaders in an organization promote, recruit, and increase salaries without bias, the goal is visible as each team has capable hands pursuing the authoritative objective. Collective leadership in an organizational setting refers to the way(s) authority, responsibility, and accountability are broadly distributed to allow more employees to participate in the organization's leadership. Collective leadership is embedded in the organizational system and culture (Anderson, n.d.).

Collective leadership comes into play when discussing nepotism, favoritism, and cronyism because power is divided among people. In most cases, they tend to use it for

their interests, for example, by hiring, promoting, or giving benefits to their loved ones or family members to the detriment of qualified people.

NFC is an ongoing issue, it affects trust in an organization, and this needs to be controlled because the world is gradually becoming a "global village" (Demaj, 2012). The act of leaders in an organization determines the employee's attitude toward assigned tasks.

Research has been done on NFC. One of them was conducted in Turkey using the convenience sampling method from 240 employees working in different units of family businesses in Istanbul on the effect of NFC on organisational trust in the auditing process in a family business. The result showed that NFC harms organisational trust. (Keleş et al., 2011)

Nadeem et al., (2015) did research using 300 questionnaires shared among four organisations on how NFC affects job satisfaction in the telecom sector of Pakistan. The result revealed that NFC are negatively associated with job satisfaction.

Akuffo and Kivipõld, (2020) studied the effect of leaders' authentic competence on NFC. Although the authors used NFC as an independent variable in their study, it is relevant to this thesis because it discusses the impact of NFC in the organisation.

Pelit et al., (2015) researched the effect of nepotism on organizational silence, alienation, and commitment. The study revealed that nepotism has a negative, positive relationship with organisational silence and alienation and is negatively associated with organisational commitment.

So far, no study has researched how NFC influences collective leadership. This study will discuss the association between NFC and collective organisational leadership as it is yet to be established in the literature.

This study will focus on how these NFC's are associated with collective leadership because the accomplishment of an organization is subject to how each group leads in each office work without any form of bias. The failure of a group captain to carry out tasks freely will not just influence their specialty but also influence others as every office is working towards the organisational goal.

### **The objective of research and posed tasks**

This thesis explores the relationship between unethical behaviors (nepotism, favoritism, and cronyism) and collective leadership. The following research task will guide the thesis

- To explain the concepts of NFC and collective leadership
- To review existing studies on NFC and collective leadership,
- To illustrate the methodology employed in this study and the data collection procedure
- To analyze and discuss the results within the context of the research questions.

This leads to our research question that would be tested during this research.

**RQ1: How do nepotism, favoritism, and cronyism affect collective leadership in the organisation.**

## **2. Literature Review**

This part of the study reviews and analyze existing studies on the variables under consideration. It starts with a review of nepotism, favoritism, cronyism, leadership, and collective leadership. Unlike experienced and qualified employees, granting privilege to cronies will undermine the common good, give a wrong perspective about the organization, and affect organizational competence (Arasli & Tumer, 2008).

Nepotism, favoritism, and cronyism are present in every department of an organization, both in the public and private sectors, and this affects organizational trust (Keleş et al., 2011), employee performance (Altındağ, 2014), and organizational commitment (Demaj, 2012). It is understood that nepotism is seen as a bad practice in an organization; however, in his book "in praise of nepotism," Adam bellow stressed that nepotism is not 100% bad as there is good and bad nepotism. NFC can be explained based on the context.

Researchers used different methods to describe nepotism, favoritism, and cronyism. For example, explaining cronyism in political concepts is when politicians prefer close or long-time friends to occupy a political position (Arasli & Tumer, 2008).



NFC is a method of unethical behavior that leaders use to satisfy their self-interest as against the overall interest of the organization (Demaj, 2012). Whether nepotism, favoritism, and cronyism positively impact the organisation has been raised several times. It all boils down to hiring an undeserving employee for a vacant position. By using incompetent people to handle activities, organisations suffer from unethical behavior locally and globally. Two major banks in Ghana closed their doors due to poor financial and accounting management, which was not recognized by the board of directors, and practices by top management based on personal interests.

Recruitment and promotion based on bias have justified how the staff behaves. Generally, it is expected that recruitment and promotion should be done based on the principle of equality. The principle of equality in the recruitment process states that everyone should be treated as equal, and selection should be made based on proper knowledge and experience. (Demaj, 2012).

Leadership is essential in any organization as it positively impacts the achievement of the set goals and objectives of the organization. An organization with a helpless initiative would end up wasteful and ineffective. Successful Leaders give a clear direction and guide the organisation to achieve and understand its central goal. For collective leadership to be possible in an organisation, there needs to be a team where everyone listens to each other, shares ideas and responsibilities, and accepts corrections.

## **2.1. Nepotism**

Nepotism is generated from the word nepos, which simply means giving privileges to family members. It can also be traced down to catholic bishops giving positions to their nephews because they do not have offspring of their own. (Allesina, 2011)

Nepotism occurs in some organisations because companies refuse to hire recruitment agencies, resulting in managers recruiting incompetent staff. This act results in privileges being given to undeserving people affecting employee commitment and trust in the organisation. One advantage of nepotism is that it eliminates conflicts between managers and staff in the firm. (Keleş et al., 2011)

In a competitive market with one large family, nepotism is seen as an advantage because it is assumed that all families tend to strategize together (Jaskiewicz et al., 2013). Nepotism occurs when an individual or group of individuals in an organisation favors family members in hiring, impairs the organisation's effectiveness (Colarelli, 2013).

There are cases where nepotism is not considered immoral. An excellent example of this is when a family member or friend hires a relative in the family business because they believe it will help build trust and commitment. A vital factor favored in nepotism is the fear of disclosing outside parties' personal information or trade secrets (Ozler & Buyukarslan, 2011).

Nepotism is a family-owned business that is different from a publicly owned corporation. In a family-owned business, relatives are accepted to work without considering any criteria. In most family-owned businesses, nepotism is a synonym for a successor because it is believed that the family member takes over after a certain period. Some rules regulate nepotism practices in a publicly owned organisation, and everyone abides by these rules because a third party evaluates them. (Demaj, 2012)

Nepotism is widely spread in politics (Kabongo, 2020), family business (Keleş et al., 2011), and different business sectors (Arasli & Tumer, 2008). Darioly & Riggio, (2014) explained that the effect of nepotism goes beyond affecting management development or promotion. It also affects executives who love to have their family members fill top positions. The problem of nepotism arises in an organisation when employees perceive favoritism in the n promotion and recruitment process.

When nepotism is thriving in an organisation, evaluation and promotion are solely based on family ties and not merit. The decision for promotion or employment is made based on emotions. Nepotism reduces the ability of an employee to put in their effort because they are aware of the unethical practice happening in the business. (Darioly & Riggio, 2014)

Although Nepotism is tied to family relationships, it can also be used to explain giving preferential treatment to individuals in the workplace. Nepotism exists in family business because it is believed that when families are recruited to the organization, they have better knowledge of the business than other potential staff (Ozler & Buyukarslan, 2011). Nepotism has been identified in two ways (Jaskiewicz et al., 2013)

1. Reciprocal nepotism
2. Entitlement nepotism.

Reciprocal nepotism happens when family members are hired based on interdependence, the extent of exchange, i.e., salary, loyalty at work and family relationships, and cultural norms. This type of nepotism can be done to save costs because

wages are negotiated between family members. It can also be done to avoid theft in the organization because the manager believes that hiring a family member in the business would reduce theft in the company and keep staff on their feet.

Entitlement nepotism can occur when employees feel entitled to that position simply because their family members work. Here, an employee feels relaxed because they have the mindset that whatever act they display during work hours is right in their sight, and if they misbehave, there is someone in the top management that have their back.

Similarly, Padgett and Morris, (2005) identified two forms of nepotism at work;

1. Hereditary nepotism (cross-generational nepotism)
2. Matrimonial nepotism (paired nepotism).

Hereditary nepotism occurs when an employee hires their family members into available positions in the workplace. This kind of nepotism is also common amongst political parties. Members of different political parties ensure their family members have a political seat for each election. Hereditary nepotism occurs because those in politics have the power to put their family to fill in an electoral seat. On the other hand, matrimonial nepotism occurs when employees grant privileges to spouses.

Nepotism is an issue in developing countries and least developed countries. The human resource management of these countries is under pressure to employ family members to occupy positions. This unjust act leads to employee frustration and stress and can force an employee to resign once they get an alternative. (Abdalla et al., 1998).

Arasli and Tumer, (2008) studied how nepotism affects Human resource management, and the focus was on three, four, and five-star hotels in Northern Cyprus. The result derived from this study is that Nepotism has a significant negative impact on HR and job satisfaction. Reason for quitting and also gives a bad review about the organization.

Akuffo and Kivipõld, (2020) grouped nepotism into two, namely, operational nepotism and recruitment nepotism. Organisational operations refer to the day-to-day activities going on in the organisation. These are activities carried out within the organisation to produce a distinct value and achieve the organisation's goal. It facilitates the supervision of people and activities within an organisation.

According to Safina, (2015), operational nepotism discourages hard-working employees from going for a higher position because an employee with relatives in top management favors their relatives or friends. Operation Nepotisms occurs when

incompetent employees are chosen over competent employees due to personal connection (Safina, 2015). This unethical leadership behavior allows employees to use the influence of their families in top positions to act according to their desire, thereby disregarding the organisation's rules Arasli and Tumer, (2008).

Recruitment is simply the process of finding, hiring, and potentially onboarding employee for an organization. It can be done internally (promotion of staff) or externally (attracting new talent to the organisation). Arasli et al., (2006) explained recruitment in terms of nepotism. The authors explained that this unethical behavior affects not just the employee of the organisation. It also discourages managers from joining the firm due to corrupt practices.

## **2.2. Favoritism**

According to (Ozler & Buyukarslan, 2011), favoritism means favoring someone over others who are more efficient and skilled because of a personal stake. Preference for groups is common; sometimes, bias reduces the cost of the hiring process in organizations (Ponzo & Scoppa, 2010). Just like nepotism, there are cases where favoritism is not considered immoral. Favoritism is not regarded as corrupt when everyone favors an employee because he is very efficient in performing tasks.

Researchers have their perception of how favoritism affects the economy. In the early 1970s, different scholars believed a positive impact was associated with favoritism. They justified this point by concluding that favoritism would reduce the transaction cost and fasten information flow in the organisation but neglected the negative impact of unfairness and zero transparency. (Loewe et al., 2007).

As the name implies, Favoritism is when a manager favors a subordinate, not because of their performance at work, but for reasons outside the work environment. It usually occurs when a team leader and a subordinate have formed friendships outside the work environment or through shared interests such as music, sports, movies, etc.

Whenever preferential treatment is given to staff at the expense of other competent staff, it reduces job satisfaction and commitment (Keleş et al., 2011). Scholars revealed that the tendency of favoritism is considered higher in larger companies compared to smaller ones (Arasli & Tumer, 2008).

Favoritism is not considered illegal in most cases because the employer does it without remorse since there is no legal regulation for this act. Favoritism is found in most

organizations, leading to conflict because employees are selected based on bias. (Ozler & Buyukarslan, 2011).

Favoritism can be described in two ways (Loewe et al., 2007); Giving preferential treatment to one person or group of people and granting preferential treatment to someone you have a close connection with, such as friends. Favoritism is different from nepotism because nepotism solely gives family members merit.

Favoritism in the workplace creates a negative mindset in the employees' hearts. It passes a negative image about the organization not caring about the staff's welfare, and this mindset affects their productivity (Arici et al., 2021).

A study was conducted in North Cyprus on the effects of favoritism on job embeddedness in the hospitality industry. The instruments for survey instruments were distributed to non-favoritism beneficiary employees of three- and four-star family-run hotels in the country. The study revealed that favoritism negatively affects job embeddedness, procedural justice, distributive justice, and interactive justice. (Arici et al., 2021)

Akuffo and Kivipõld, (2020) grouped favoritism into two; recruitment favoritism and positional favoritism. Ezzedeen and Swiercz, (2001) described favoritism in recruitment as using personal connections in selecting staff to occupy vacant positions. According to the author, this act is prominent in Lebanon.

Positional favoritism occurs when employees develop personal relationships with top leaders. Employees who perform this act are set apart and have a positive impression of themselves. The practice of position-based favoritism involves employees endangering their colleagues to grab the favor of superiors (Akuffo & Kivipõld, 2020).

### **2.3. Cronyism**

Cronyism is called granting preferences to politicians(cronies), i.e., close friends, especially in appointing staff to occupy positions despite being unqualified (Arasli & Tumer, 2008). Cronyism is derived from the Greek word "khro'nios" (Turhan, 2014). Cronyism explains a long-lasting relationship. Khatri and Tsang, (2003) explained cronyism as when party A gives preference to party B at the expense of party C.

Cronyism was used as the ability and eagerness of friendship in 1980. Cronyism is one of the effective forms of favoritism in an organization due to its wide boundaries

(Aksakal & Ulucan, 2021). Researchers have shown that cronyism harms a company's growth (Khatri et al., 2003)

Cronyism can be seen in different ways due to bias in the organization. In other words, when unqualified employees receive benefits based on personal preference rather than merit, we say that cronyism has taken place. Cronyism is a concept in which individuals are promoted, recruited, given salary raises, or special treatment due to personal relationships instead of merit. On the other hand, cronyism gives advantages to friends and colleagues without consideration for excellence.

Cronyism is different from favoritism because cronyism is about granting privileges to friends in the same political settings. Employees who receive undue benefits, favors, and support at the expense of others are called cronies, while those who are cheated and receive no benefits are non-cronies (Shaheen et al., 2021).

Sometimes cronyism can also serve as a motivational tool for other employees because when friends or acquaintances are hired, they are expected to serve as pathfinders for other employees. The practice of cronyism in an organization reduces skill acquisition and productivity directly by eliminating the need for some individuals to improve their skills to attain high jobs (Coco & Lagravinese, 2014).

The practice of cronyism refers to rewarding people based on long-term relationships, such as friendship, loyalty, ethnicity, culture, religion, work, school, and other similar characteristics (Andrews et al., 2019). Khatri and Tsang (2003) identified two types of cronyism: Instrumental cronyism and relational cronyism. Instrumental cronyism is an exchange of favors between individuals without regard for their qualifications, negatively affecting countries and enterprises (Leung & Barnes, 2020). On the other hand, relationship cronyism operates based on relationships, affection, and loyalty (Khatri et al., 2003). It results from essential obligations to help people within the same network.

Similarly, cronyism may be horizontal or vertical; Horizontal cronyism occurs in an organization when benefits are given to those on the same level, while vertical cronyism occurs when leaders offer undeserved benefits to subordinates. (Khatri, 2013)

A study was done on the impact of NFC on organizational trust and commitment in the service sector in Albania. The study used 160 respondents from both private and public service sectors. The result showed two findings:

1. Perceive cronyism has a moderate negative effect on organizational trust. However, explaining only 6% of the organizational trust variance indicates that there exist other much more important factors that affect organizational trust rather than Cronyism practices.
2. Perceive cronyism has a slightly negative effect on organizational commitment. (Demaj, 2012).

The difference between nepotism, favoritism, and cronyism is that nepotism revolves around granting privileges to relatives (Allesina, 2011). Favoritism is when preferences are given to a particular individual over others that are more efficient for personal reasons (Ozler and Buyukarslan, 2011). Cronyism simply grants political cronies privileges despite being unqualified (Arasli & Tumer, 2008).

Akuffo & Kivipöld, (2020) grouped cronyism into two, namely, recruitment cronyism and operational cronyism. Khatri, (2013) explained recruitment in cronyism as when individuals in the same political settings or association are employed. In operations, cronyism simply refers to an employee's behavior, recruited for political benefit, that disobeys their supervisors and acts as they see fit, thus affecting operational effectiveness Akuffo & Kivipöld, (2020).

The significant similarity between each concept is that it is based on granting privileges to underserved individuals. The difference between nepotism, favoritism, and cronyism is that nepotism offers undeserved benefits to family members while cronyism offers them to friends. In this study, the author will look at a dimension of nepotism and favoritism known as positional favoritism and operational nepotism.

In table 1, there are advantages and disadvantages of NFC compiled from different literature. Nepotism, favoritism, and cronyism have some positive components, although other authors criticize them. Ponzio and Scoppa, (2011) explained that favoritism help in cost reduction because the cost of paying an external firm for recruitment purposes is eliminated.

Aksakal and Ulucan, (2021) observed that recruitment is done on bias instead of merit. When companies partake in this practice, they lose out on potential candidates that could improve the organization.

**Table 1***Advantages and disadvantages of NFC*

NFC	Advantages	Disadvantages
Nepotism	Members of the family are motivated, and they tend to strategize together and keep the firm running (Jaskiewicz et al., 2013)	Employees are not motivated to give ideas that can improve the organization's process, which affects productivity. (Coco & Lagravinese, 2014)
	The trade secret remains within the family Ozler & Buyukarslan (2011)	It affects the company's growth (Kang, 2003). This is because some secrets are kept within the family.
Favoritism	The cost of paying recruiters is eliminated (Ponzo & Scoppa, 2011)	Recruitment is done based on the bias as opposed to merit (Alesina & Giuliano, 2007)
Cronyism	Employees who benefit from cronyism behaviors gain job satisfaction. (Leung & Barnes, 2020)	Cronyism results in low staff engagement and job satisfaction, as they are not treated preferentially. (Arasli & Tumer, 2008)
	There is a swift communication between cronies due to the personal relationship that exists (Aksakal & Ulucan, 2021)	There is a reduced effort between non-cronies to learn more. (Aksakal & Ulucan, 2021)

Source: Compiled by the author

This is because those involved in cronyism belong to the same group and are familiar with each other. However, when staff perceives cronyism in the organization, there is a reduced effort between non-cronies to learn more and improve their skills.

Table 2 grouped different definitions of nepotism, favoritism, and cronyism from other authors.



**Table 2***Definition of NFC from a different author*

NFC	Definition and author
Nepotism	Giving privileges to family members (Allesina, 2011). The family believes they do this to build a legacy
	Group of individuals favoring family members in the hiring or promotion process (Colarelli, 2013)
	Nepotism occurs when a family strategizes together to grow a business (Jaskiewicz et al., 2013)
Favoritism	Giving preference to colleagues over others who are more efficient and skilled because of personal stake (Ozler & Buyukarslan, 2011). This is done due to personal interest that is not work-related(Ozler & Buyukarslan, 2011)
	Giving preference to an individual or group of people (Loewe et al., 2007)
	When preferential treatment is given to staff at the expense of other competent staff (Keles et al., 2011)
Cronyism	Giving preference to close friends (Arasli & Tumer, 2008)
	Employees receive an undue benefit at the expense of others (Shaheen et al., 2019)
	Cronyism refers to rewarding people based on long-term relationships, such as friendship, loyalty, ethnicity, culture, religion, work, school, and other similar characteristics (Andrews et al., 2019)

Source: Compiled by the author

Table 2 clearly shows that authors have similar nepotism, favoritism, and cronyism definitions. It is also clear that the authors agree on what each terminology means.

## **2.4. Leadership**

Leadership is the act of an individual or group of individuals positively influencing others in an organization. Leadership is a virtual part of the activities carried out in an organization and the engagement of everyone in the organization, regardless of position. Leaders are people who lead and provide creative direction. Leadership is convincing individuals to sacrifice their time and effort and put their interests aside to support the group's interests (Hogan & Kaiser, 2005).

Generally, a leader is someone who delegates authority or influences others into achieving goals. In a rapidly changing global environment, organizations need leadership that understands its complexities. Employees will likely be much more effective if tasks are highly structured and the manager maintains a good relationship with his employees. Leaders are expected to be fair in selecting and promoting employees so competent hands can be employed to achieve the organization's goal.

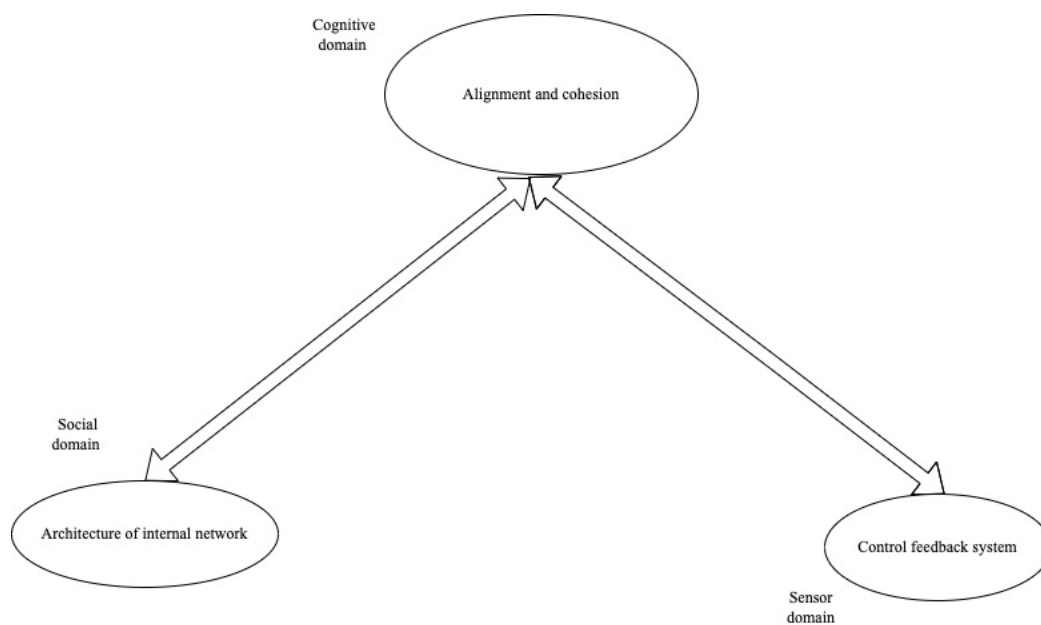
## **2.5. Collective Leadership**

Collective leadership (CL) is also known as shared leadership, distributed leadership, or organizational leadership. Collective leadership is a perspective that considers an idea between different individuals in a group with leadership qualities. It describes the process of people coming together to achieve a group goal or objective. Collective leadership offers a different view of leadership and differs from the traditional view of leadership that focuses on the personal influence that an individual leader has on their followers (Kivipõld & Vadi, 2010).

CL works when individuals or teams work jointly to achieve a particular goal. Organizations are gradually turning to collective leadership instead of traditional leadership because of its advantages. For collective leadership to be successful, there must be cooperation between departments in an organization. Another important aspect of collective leadership is that everyone involved is responsible for the success and failure of the organization. This is vital since the success of any organization depends not on the performance of a single worker but the collective performance of all employees (Jacobs, 1981). Collective leadership is a modern leadership method in which there is voluntary cooperation and interaction based on the competencies of all stakeholders and a sense of responsibility between everyone involved (Goksoy, 2016).

Based on the collective leadership style, individuals or teams in any organization are the best qualified to improve a process. Organisational leadership or collective leadership, as defined by, refers to leaders' ability to adapt to change in the external environment while maintaining the organization's primary goal. According to the authors, collective leadership has two dimensions; Organisational orientation and organisational adaptation. The dimensions describe how the activities of people within an organization shape the behavior of the organization as a whole. Both dimensions involve three main factors; Figure 1 gives an insight into these factors.

- Alignment and cohesion
- The architecture of the internal network
- Control feedback system



*Figure 1.* The main factors of collective leadership

Source (Kivipõld & Vadi, 2010)

Figure 1 is a virtual representation of the main factors of collective leadership, which will be used further in this thesis.

**Alignment and cohesion** explain how employees respond to the organization's mission, vision, and objectives. It consists of both interior and exterior dimensions wherein each part of the process is dedicated to the organization's goals and objectives.

**The Control feedback system** explains how the employees interpret information passed in the organisation.

**The internal network architecture** is divided into the extent of centralization and informal communication. It explains the relationship between staff in the organisation. These social activities happen after work hours and how the team is treated at work irrespective of their race, sexual orientation, or disability. (Kivipõld & Vadi, 2010).

There have been studies on leadership and NFC in the past. However, only 39 focused on the relationship between leadership and NFC behavior, of which 24 were empirical by using qualitative or quantitative analysis. None of the studies looked at the relationship between NFC and collective leadership. (Akuffo & Kivipõld, 2018)

All the existing studies examined the relationship between individual leadership and NFC (Akuffo & Kivipõld, 2018; Akuffo & Kivipõld, 2020) and not collective leadership. Moreover, the existing studies analyzed individual leadership behaviors as an independent variable while NFC was considered the dependent variable. However, in this study, NFC is regarded as an independent variable, while collective leadership is viewed as the dependent variable. Therefore, this is the first study to explore the relationship between NFC and collective leadership.

### 3. Methodology

#### 3.1. Population and research design

The author used secondary data (Akuffo & Kivipõld, 2020) from employees in Ghana's public and private banking sectors. This would enable the author to get direct information on the influence of unethical behaviors on collective leadership. Ghana was chosen for this study because of its dynamic and rapid growth. It is quite a unique, developing country with cultural diversity. It consists of about ninety-two different ethnic groups (four major groups) spread among ten other regions (Chazan, 1982).

The different ethnic groups have their own beliefs and cultural differences; according to data gathered from the Ghanaian banking sector between 2011 and 2017, main banks' numbers increased by 20.6%, and branch offices by almost 40% across all ten regions of Ghana. This reflects the growing volume of economic transactions in the

economy, as expressed by the growth in consolidated banks' assets from 26.3% to 40.93%. (Akuffo & Kivipõld, 2020)

### **3.2. Sample size and sample technique**

The study employed a convenient sample technique to sample the 140 public and private banks across the ten regions of Ghana. Convenient sampling is a research method where data is collected conveniently from a pool of respondents. In all, 997 response was received from 127 branch managers. The sample characteristics are; Gender (Male= 81.1%, Female= 18.9%), Educational level (Below masters= 38.6%, Masters/Above masters= 61.4%), Age (33-44= 57.5%, 45-59= 42.5%).

The gender, age, and education components were either 0 or 1. Below masters were classified as 0, and above masters were classified as 1. Similarly, a male was classified as 1 and, a female was classified as 0, and ages between 33-44 were classified as 0 and 45-59 as 1 (Appendix 1).

### **3.2. The instrument for data collection**

There are three instruments for data collection:

Collective leadership questionnaire (Kivipõld & Vadi, 2010)

Nepotism and favortism questionnaire (Arasli & Tumer, 2008)

Cronyism questionnaire (Arasli & Tumer, 2008)

#### **Collective Leadership Questionnaire**

This questionnaire is in five parts (three main parts and two sub-parts): Alignment and cohesion, the architecture of the internal network, informal communication, Extent of centralization, and control-feedback system. Each part has a total of four questions. It is on a 7-point scale ranging from strongly agree to disagree completely.

The Cronbach alpha values are; alignment and cohesion ( $\alpha=0.79$ ), control-feedback system ( $\alpha=0.88$ ), the architecture of the internal network ( $\alpha=0.75$ ), and sub-factors as the extent of centralization ( $\alpha=0.84$ ) and Informal communication ( $\alpha=0.69$ ). The main part of collective

leadership is; alignment and cohesion, the architecture of internal networks, and the control feedback system, while the sub-parts are informal communication and the extent of centralization. The author will focus on the three main factors of collective leadership (Alignment and cohesion, the architecture of the internal network, and the control feedback system).

### **Nepotism and Favoritism Questionnaire**

The questionnaire consists of 20 items on a 5-point scale from strongly agree to disagree strongly. The EFA was done on Nepotism and Favouritism using a principal axis factoring extraction method and Oblimin with a Kaiser normalization rotation. Akuffo and Kivipõld, (2020) identified four factors from the analysis, with a total of 20 items, of which four returned values less than 0.6, so they were eliminated.

The factors were named recruitment favoritism and nepotism (Factor-1 RFN) which consists of 6 items, and positional favoritism (Factor-2 PF), which consists of 4 items; Factor 3 was deleted because it had two items that are not recommended by (Yong & Pearce, 2013) therefore, it was removed from the analysis. The last factor was named operational nepotism (Factor 4 ON), and it consists of 4 items (Appendix 2).

EFA was done on the remaining three factors. The KMO measure of sampling adequacy of the data returned 0.90 (KMO benchmark of  $>0.8$  has been suggested by (Hauben et al., 2017)). It has a significant Bartlett sphericity of  $p=0.000$ , indicating that the correlation matrix is significantly different from the identity matrix and factorable (Hauben et al., 2017). Appendix 4.

In the end, RFN was removed from the analysis due to its significance ( $p=0.51$ ). The Cronbach alpha for positional favoritism and operational nepotism were 0.86 and 0.83, respectively.

### **Cronyism Questionnaire**

The questionnaire for cronyism was designed (Arasli & Tumer, 2008). It has seven items and is on a 5-point scale from strongly agree to disagree. The cronbach alpha for

cronysim was 0.83. In general, it can be seen that our Cronbach alpha for all variables returned a value above the benchmark of 0.7 suggested by (Nunnally, 1978).

#### **4. Result and interpretation**

This chapter discussed the result within the context of the research question. Although the research is guided by one research question, this analysis explored how NFC influences each of the main factors of collective leadership (alignment and cohesion, control feedback system, architecture of internal network). A preliminary analysis was conducted with Pearson correlation, and the research question was tested with linear regression.

Table 3 below shows the Pearson correlation of collective leadership's main factors (alignment and cohesion, control feedback system, and architecture of internal network) and nepotism, favoritism, and cronyism. The Pearson correlation method is the most common method for numerical variables; it assigns a value between  $-1$  and  $1$ , where  $0$  is no correlation,  $1$  is a total positive correlation, and  $-1$  is an absolute negative correlation.' The demographics were also added to the analysis.

The analysis shows that only nepotism had a positive and significant relationship with alignment and cohesion ( $r = .15$ ,  $p \leq 0.1$ ), while cronyism and favoritism were insignificant. None of the NFC variables showed a significant relationship between the architecture of the internal network and the control feedback system.

One interesting fact about the analysis is that cronyism showed a positive relationship but not significant relationship with architecture, control feedback system, and alignment and cohesion. This may be because of the ties between these groups of employees. Also, because they also have social gatherings where they meet, the discussion may happen in these gatherings, and ideas are being shared among those with issues solving their task at work.

The analysis also revealed that education positively influences alignment and cohesion, control feedback system, and architecture of internal network but was not statistically significant. This implies that managers with higher educational qualifications engage more in unethical behaviors.

**Table 3**

*Correlation between nepotism, favoritism, cronyism, and collective leadership.*

	Mean	SD	AC	CFS	AI	CR	PF	ON	EDU	AGE
AC	4.70	0.67	1							
CFS	4.40	0.82	.69**	1						
AI	4.47	0.73	.69**	.78**	1					
CR	2.91	0.43	.13	.10	.10	1				
FR	3.09	0.49	.07	-.11	-.11	.65**	1			
NE	3.19	0.49	.15+	.04	.04	.63**	.70**	1		
EDU	-	-	.10	.14	.12	.04	.06	.03	1	
AGE	44	8.3	-.01	-.04	-.12	.31**	.19*	.16+	-.07	1

*Notes:* \*\* $p \leq 0.001$  level (2tailed); \*\* $p \leq 0.01$  level (2tailed); \* $p \leq 0.05$  level(2tailed); + $p \leq 0.1$ (2tailed) ; Ac= Alignment and cohesion, Cfs= Control feedback system, Ai= Architecture of internal network, Cr= Cronyism, PF= Positional favoritism, ON= Operational nepotism, Edu= Education.

Age and gender were negatively associated with alignment and cohesion, control feedback system, and internal network architecture and were not significant. This implies that the older the managers are, the less likely they will perform unethical behavior.

In table 4, there is a linear approach for modeling the relationship between dependent and independent variables. Linear regression between the collective leadership main factors (alignment and cohesion, control feedback system, and architecture of internal network) and nepotism, favoritism, and cronyism. The data were tested to check if there is any form of multicollinearity.

Multicollinearity is simply a statistical concept where several independent variables in a model are correlated. When multicollinearity is present among independent variables in a dataset, it results in less reliable statistical inferences. The variance inflation factor tells us the amount of multicollinearity in a data set. In our data, the variance inflation factor(VIF) returned values between 1 and 5, which signifies no multi-collinearity in the data (O'Brien, 2007).



**RQ1: How do unethical behaviors such as nepotism, favoritism, and cronyism affects collective leadership in an organisation**

None of the NFC variables was statistically significant in model 1. Nepotism and cronyism showed a positive association with alignment and cohesion, while favoritism showed a negative association. The  $R^2$  for model 1 is 4%, which implies that 96% of other factors influence alignment and cohesion in the organisation. The F-value is not significant.

Model 1 simply explains that favoritism reduces the ability of the employee to align to the organisation's goals, while nepotism and cronyism increase the chances of an employee following the organization's objective.

The findings from model 1 may be because nepotism involves hiring or promoting family members. The hired family members are aware of the objectives, and in most cases, they try their best to ensure they adhere to the organisation's goal. On the other hand, Cronyism involves hiring individuals in the same political group, and just like nepotism, they have been informed about the objectives and work towards achieving them.

In model 2, nepotism and favoritism were not statistically significant. Still, they were negatively associated with the architecture of the internal network, which implies that when staffs perceive nepotism and favoritism, it reduces networking in the organisation. They are also reluctant to attend social gatherings organised by the bank. Cronyism is significant at ( $\beta = .55, p \leq 0.01$ ). This implies that the more political connection in an organization, the higher chances of staff perceiving it. The  $R^2$  for model 2 is 8%, while the F-value is significant ( $p \leq 0.1$ ).

**Table 4***Regression analysis between unethical behavior and collective leadership*

	AC (Model 1)	AI (Model 2)	CFS (Model 3)
Constant	3.92***	3.70***	4.01***
Age	-.05	-.27*	-.10
Education	.14	.15 <sup>+</sup>	-.25
On	.23	-.09	.22
Pf	-.15	-.17	-.64**
Cronyism	.16	.55**	.54*
R <sup>2</sup>	.04	.08	.10
F	1.02	2.06 <sup>+</sup>	2.64*
Vif	1.01-2.20	1.01-2.20	1.01-2.05

Notes: \*\*\* $p \leq 0.001$  level (2tailed); \*\* $p \leq 0.01$  level (2tailed); \* $p \leq 0.05$  level (2tailed); <sup>+</sup> $p \leq 0.1$  (2tailed); Ac= Alignment and cohesion, Cfs= Control feedback system, Ai= Architecture of internal network, Cr= Cronyism, PF= Positional favoritism, ON= Operational nepotism, Edu= Education.

Model 2 simply explains employee attitudes towards nepotism and favoritism. They feel reluctant to do anything in the organisation because they already understand that irrespective of how hard everyone strives, the management will still neglect them and favor those they share close ties.

In model 3, nepotism showed a positive association with control feedback but was insignificant. Favoritism showed a negative relationship with the Control feedback system. Still, it was significant ( $\beta = -0.64$ ,  $p \leq 0.01$ ), which means when the employee perceives bias, there is a wrong interpretation of information flow within the bank.

On the other hand, Cronyism was positive and significant ( $\beta = 0.54$ ,  $p \leq 0.05$ ), implying that cronyism promotes information flow in an organization. This is because cronies meet outside regular work hours and are familiar with each other. In their

gatherings, they can decide to discuss work-related issues, assist each other in processing information, and think of ways to improve at work. The F-value is significant ( $p \leq 0.05$ ), and the  $R^2$  is 10%.

In general, Age showed a negative association with model 1 and model 3 but was not significant while it was significant in model 2, which implies that the older the manager, the less likely they are to engage in unethical behaviors.

Education was significant in model 2 but not in model 1 and model 3, which means that education might influence unethical behaviors. This may be because the managers meet new people when they try to further their education and develop a relationship with these new connections. The managers also share certain privileges that arise at work with the new contacts or families of the new links for personal gains.

## 5. Discussion and findings

This thesis discusses the relationship between nepotism, favoritism, cronyism, and collective leadership in the private and public banking sectors across ten regions of Ghana. The discussion will be guided by one research question:

**RQ1: How do unethical behaviors such as nepotism, favoritism, and cronyism affects collective leadership in an organisation.**

Model 1 shows that when favoritism is perceived in the organization, the employee fails to align with the objective, affecting the bank. This was also established by (Kang, 2003). One possible reason for this is that employees love to have a sense of belonging, they love to see their effort being acknowledged, and when this is not achieved, it reduces their morale and willingness to work.

On the other hand, nepotism and cronyism showed a positive relationship with alignment and cohesion. One possible reason is that when family members are employed to fill vacant space in an organisation, the aim is to ensure the legacy continues; they strategize to ensure the brand has the highest market share and stays relevant. They are aware of the objective and work towards achieving it (Padgett & Morris, 2005). The family members may also be mindful that they are most likely to become the successor and would ensure everything is done according to the company's rules.

Jaskiewicz et al. (2013) stressed that when there is nepotism in an organisation, family members tend to strategize together toward achieving a common goal. Family members think of improving the business and making it a household name. The concept can be done via several advertisements and ensuring customers are satisfied. Cronyism positively influences Alignment and cohesion because it involves giving merit to individuals in the same political setting who are aware of the objective ahead.

Secondly, table 4 establishes that nepotism and favoritism reduce networking in an organisation. According to Arasli and Tumer, (2008), the act of nepotism reduces staff engagement. In contrast, cronyism improves networking in an organization. This is possible because cronyism involves individuals in the same political setting. They are familiar with each other, plan events, and think of ways to achieve the set goal within themselves. The study also establishes that favoritism reduces how feedback is perceived in an organisation, while cronyism promotes feedback in the organisation.

The result showed that managers with a higher level of education tend to practice unethical behavior than those with low educational qualifications. This was also established by (Akuffo & Kivipõld, 2020). This may be because as managers study more, they meet several people, thereby increasing their network and exposure level, making them interact with people in a higher position. This way, there is an exchange of connections and favors. Managers that are less educated have little network due to their educational level. Also, as the manager gets educated, they meet different people in top management positions, which also adds to their current network. The result also established that Age has a decreasing influence on nepotism, favoritism, and cronyism.

### **5.1. Limitations and recommendations for future research**

The study explored the relationship between nepotism, favoritism, cronyism, and collective leadership in an organization. It is clearly understood that nepotism is not 100% considered unethical as it keeps the trade secret remains within the family (Ozler & Buyukarslan, 2011). Favoritism reduces the cost of hiring in an organisation (Ponzo & Scoppa,

2011), and participating in crony groups gains job satisfaction. It is possible because they get special treatment from the employee. Studies should be done to consider the positive influence of nepotism, favoritism, and cronyism in an organisation.

Another limitation is that the data for this study was gathered in the banking sector alone. Thus the result of the analysis is solely based on activities going on in the banking sector of Ghana. Other sectors such as Information technology (IT), manufacturing, or education sector should be explored to compare the results. Studies should also be done in other countries that don't share similar characteristics to compare the relationship between Ghana and other countries.

This study focused on a quantitative approach to get our desired result., therefore attempting a qualitative method might present a different result than the current result.

## **5.2. The implication to the organisation**

Leaders in the forerunning of the organisation should consider the firm principle and vision when going about their daily tasks. One way of doing this is to ensure that staff is recruited and promoted without bias. Since the world is developing and becoming digital, organizations should ensure leaders are trained and adequately enlightened on how nepotism, favoritism, and cronyism affect employees' goals and satisfaction.

It is evident from the study that nepotism, favoritism, and cronyism are ongoing issues in an organisation and the society at large. First, nepotism, favoritism, and cronyism paint a bad image, leading to the employee not being willing to follow the company's objectives. It does not promote a cordial relationship between the employees who benefit from these acts and those who feel cheated. Managers are advised to ensure fairness in their daily activities so employees will follow the company goal.

Secondly, there should be a cordial relationship between everyone in the working environment. This way, managers and employee can quickly identify their weaknesses and improve where necessary. The analysis results indicate the presence of nepotism, favoritism, and cronyism in Ghana's public and private banking sectors. It is advised that managers should stop these unfair practices as it is evident that there is a feeling of dissatisfaction from the subordinates. Failure to dismiss these acts may lead to employees leaving the bank, and potential staff is lost in these ways.

Society should eliminate unethical practices, and families should kick against it and not paint anyone who decides to follow equality when recruiting staff to an organisation as bad. Families should be advised to recruit and promote employees without bias. This would result in the right candidate being hired or promoted to ensure the organization's continuous growth. (Akuffo & Kivipõld, 2020)

In an organization, nepotism, favoritism, and cronyism lead to employees forming a clique. When this clique is included in the organisation, it reduces team spirit because members in each group would only render help to themselves, thereby ignoring other employees of the organisation. This act can negatively affect the organisation.

Leaders in an organisation can adapt the findings from this study in their recruitment and promotion process. This will ensure that competent hands are hired to improve growth in the organisation. Since collective leadership involves the effort of everyone in an organisation, the employee should be treated equally irrespective of their position in the firm, as this would boost job satisfaction and improve the organization's growth

### **5.3. Conclusion**

In conclusion, this study validates those unethical behaviors, such as nepotism, favoritism, and cronyism, have an increased probability of affecting collective leadership in an organization in a negative way. NFC increases job dissatisfaction and lowers staff performance and productivity in an organisation, which affects the company's objective.

Although some leaders believe that having close relatives or friends would keep the business idea within the organization and reduce the cost of hiring staff, the adverse effects of NFC, in the long run, outweigh this advantage.

Another negative impact of NFC that arises due to these unethical behaviors is that potential staff with good ideas to improve processes in the organization are lost.

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## Kokkuvõte

See uurimistöö uuris seoseid onupojapoliitika, favoritismi, tagatoapoliitika ja kollektiivse juhtimise vahel organisatsioonis. Onupojapoliitika, favoritism ja tagatoapoliitika (OFT) on mõned ebaeetilised erinevates organisatsioonides esinevad praktikad. See juhtub värbamise või edutamise ajal ettevõtetes, kus vähese kvalifikatsiooniga töötajatele antakse võimalus hõivata ettevõttes vaba töökoht.

Onupojapoliitika tähendab eelise andmist pereliikmetele organisatsioonis oleva ametikoha täitmiseks. Onupojapoliitikat ei peeta täielikult ebamoraalseks, sest eelnevad uurimused näitavad, et enamik perekondi kasutavad onupojapoliitikat, sest usuvad, et selline käitumine lubab ärisaladusi perekonnas hoida.

Favoritism on privileegide andmine sõpradele isikliku töövälise suhte tõttu. Mõned firmad kasutavad seda praktikad, sest usuvad, et see vähendab organisatsiooni värbamiskulusid.

Tagatoapoliitika hõlmab eeliste andmist sama poliitilise taustaga sõpradele. See tähendab töötajate premeerimist pikaajalise suhte, mitte teenete alusel.

Minevikus tehtud uurimused näitavad, et OFT mõjutab ettevõtte kasvu (2003), vähest meeskonna kaasamist (Arasli & Tumer, 2008) ning samuti mõjutab see organisatsiooni produktiivsust (Coco & Lagravinese, 2014). Kuigi OFT-d on negatiivselt kommenteeritud, on sel ka positiivseid kommentaare. Näiteks on uurimused kindlaks teinud, et OFT lubab pereliikmetel koos strateegiaid luua ning see muudab ettevõtte silmapaistvaks.

Ükski uurimus pole uurinud seost OFT a kollektiivse juhtimise vahel. Ainus sarnane uurimus tehti autentse juhtimiskompetentsi (AJ) mõju kohta OFT-le (Akuffo & Kivipõld, 2020). Uurimus kasutas OFT-d sõltuva muutujana, aga üks huvitav fakt selle konkreetse uurimuse kohta on, et OFT-d kasutatakse iseseisva muutujana.

Kollektiivne juhtimine (KJ) on moodne juhtimisvorm, kus igäüks organisatsioonis annab oma panuse ning selle järgi tegutsetakse. Kollektiivne juhtimine on moodne juhtimisvorm, milles on vabatahtlik koostöö ja sidusrühma kompetentsusel põhinev suhtlus ning kõigi seotud isikute vaheline vastutustunne (Goksoy, 2016). KJ selles uurimuses kasutatud põhikomponent nagu on pakkunud (Kivipõld & Vadi, 2010) on joondumine ja kohesioon, kontrollitud tagasisidesüsteem ning sisevõrgu arhitektuur.

Joondumine ja kohesioon selgitavad töötaja reaktsiooni organisatsiooni reeglite kogumi ning objektiivsuse suhtes.

Sisevõrgu arhitektuur selgitab organisatsiooniliste ning muude sotsiaalsete tegevuste piiresse jäävat suhet, mida ettevõtte organiseerib.

Kontrollitud tagasisidesüsteem selgitab, kuidas töötajad organisatsioonis levitatavat infot tõlgendavad.

Uurimus kasutas andmete kogumiseks kolme vahendit, täpsemalt:

Kollektiivse juhtimise küsimustik (Kivipõld & Vadi, 2010)

Onupojapoliitika ja favoritismi küsimustik Arasli & Tumer, (2008)

Tagatoapoliitika küsimustik Arasli & Tumer, (2008)

Uurimus juhindus ühest uurimisküsimusest: Kuidas mõjutavad ebaeetilised käitumised nagu onupojapoliitika, favoritism ja tagatoapoliitika organisatsioonis kollektiivset juhtimist. See uurimus kasutas mugavat valimitehnikat, et vaadelda 140 avalikku ja erapanka Ghana kümnes regioonis. Kokkuvõttes saadi 997 vastust 127 harujuhatajalt ning andmete analüüsimiseks kasutati SPSS statistikatööriista. Esialgne analüüs teostati Pearsoni korrelatsiooni abil. Ebaeetilise käitumise ning kollektiivse juhtimise vahelist seost uuriti lineaarse regressiooni abil.

Tulemus paljastas, et kui muu meeskond märkab organisatsioonis favoritismi, ei taha nad organisatsiooni objektiivile kaasa aidata ning seda toetab ka (Kang, 2003). Onupojapoliitikal ja tagatoapoliitikal aga on joondusele ja kohesioonile positiivne mõju. Üks võimalik põhjus on töötaja ja tööandja vaheline varem olnud suhe.

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**RELATIONSHIP BETWEEN NEPOTISM, FAVORITISM, AND CRONYISM, AND COLLECTIVE LEADERSHIP**

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Folasade Juleit Omonira

19-05-2022

## Appendix 1 Demographics description

Age	Gender	Education
33-44(0)	Female (0)	Below masters(0)
45-59(1)	Male(1)	Above masters(1)

## Appendix 2

## Pattern matrix

Factor	1	2	3	4
	.023	<b>.771</b>	-.005	-.047
	.006	<b>.0862</b>	-.079	.009
	-.037	<b>.724</b>	.080	.079
	.034	<b>.637</b>	.098	.073
	.138	.036	.044	<b>.618</b>
	.032	.052	.015	<b>.676</b>
	.068	-.021	.057	<b>.819</b>
	.006	.009	.005	<b>.715</b>
	<b>.544</b>	.013	.155	.077
	<b>.755</b>	.068	.054	.037
	<b>.769</b>	.048	.019	.015
	<b>.821</b>	.004	.011	.022
	<b>.736</b>	.043	.065	.073
	<b>.632</b>	<b>.114.</b>	.008	.022
	.042	.046	<b>.662</b>	.051
	.014	.007	<b>.834</b>	-.020

Source: Compiled by the author

Extraction Method: Principal Axis Factoring.

Rotation Method: Oblimin with Kaiser Normalization.



Appendix 4  
Pattern matrix  
Factor

	1	2	4
Var00001	.014	<b>.776</b>	<b>-.054</b>
Var00002	-.30	<b>.846</b>	<b>-.004</b>
Var00003	-.10	<b>.751</b>	<b>.079</b>
Var00004	.066.	<b>.665.</b>	.078
Var00005	<b>.116.</b>	.021.	<b>.618</b>
Var00006	.021	.043	<b>.681</b>
Var00007	.051	.010	<b>-.827</b>
Var00008	-.008	.008	<b>.719</b>
Var00015	<b>.610</b>	.013	.089
Var00016	<b>.793.</b>	.075	-.046
Var00017	<b>.786.</b>	-.54.	.009
Var00018.	<b>.826.</b>	-.015.	-.033
Var00019	<b>.717</b>	-.064	.058
Var00020	<b>.633.</b>	.110.	-.023

Source: Compiled by the author

Extraction Method: Principal Axis Factoring.

Rotation Method: Oblimin with Kaiser Normalization

#### Appendix 4

Kmo and Bartlett's test

Kaiser-Meyer-Olkin measure of sampling adequacy	900
Bartlett's test of sphericity-	Approx. chi-square.
	8310,261
	Df
	120
	Sig.
	.0000

Soure: Complied by the author