Theorizing Favoritism in the Workplace

Jone L. Pearce
University of California, Irvine
jlpearce@uci.edu

Laura Huang
Northeastern University
l.huang@northeastern.edu

Carrie Wang
Arizona State University
carriewang@asu.edu

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Abstract

We review and differentiate workplace favoritism from related concepts in the sociology, anthropology, political science, psychology, and management literatures, with a focus on the causes and consequences of perceived workplace favoritism. Management research's neglect of favoritism may account for employees' persistent perceptions of favoritism despite longstanding organizational policies to eradicate it. We correct an overemphasis on supervisory causes, as well as the literature's primary attention to positively oriented concepts (e.g., the benefits of being in the in-group), rather than the negative effects of workplace favoritism can have on individuals and organizations (e.g., the costs of being in the out-group). We develop a theoretical framework based on a wide-ranging review of related social sciences for an integrated understanding of perceived workplace favoritism and discuss avenues for future research.

Theorizing Favoritism

Perceptions of workplace favoritism are an important practical issue for many at work. Such perceptions have implications for organizations, and yet the topic has been insufficiently explored in management research. Although scholars in allied social sciences have provided an initial basis for organizational scholars to understand favoritism, we have yet to holistically understand the antecedents, implications, and consequences of workplace favoritism. For instance, when favoritism has been addressed in management research, albeit in passing, it has primarily emphasized supervisory and individual elements (Rousseau, 2004), while largely ignoring the contexts in which those supervisory actions may occur (Dulebohn, et al., 2012). Moreover, much organization and management research indirectly addressing workplace favoritism has tended to focus on what positive actions lead to outcomes such as job satisfaction and organizational commitment (Locke, 1976). In doing so, too much of this work has overlooked, and failed to integrate, other studies in the social science literature that have documented the dysfunctional consequences of favoritism—consequences that include cheating, ingratiation, and resistance to change. Here we systematically review research in sociology, anthropology, political science, psychology, and management to develop a theory of the antecedents and consequences of employees' perceptions of workplace favoritism, and highlight the role of societal (e.g., corruption) and organizational practices (e.g., weak bureaucratization) to further our understanding of workplace favoritism.

There is a widespread popular assumption that workplace favoritism is dysfunctional and should be eradicated. As far back as the late 19th and early 20th centuries, governments in Europe and North America implemented civil service laws and regulations in attempts to end favoritism because it was seen as the cause of serious performance failures, including losses in wars

(Weber, [1924] 1947). While discretion at work is necessary and not always viewed negatively if seen as beneficial (see, White, Levine, & Kristal, 2023) For decades human resources professionals have worked to implement formal merit-based talent-management systems intended to eliminate employee perceptions of favoritism. This aversion to favoritism at work is not surprising since it reflects experimental evidence that people consider some things incommensurable (e.g., love and money, or organizational rewards and personal liking); what McGraw, Tetlock, and Kristel (2003) called a "taboo tradeoff" (see also Ingram & Zou, 2008).

Despite longstanding efforts to eradicate favoritism at work, perceptions of favoritism persist. Indeed, in a survey, 92% of American executives in large organizations reported that they believe favoritism plays a role in employee promotions (Tyler, 2012). Pearce and Wang (2023) found that a substantial number of Federal employees reported favoritism in their agency, despite extensive civil service policies designed to limit favoritism. Multinational organizations find that meritocratic practices are unexpected when they move into countries where favoritism had been common (Chang & Hahn, 2006). And the impact is not limited to large organizations. New ventures initially rely on the founders' own informal personal assessments of employee performance, and as these ventures grow beyond a handful of workers, founders struggle with implementing more arms-length assessments of merit (Cardon & Stevens, 2004). Finally, Scott, Klein & Onovakpuri (2017) report the pervasiveness of favoritism, much of it implicit. Consequently, Western business-advice media frequently provide guidance on how to cope with workplace favoritism (Smith, 2013). Yet, there has been a relative dearth of scholarly work that has interrogated these perceptions of favoritism to explore why they arise in workplaces or their consequences for organizational behavior and performance. Practitioners offer experience-based

advice, but without a broader theoretical understanding of how and where perceptions of workplace favoritism arise, such advice will have limited value.

Therefore, we review available research touching on favoritism to develop a theoretical framework for understanding this important phenomenon. We draw on the work of scholars in adjacent fields who have studied favoritism—such as in political science, anthropology, law, sociology, political science and anthropology, and psychology, as well as the handful of studies in the management literature. We find that there is little conceptual agreement on the concept of favoritism across the different disciplines. Because perceptions of workplace favoritism seem to be widespread, this concept needs greater clarity and elucidation. We integrate and build from these diverse literatures to develop a meso-level theory that focuses on both the contextual, interpersonal interactions, and individual characteristics that lead workers to perceive favoritism in their workplace. We also explicate the implications of favoritism perceptions for workers' attitudes, actions at work, and for organizational performance.

The model that we present here offers a resolution for several major barriers that have previously prevented productive theorizing about favoritism within the management literature. The first concerns the considerable confusion surrounding the meaning of workplace favoritism. Because workplace favoritism has not been a central concern of management scholars, our understanding of the concept has been scattered and undeveloped, something we rectify here. The second barrier hindering this line of inquiry is that workplace favoritism can be in the eye of the beholder. Adler (2012) notes that while societal and organizational structural features are relatively constant and reinforcing, the resulting individual workers' views and experiences ultimately still can diverge. The important consequence is that there may be a range of perceptions about what constitutes workplace favoritism in any one organization (Prendergast &

Topel, 1996; Pearce & Wang, 2023). As will be detailed below, certain societal, organizational features, and supervisory practices are more likely to lead to workers' perceptions of favoritism, but those workers also bring in their own past experiences, which can lead to variations in perceptions of favoritism within any one organization. Because of the variance in individual perceptions, we define favoritism at the individual level, what we call perceived workplace favoritism. Following Adler (2012), our theory links societal and organizational features to the resulting perceptions of favoritism of the individual workers. This allows us to explicate the implications of these perceptions for the workers' attitudes and behaviors to produce a meso-level theory of workplace favoritism. We propose that perceptions of workplace favoritism lead to several psychological consequences for those who believe they do not benefit from workplace favoritism. Further, we propose that dysfunctional worker behaviors also will arise directly from perceived workplace favoritism, regardless of whether workers believe they are favoritism beneficiaries or not.

Defining Perceived Workplace Favoritism

Defining workplace favoritism is not simple given that there are many similar concepts: traditionalism, neo-traditionalism, amoral familism and patron-clientelism, nepotism and cronyism, bias, and workplace injustice. Before drawing distinctions between favoritism and these related concepts, we first define perceived workplace favoritism. *Perceived workplace favoritism* is workers' perceptions that the allocation of desirable organizational rewards and opportunities is based on an allocator's liking or personal relationship with a focal recipient. Individuals may perceive that some rewards (for example, promotions or desirable assignments) are allocated based on favoritism, while others are based on merit (such as base pay). Thus, we conceptualize perceived favoritism as a continuous variable, such that individuals may

characterize their workplace as dominated by extreme favoritism, through moderate favoritism for certain decisions, to no perceived favoritism at all. Further, we propose that this assessment of their workplace could be based on generalizing from one event, or observations of practices, rumors, and reputations, but is still a relatively stable belief. Because even favoritism-dominated organizations must occasionally attend to individuals' performance and ability, we would expect workplaces dominated solely by favoritism or its opposite, meritism, to be rare. These expectations of mixed practices are illustrated by Weber's ([1924] 1947) notion of bureaucracy as an ideal type rather than the functioning of actual organizations. Individuals may vary in their perceptions of favoritism in the same workplace, based on differing personal characteristics and experiences that we detail below. Finally, to many, favoritism is a term of approbation to many, an issue we address in depth later in the manuscript.

Favoritism is distinct from several related concepts. First, favoritism is an organizational or supervisory practice while traditionalism refers to an organizational structure and societal system, which is usually contrasted with modernism (Comte [1832-1840] 1855; Toennies [1887] 1957; Weber, [1924] 1947). In its organizational application, modernism is the term used to characterize organizations with merit-based hiring, evaluations, and promotions; the use of hierarchies of authority; clear separation of offices from the person; and formalization. By contrast, traditional organizations have less bureaucratic differentiation; interpersonal work relationships are dominated by who the individuals are, rather than the requirements of their offices. For example, under traditionalism individuals would obtain jobs based on their family prestige or if they became powerful individuals' favorites, not for performance reasons. We characterize the above practices as favoritism, and it is the normative expectation in traditionalist societies. Our focus is on the practices and perceptions of favoritism in organizations operating

in modernist societies in which significant organizational differentiation and performance-dominated decision making are the normative expectations, if not always practiced.

Second, neo-traditionalism is traditionalism-in-practice in nominally modernist organizations. Walder (1986) described what he called neo-traditional organizations in the communist China of the late 1970's and 80's. Here, organizations are highly differentiated and specialized, and so appeared superficially modernist but nonetheless were dominated by personal favoritism in reward and opportunity allocations. (Redding, 1990, for China; Voslensky, 1984, for the Soviet Union; Pearce, Branyiczki & Bakacsi, 1994; Pearce, Dibble, & Klein, 2009, for Hungary). Certainly, neo-traditional and person-based reward organizations would be expected to have many workers who perceive workplace favoritism.

Third, amoral familism (Banfield, 1958) and patron-clientelism (Putnam, 1993) describe institutionalized political and socioeconomic systems that govern the relationships between patrons and clients. They are extensions of favoritism, and favoritism is frequently used to describe the practices of individuals in these settings (Banfield, 1958; Putnam, 1993). Other examples are Gouldner's (1954) "mock bureaucracy" or Adler and Borys's (1996) "ceremonial mask". These all describe societal practices, and we will draw on their work when we describe the antecedents in our theory of workplace favoritism.

Fourth, nepotism is a form of favoritism applied to family members (Jones & Stout, 2015; Pearce, 2015). Cronyism is like nepotism but for non-family members, usually applied to situations where people in different organizations use their positions to help one another. Nepotism and cronyism all are forms of favoritism, but we use the more all-inclusive term, perceived workplace favoritism, and focus only on within-organizational practices toward those who work there. Nevertheless, when available, empirical research on the effects of favoritism

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from those studying traditionalism, amoral familism, patron-clientelism, nepotism, and cronyism are reviewed and used to build our theory.

Fifth, favoritism is a form of bias, or prejudice in favor or against another person. In some cases, the terms bias and favoritism are used interchangeably, as by Sutter and Kocher (2004) and DiTomaso (2015). Another line of bias research is Hennessy and West's (1999) work, focusing on what they called in-group favoritism in which intergroup competition and weak organizational identification lead to more in-group favoritism. In-group favoritism is a form of favoritism; however, our focus is broader than a favoritism based solely on a shared identity, but we will draw on these bias literatures in developing the supervisory antecedents.

Yet another form of workplace favoritism is sexual favoritism, which is the preferential treatment of a worker because the worker granted sexual favors to a powerful person. Reflecting the ambiguous status of favoritism as identified by DiTomaso (2015), Van Tol's (1991) work on sexual favoritism highlights that favoritism is not necessarily always viewed as negative by everyone. Some individuals may personally benefit from favoritism or may simply take it for granted as the way things always have been. Hence, we propose that perceptions of workplace favoritism do not necessarily result in negative psychological consequences for all workers, but as detailed below, it will have direct dysfunctional consequences for individuals' actions at work and for organizational performance.

Finally, as noted in the introduction, there has been substantial research on perceived injustice in the management literature. We propose that one of the contributors to perceptions of workplace injustice would be workplace favoritism: those who do not see themselves as beneficiaries of workplace favoritism may see this favoritism as an injustice. Yet, our definition of perceived workplace favoritism is distinct from and an antecedent to the concept of injustice

because of the ways injustice has been defined and studied in the management literature. Although there is a widespread lack of consensus on how to categorize the types of workplace justice, we will focus on the conventional tripartite distinction. Distributive justice is the perception that allocations, such as pay, have not been just (Adams, 1965), without specifying why individuals might see them as just. It could be the result of perceived favoritism or simply that the workers felt they deserved more; workplace favoritism encompasses more than an evaluation of distributive outcomes. Procedural justice is the perception that the procedures used in organizational allocations are judged as just, as distinct from the outcomes of those procedures (Leventhal, Karuza, & Fry, 1980). Procedures can be seen as unjust for reasons unrelated to favoritism, such as when some believe experience should be weighted more heavily than prior education in setting salaries. Here, there is no perception of favoritism but disagreement with the policies. Lastly, interactional injustice is the perception that the ways the allocation procedures have been enacted were done without respect for the individuals. For example, recipients were not told the truth, given no justifications, or the allocators did not act with propriety (Bies & Moag, 1986). Our definition of favoritism does not involve respect. Powerful individuals may bestow rewards on their favorites without disrespect treatment of for the non-beneficiaries. Thus, the way workplace injustice has been defined in management research sidesteps favoritism, a potentially more fruitful approach to understanding the persistence of favoritism perceptions.

In summary, workplace favoritism is an inherent practice of amoral familist, patron-clientelist societies, traditional, and neo-traditional organizations. Workplace favoritism includes nepotism and cronyism and is a form of bias in the allocations of organizational rewards and opportunities. Workplace favoritism is similar to these concepts, and we will draw on these

literatures to build our model. Nevertheless, it is our contention that workplace favoritism is a distinct concept of sufficient importance to justify direct scholarly attention.

Antecedents and Consequences of Workplace Favoritism

Figure 1 summarizes the theoretical arguments and propositions that explain the conditions under which perceptions of workplace favoritism are more likely, as well as the consequences. We do not claim that our framework is necessarily comprehensive, but instead, is rooted in available research allowing us to present a preliminary model that is empirically grounded and can help spur additional research and future theorizing. While many of the concepts in our theory of perceived workplace favoritism would be expected to empirically overlap in practice, for example, low supervisory support and outgroup membership, we list them separately for theoretical clarity and address their interaction in this section's summary.

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Environmental Antecedents

Corruption. We posit that corruption fosters perceptions of workplace favoritism. Corruption is dishonesty by those in power, in which they use their positions to enrich themselves through bribery, the hiring of certain people is contingent on personal relations, and the undermining of written rules, among other acts (Castro, Phillips, & Ansari, 2020; Khanna & Rivkin, 2001; Wade, 1982; Yang, 1994). Because corrupt acts usually are kept secret, executives cannot document these actions or delegate key decisions to lower level managers (see Pearce, 2001; and Redding, 1990). At the extreme, this results in what Banfield (1958) called "pathological distrust," in which people expect hidden corruption in all their relationships. There is some evidence that societal corruption has effects on workplace organizational behavior; for

example, Redding (1990) described the workplace distrust and jealousy observed in organizations operating in corrupt environments. Padgett, Padgett, and Morris (2015) reported that those who were hired because of family connections were viewed as having less ability than those without connections. In their study of Chinese guanxi, Xin and Pearce (1996) described a Chinese executive's lament that when his firm received local press attention, the state auditors descended. He called on one of his subordinates who was hired because of his father's position as a high government official to "fix this problem," and the father did. This son's value to this organization is his family, something critical to the organization's success. But because coworkers could not observe these secret dealings, under these circumstances coworkers are likely to perceive workplace favoritism. Therefore, we propose that the greater the societal corruption, the more individuals will perceive workplace favoritism.

> *Proposition 1*: The more corruption in an organization's environment, the more likely its workers will perceive workplace favoritism.

Environmental uncertainty. We propose that environmental uncertainty can foster ambiguity in reward criteria that can lead to more perceptions of favoritism. When environments are uncertain, organizations need to maintain a great deal of flexibility to survive (Cardon & Stevens, 2004; Perrow, 1979). Such flexibility can be manifest in a lack of clear and consistent performance guidelines, which can foster suspicions of favoritism. Evidence suggests that individuals often assume favoritism when there is uncertainty in the formal rules (van den Bos, 2001; van den Bos, Poortvliet, Maas, Miedema, & van den Ham, 2005) and when there are no precedents or suitable comparisons (Sorrentino, Ye, & Szeto, 2009). Under high environmental uncertainty, organizations cannot easily establish clear performance management systems because these systems can impede their ability to move quickly in the face of uncertainty

(Cardon & Stevens, 2004). The appraisal criteria would have to be redesigned and renegotiated frequently, absorbing valuable time and decreasing the organization's competitive advantage. For example, Cardon and Stevens (2004) observed that entrepreneurial founders' early lack of formal clarity about responsibilities and rewards was one of the greatest sources of discontentment for early-stage organizations' employees and one of the most important factors in a venture's ultimate failure (Deshpande & Golhar, 1994; Hornsby & Kuratko, 1990). Consistent with this argument, Pearce, Bigley, and Branyiczki (1998) found that workers in a Lithuanian organization that faced significant uncertainty in the transition from communism to a market economy reported more favoritism in their organizations than did American workers in similar organizations under less environmental uncertainty.

> *Proposition 2*: The more an organization's environment is uncertain, the more likely its
> workers will perceive workplace favoritism.

Organizational Antecedents

Weak performance demands. We propose that organizations facing weak performance demands will be less likely to insist on meritocratic performance, leaving executives and managers free to use their discretion to favor some workers for personal, not performance, reasons. Some organizations are under relentless performance pressures due to intense competition or rigorous oversight, while others do not face such strong performance pressures. Weak performance demands can arise in organizations that operate as local monopolies, for instance. Correlational studies find that the more pressure organizations face to deliver strong performance, the more workers report that their organizations reward individuals with good job performance rather than those who have personal relationships with the powerful (Al-Aiban & Pearce, 1993). Similarly, Pearce, Branyiczki, and Bigley (1994) reported that workers said there

was more favoritism in rewards and promotions in communist-era, state-owned Hungarian organizations than did contemporary workers working in privately owned Hungarian and American businesses operating in competitive markets (see also, Pearce et al., 1998). These studies find strong associations between weak performance pressures on organizations and individuals' reports of more workplace favoritism. This is consistent with Weber's ([1947] 1924) and many subsequent scholars' arguments for the performance superiority of merit-rewarding bureaucracy over traditional organizations (du Gay, 2000). We propose that organizations that face weak performance pressures would be less likely to press for high levels of performance, leaving everyone free to reward and promote their favorites rather than those workers with the best performance.

Proposition 3: The weaker the performance demands an organization faces, the more likely workers will perceive workplace favoritism.

Weak bureaucratization. We argue that formal bureaucratic practices will undermine perceptions of workplace favoritism. One of the central purposes of bureaucratization is to limit workplace favoritism through transparency, such as requiring written documentation of decisions that can be audited and having a "bureaucratic ethos" or a tendency to think and act in support of the organization's goals (McDonnell, 2017). There is a long tradition of describing favoritism under partial or mock bureaucracies (e.g., Gouldner, 1954; Riggs, 1964; Fallers, 1965). Prendergast and Topel (1996) make a case for why bureaucratic reward and performance management systems are the optimal approach to constraining supervisor favoritism despite such systems appearing cumbersome and inefficient on the surface (see also, Adler & Borys, 1996). Baron, Hannan, Hsu, and Koçak (2007) found that greater bureaucratization in Silicon Valley firms led to less gender-based favoritism towards men in hiring. Tying staffing, rewards, and

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promotions to formal merit-based assessments of performance has become the accepted wisdom in management and human-resources scholarship (Colarelli, 2015).

> *Proposition 4*: The lower the bureaucratization of an organization, the more likely its workers will perceive workplace favoritism.

Supervisory Antecedents

The individual actions of supervisors also can influence perceptions of workplace favoritism. Even though one of the purposes of formal bureaucratic procedures is to constrain managers and others with power, supervisors still have the discretion to affect workers' lives (Sayles, 1964). Here and in the following section on individual antecedents research from the psychology and management literatures relevant to perceptions of favoritism are reviewed.

Ambiguity in what is rewarded. Supervisors have a role in fostering or minimizing ambiguity in what is rewarded and how opportunities are allocated. Drawing on research from psychology, we propose that the more ambiguity in what is rewarded, the more likely workers are to assume favoritism. For example, numerous scholars have found that a lack of performance feedback undermines workers' feelings of personal control at work, which leads to an inability to understand the connections between one's actions and the actions' effects (Maier & Seligman, 1976). This lack of personal control is an untenable psychological state for most people at work, as they want to know what to do and the likely consequences of their actions. We know people seek to make sense of what is happening around them (Weick, Sutcliffe, & Obstfeld, 2005) and will assign attributes to the unknown regardless of whether the attributions are right or wrong. Consistent with this work, Lind and van den Bos (2002) found that when faced with uncertainty, people preferred interpersonal justice rather than the more abstract procedural justice. They explain these findings as people seeking to establish a sense of personal control in ambiguous

situations by turning to more concrete other people rather than abstract procedures. That is, if it is unclear what is rewarded and why, workers will turn to the more concrete aspects of the situation—the people who they believe have power over rewards and opportunities—rather than rely on more abstract procedures. Further, Kramer (2001) notes that it is not unusual for people to be suspicious of one another in ambiguous situations. This is consistent with Puffer's (1992) study of Russian Soviet-era workers who had learned to put their trust in people rather than their mock-bureaucratic organizations. Workers will turn to their supervisors for guidance on what is rewarded and why, and if that guidance is absent or does not seem performance-focused, they will assume that pleasing the supervisor is the safest approach.

Proposition 5: The more ambiguous supervisors are about what is rewarded, the more likely workers will perceive workplace favoritism.

Internal inequity and idiosyncratic deals. We posit that internal inequity will lead to perceptions of workplace favoritism for several reasons. Workers compare themselves to similar others when judging their supervisory treatment. When others receive more benefits, they will search for explanations. Such internal inequity may be the result of real performance differences, but unless supervisors provide convincing reasons, such inequity can lead individuals to assume favoritism. This is one reason why human resources professionals seek to establish formal uniform performance and talent-management programs (see Wright, Gardner, Moynihan, & Allen, 2005). More recently, Rousseau (2005) suggested that idiosyncratic deals, arrangements in which workers with valued skills negotiate better "deals" for themselves, may result in internal inequity. Rousseau (2004) acknowledges that while these individual arrangements may be based on merit or legitimate needs, they also can result from "politics and favoritism (p. 263)". What could be seen by supervisors and executives as appropriate performance-based

differential rewards may be perceived as workplace favoritism if what is being rewarded is ambiguous.

Proposition 6: The more workplace internal inequity and idiosyncratic deals, the more likely workers will perceive workplace favoritism.

Low supervisory support. We propose that workers who receive low supervisory support are inclined to see this as a result of favoritism. Perceived supervisory support is the extent to which individuals believe their supervisors value their contributions and care about their well-being (Eisenberger, Stinglhamber, Vandenberghe, Sucharski & Rhoades, 2002). Rhoades and Eisenberger (2002) reported associations between high perceived supervisory support and workers' various attitudes, higher job performance and satisfaction, and lower turnover rates. However, because there has been less attention paid to the perceptions of those workers who believe they have low supervisory support, and because workplace favoritism has not been widely studied, there is no research on the effects of low supervisory support on perceptions of workplace favoritism. We propose that workers will question the reasons for low supervisory support, and unless the reasons are clear, many will assume favoritism. Of course, supervisors may provide more support to their better performers; however, many workers may not want to recognize painful assessments of their inadequacy in order to protect their positive sense of themselves. Assuming the supervisor is playing favorites can serve as a mechanism protecting them from unacceptable thoughts (Cramer, 2014).

Proposition 7: The lower the supervisory support workers believe they have, the more likely they will perceive workplace favoritism.

Out-group membership. There is evidence that workers who are out-group members may be so for non-performance reasons fostering perceptions of workplace favoritism. Leader-

member exchange theory (LMX) posits that supervisors often have dyadic relationships with their subordinates and that some of those relationships are characterized by more trust, interaction, support, and rewards with some individuals (called in-group workers) than with others (out-group workers) (Graen & Uhl-bien, 1995). Dulebohn, Bommer, Liden, Brouer, and Ferris's (2012) found that those with poorer relationships with their supervisors reported more "workplace politics," apparently reflecting their perception that the low quality of their supervisory relationship is based on favoritism. More recently, Schaubroeck, Shen, and Cong (2017) have introduced the related concept of workers' perceived insider status. Both the LMX and insider status literatures appear to implicitly assume that the differentiation among subordinates is based on subordinate merit, since they do not discuss possible non-merit reasons for out-group or outsider membership (Dienesch & Liden, 1986). However, many correlates of the quality of exchange relationships have been identified (Dulebohn et al., 2012; Martin, Guillaume, Thomas, & Epitropaki, 2016), and these include the personal characteristics of the subordinates and supervisors, such as less subordinate agreeableness and external locus of control (Martin et al., 2016). These characteristics are not necessarily performance-based and may well reflect favoritism rather than job performance, an issue that has yet to be addressed.

Proposition 8: The more supervisors differentiate their subordinates as in-group and out-group workers, the more likely out-group workers will perceive workplace favoritism.

Individual Antecedents

Low generalized trust. We propose that those low in generalized trust are more likely to perceive workplace favoritism. Rotter (1971) noted that individuals vary in their propensity to trust others, called generalized trust. Those low in generalized trust are less likely to trust in a wide variety of settings and tend to perpetuate their low trust by avoiding situations in which

they become vulnerable to others (Hardin, 1993). Low generalized-trust individuals would be more likely to see organizational reward allocations and promotions as resulting from favoritism, because they are less likely to trust abstract policies, their supervisors, or their organizations. Further, although originally seen as an individual personality characteristic, recent research has found that generalized trust is lower in societies characterized by crime and weak governments (Meier, Pierce, Vaccaro, & La Cara, 2016), consistent with our proposed environmental antecedents of perceived workplace favoritism.

Proposition 9: Those with lower generalized trust are more likely to perceive workplace favoritism than those higher in generalized trust.

Prior experiences of favoritism. We expect that those who have had previous experience with workplace favoritism are more likely to assume favoritism in subsequent workplaces. We are all subject to confirmation bias, or the tendency to interpret new information in a way that confirms our prior beliefs (Nickerson, 1998; Trope & Bassok, 1982) which can result from an aversion to costly errors (Oswald & Grosjean, 2004). Ross and Anderson (1982) proposed that discredited beliefs are more likely to persist when beliefs are strongly held, charged with emotion, and disconfirming evidence is ambiguous. These conditions often will apply to perceptions of workplace favoritism: favoritism is charged with emotion because it involves attractive rewards and opportunities and is a taboo trade-off. There is ethnographic evidence from the political science and anthropology literatures that once individuals have worked in favoritism-dominated organizations, they tend to believe that newly imposed abstract bureaucratic rules are not really the basis for rewards (Riggs, 1964). Similarly, Fallers (1965) described what he called "the structural incompatibility" between the African Soga peoples'

traditional procedures for resolving disputes and the European-imposed systems that required

impartial decisions (see also, McDonnell, 2017; Porter, Andrews, Turkewitz, & Wescott, 2011).

Proposition 10: Those who have experienced workplace favoritism in the past will

perceive more favoritism in their current workplaces than are those who have not

previously experienced workplace favoritism.

In summary, based on the available empirical evidence, we propose several antecedents

that increase the likelihood that individuals would perceive favoritism in their workplaces.

Although they are listed separately, in practice we would expect a great deal of mutual

enhancement (or undermining) among these antecedents. For example, scholars have long noted

that more environmental uncertainty is associated with less modernist bureaucratic formalization.

In addition, internal inequity, low supervisory support, and out-group membership may build on

one another. For example, workers in the supervisor's out-group are likely also to believe they

have low supervisory support. However, in some settings, these antecedents can conflict with

one another. For example, in many countries, relatively extensive bureaucratization is

characteristic of governmental organizations, yet they are monopoly providers of services and

are expected to conform to societal values (Al-Aiban & Pearce, 1993). Thus, weak performance

pressures and meritocratic formalism would create conflicting pressures regarding workplace

favoritism. These conflicting antecedents would either cancel each other out, or that which was

most prominent would prevail – a question for subsequent research. In addition, supervisors can

play an important role in reducing ambiguity that may come from environmental or

organizational antecedents (because of they represent the organization to workers) by being clear

about which actions will be rewarded (Eisenberger et al., 2010). In summary, we would expect

these antecedents to be additive: the more each of the antecedents a worker experiences, the

more likely he or she is to perceive workplace favoritism. In situations in which they are in conflict, the most salient would dominate.

Workplace Favoritism Outcomes and Their Consequences

Workers' perceptions of workplace favoritism are expected to foster several psychological and behavioral consequences that have substantial negative consequences for their organizations and the workers themselves. While the proposed psychological consequences are posited to occur for those who are not favoritism's beneficiaries, the dysfunctional organizational behaviors are expected to occur whether workers see themselves as beneficiaries of workplace favoritism or not.

Favoritism Beneficiaries

Although favoritism is generally considered to be a bad thing, workers who believe that they are beneficiaries of workplace favoritism might view it otherwise (Phillips, & Jun, 2022). The most obvious examples are children employed by an organization's owners. While not all family-owned organizations favor family members regardless of their performance, such favoritism can be found in many family-owned firms because the reasons for the favoritism are clear (to keep the business in the family), and few benefiting children would view it as wrong. These children themselves would probably not use the term favoritism to describe their non-job performance advantages because of the negative connotations of the term, but they are nevertheless aware of it. In any case, we would not expect them to have the negative psychological consequences described next. While some may feel guilty about the advantages that favoritism brings, it is also likely that, as we know from research on worker overpayments, they soon find rationales that justify their advantages (Lawler, 1968).

Psychological Consequences

Less trust. One consequence of perceiving that others are benefiting from workplace favoritism is that these workers will have less trust in their organizations, their supervisors, and their coworkers, as was found by Pearce and Wang (2023). In addition, there is ample evidence for the reverse, that when workers have perceptions that performance will be rewarded, it results in increased worker trust (Alexander & Ruderman, 1987; McFarlin & Sweeney, 1992). If the organization is perceived as not basing rewards and opportunities on normatively expected job performance, it will not be seen as trustworthy. Favoritism does not just undermine trust in organizations, but also undermines trust in supervisors. Supervisors are often the ones granting the favors to others and will be distrusted if they are seen to provide rewards and opportunities based on favoritism rather than based on performance. This is supported by empirical research from Pearce (2001) and Pearce and Wang (2023) who found that employee reports of workplace favoritism were associated with lower trust in their supervisors, top management, and their coworkers. Favoritism fosters jealousy, and people resent those who receive unmerited advantages. This is consistent with Pearce et al.'s (1998) finding that in a Lithuanian organization dominated by perceptions of favoritism, workers also reported low trust in their coworkers (see also, Pearce & Wang, 2023; Pearce, 2001; and Pearce, Branyiczki, & Bakacsi, 2000).

Proposition 11a: Those who perceive workplace favoritism but do not believe they benefit from it will trust their organizations less.

Proposition 11b: Those who perceive workplace favoritism but do not believe they benefit from it will trust in their supervisors less

Proposition 11c: Those who perceived workplace favoritism but do not believe they benefit from it will trust in their coworkers less.

Debilitating negative affect. Those who perceive workplace favoritism toward others are expected to have debilitating negative affect. This is because workplace favoritism makes it more difficult for workers to feel they are in control of their fates at work. If they are not one of the favorites, it is difficult for them to know what to do to receive rewards, get promotions, or keep their jobs. Mikulincer and Nizan (1988), among others, proposed that repeated failures lead to anxiety, worry, self-consciousness, self-doubt, and self-deprecation (see also, Sparr & Sonnentag, 2008). Tangirala and Ramanujam (2008) found that when the workplace was inequitable, workers were more fearful. More directly, Pearce (2001) and Pearce et al., (2000) reported strong positive associations between workers' reports of workplace favoritism and fear in their studies of communist-transition organizations in Hungary and Lithuania. In addition, Arasli and Tumer (2008) found that the Cypress bank workers reporting more workplace favoritism also reported more job stress. Anxiety, worry, self-consciousness, self-doubt, self-deprecation, fear, and stress are all types of distressing and debilitating negative affect.

Proposition 12: Those who perceive workplace favoritism but do not believe they benefit from it will have more debilitating negative affect.

Helplessness. We propose that the workers perceiving workplace favoritism that does not favor them may experience more helplessness. Learned or induced helplessness describes a condition in which people who have experienced repeated failures or other noxious events become passive, so much so that when they have the opportunity to act, they do not take actions to escape the negative circumstances (Martinko & Gardner, 1982). Mikulincer, Kedem, and Zilha-Segal (1989) found that workers' repeated failures led to learned helplessness, and a lack of task-relevant feedback worsened the effects. When workers receive no feedback about their performance, as would occur if favoritism is the reason for rewards and opportunities, this leaves

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them uncertain about how they can get better pay and rewards, and so can foster learned helplessness, because they feel there is little they can do to change their situation.

Proposition 13: Those who perceive workplace favoritism but do not believe they benefit from it will have greater feelings of helplessness.

Low job satisfaction. We posit that the more workers believe their workplace is characterized by favoritism, the less satisfied they will be with their jobs. There is research finding the reverse, that the more workers believe that good job performance is rewarded the more satisfied they are with their jobs (Alexander & Ruderman, 1987; McFarlin & Sweeney, 1992). Arasli and Tumer (2008) found that Cypriot workers who reported more workplace favoritism were also less satisfied with their jobs, as did Pearce (2001) in the favoritism-dominated organizations of transitional Lithuania and Hungary, compared with their American counterparts.

Proposition 14: Those who perceive workplace favoritism but do not believe they benefit from it will have lower job satisfaction.

Low organizational commitment. We posit that those who perceive more favoritism in their workplaces also would be less committed to their organizations. Based on the norm of reciprocity if the organization violates modernist expectations of rewards and opportunities based on performance, we would expect workers to reciprocate by psychologically distancing themselves from the organization (Gouldner, 1954). Beer et al. (2004) reported that twelve of the thirteen studied pay-for-individual performance programs (which produced internal inequity and thus perceived favoritism) were abandoned because they undermined worker commitment. Pearce et al. (1998) who found that in a communist-transition Lithuanian organization with high levels of reported perceptions of favoritism, workers reported lower organizational commitment

compared to workers in a similar organization with less reported workplace favoritism (see also Pearce & Wang, 2023; Pearce, 2001; Pearce et al., 2000).

> *Proposition 15*: Those who perceive workplace favoritism but do not believe they benefit from it will have lower organizational commitment

Behavioral and Organizational Consequences of Workplace Favoritism

Several studies suggest that the psychological reactions to perceptions of workplace favoritism can lead to dysfunctional individual behaviors that can also be perilous for organizational performance. Kramer (1999) argued that effective organizational performance depends on workers' trust in their organizations. Workers who do not trust organizational authorities are more likely to be obstructive and seek revenge. Gambetta (1988) and Pagden (1988) both reported that local patrons acted to undermine trust in institutions to foster others' personal dependence on them and their favors perpetuating the poverty of these regions. Martinko and Gardner (1982) proposed that when workers feel helpless, they expect future failure and withdraw from further efforts to improve their job performance (see also, Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001). Pearce (2001) reported that in the favoritism dominated communist transition Czech industrial company and Hungarian advertising agency, led engineers and advertising professionals (respectively) to disassociate themselves from their organizations' products and instead, focus on their own professional identities. These are all serious threats to organizational performance. In addition, we propose several consequences more directly linked to perceived workplace favoritism that are not dependent on whether the perceiver is a beneficiary or not.

Ingratiation and prioritizing relationship building. Those who perceive favoritism in their workplaces will engage in more ingratiation behaviors and prioritization of relationship

building over job performance. Research emphasizes that it is the attributions people make about stressors that can lead to either passivity or action (Miller & Norman, 1979). There is evidence that not all individuals perceiving workplace favoritism become helpless, but that some individuals who report workplace favoritism actively try to gain what benefits they can from a workplace they believe is characterized by favoritism. Exaggerated deference to those in power, or ingratiation, at work has been reported in favoritism dominated workplaces by Putnam (1993) in southern Italy and by Simis (1982) and Voslensky (1984) in the Soviet Union. Pearce (2001) and Pearce et al., (2000) reported that workers in their communist transitional industrial and service companies reported high levels of workplace favoritism and more obsequiousness among their coworkers. Interviewees reported watching coworkers aggressively take every opportunity to ingratiate themselves with those at higher levels in their organizations. Favoritism was assumed in these organizations and so ingratiation was the best option many saw for rewards and opportunities.

Extreme, visible ingratiation is only an extreme form of relationship building. There is substantial evidence that those who believe favoritism is the reason for workplace reward and opportunity allocations also will invest in building personal relationships with the powerful rather than in job performance. If individuals believe their workplace is dominated by favoritism, they will actively seek to build relationships with the powerful to obtain rewards and advance their careers. Pearce, Xin, Xu, and Rao (2011), in their study of managers in four countries, found that the more managers relied on their personal relationships in developing their business strategies, rather than looking for market opportunities. Xin and Pearce (1996) found that the business owners in favoritism-dominated China actively worked to build personal relationships with powerful government officials for the protection and advancement of their careers and

businesses (See also, Pearce et al. 2011). Individuals will engage in those behaviors that are rewarded, and if they believe workplace favoritism is widespread, they will invest their energies in building relationships with the powerful, rather than in performance.

> *Proposition 16*: Perceived workplace favoritism will lead to increased worker ingratiation and relationship building rather than a focus on their job performance.

Cheating and rule breaking. We expect those who perceive more workplace favoritism will be more likely to cheat and break rules. Following the norm of reciprocity, if favoritism dominates workers' perceptions of how rewards and opportunities are allocated, then workers would be likely to respond in kind (Gouldner, 1954). Those who do not see themselves as beneficiaries of favoritism will seek to restore a sense of equity by cheating those they see as cheating them. In support, Mitchell, Baer, Ambrose, Folger, and Palmer (2018) report that self-serving cognitions are associated with workplace cheating. Gregory (1989) and Litwak (1991) reported widespread cheating and rule breaking in their studies of favoritism-dominated organizations of the Soviet Union (Mars (1982) reported that British workers who felt they were poorly treated responded with theft to restore their dignity and self-respect (see also, Pearce, 2001; and Hillebrandt & Barclay, 2020). If favoritism is seen as commonplace, then all workers have to look out for themselves at the expense of others. For the favoritism beneficiaries, they would have little constraint on their rule breaking or cheating – they are protected by their relationships with the powerful. They may not be motivated to retaliate, but they would feel free to do as they please, to break rules and cheat for personal gain, with little fear of repercussions.

> *Proposition 17*: The more workers perceive workplace favoritism, the more they will cheat and break rules.

Resistance to change. We propose that perceptions of workplace favoritism foster workers' resistance to change. For those benefiting from favoritism, change disrupts existing relationships on which they believe their rewards and opportunities depend. They may have invested many years in cultivating useful relationships with the powerful, and organizational change risks undermining those efforts. For those who believe they are not benefiting from workplace favoritism, the lower trust in their organizations and supervisors makes them more resistant to change; if they do not trust the institutions or people proposing the changes, they will not believe in the promised benefits that the change will bring. Putnam (1993) reported that new regional governments in Italy were modified to mimic the meritism-focused (Northern Italy) or favoritism-based (Southern Italy) local governments, despite the merit-focused mandates for these new regional governments. The colonial mock bureaucracies, in which the colonized had the modernist forms of their colonizers imposed on them while making sure they operated in traditional ways, reflects resistance to change (Fallers, 1965; McDonnell, 2017; Riggs, 1964). Whether it is due to a desire to avoid interfering with a currently favorable investments in existing relationships or a lack of trust in the organization or supervisors, the more workers perceive workplace favoritism, the more resistant they will be to organizational change.

Proposition 18: The more perceived workplace favoritism, the greater worker resistance to change.

Finally, all these psychological and behavioral consequences of perceptions of workplace favoritism would be expected to lead to poorer organizational performance. This is consistent with the observational and correlational evidence that organizations dominated by workplace favoritism do not perform as well as those dominated by merit-based reward systems, as initially argued by Weber ([1924] 1947) and subsequently by Perrow (1979), North (1990), and Zucker

(1986), among others. For example, Wade (1982) provided a detailed description of how workplace favoritism and corruption led to faulty organizational products and services. Similarly, Putnam (1993) found that the patron-clientelism characteristic of Southern Italy sustained that region's impoverishment. The poor performance of mock bureaucracies has been described by Riggs (1964) and has been proposed as a consequence of business strategies developed from existing personal relationships rather than market opportunities (Pearce et al., 2011; Nguyen, Giang, Tran, & Do, 2019). This poorer organizational performance would be expected to arise from workers' organizational behaviors resulting from their perceptions of workplace favoritism: absenteeism (e.g., Meyer, Stanley, Herscovitch & Topolnytsky, 2002), turnover (e.g., Holton, Mitchell, Lee & Eberly, 2008), ingratiation, prioritizing relationship building over performance-focused behaviors, cheating, and resistance to change.

Discussion

Social scientists have long been concerned with favoritism, but usually only indirectly. Political scientists, sociologists, and anthropologists have studied the dysfunctions of traditional and mock bureaucratic organizational forms, often observing workplace favoritism, but rarely focusing on exactly how it undermines organizational performance. Those studying human resources management note that formal procedures help reduce dysfunctional bias in hiring and promotions, and organizational behavior scholars study reactions to perceived bias, outgroup membership or low supervisory support, without addressing how those might come about in organizations, or why they persist despite policies and practices intended to support performance-based decisions. There remains substantial concern about favoritism in popular media, suggesting it remains an ongoing challenge. Here, we presented our initial theorizing about the antecedents and consequences of workers' perceptions of workplace favoritism in the

hope that it will spur increased empirical and theoretical attention to the issue of workplace favoritism.

As a first theory of perceived workplace favoritism, we acknowledge that our theoretical model provides only the beginnings of a more complete understanding of the complex dynamics of favoritism. While we have focused on the dysfunctions of individuals' perceptions of workplace favoritism, we are careful not to imply that organizations work best when there are rigid attempts to remove all discretion. Indeed, future research can explore the tipping point at which the number of workers perceiving favoritism, or the types of decisions seen as dominated by favoritism, can lead to the dysfunctions proposed here. Similarly, there may be some circumstances in which organizations benefit from favoritism—for example, in instances where hiring workers' friends or family into well-paying jobs can serve as an additional mechanism for managerial control (workers might perform well so that their managers will take their referral suggestions).

Furthermore, we listed only antecedents and consequences for which we had some related empirical research to support our theorizing, and we acknowledge that there may be additional antecedents or consequences that also may be important. Similarly, we have not explored why some individuals become favorites and others do not, an important extension of this initial work. In addition, this model may be recursive, for example, the visible ingratiation behaviors of coworkers can lead workers to assume that workplace favoritism may be present. We hope that further research will not only test elements of our proposed model, but also extend and refine it.

One contribution of this work is to draw our attention away from a sole focus on the interpersonal antecedents of workplace favoritism to better understand the environmental,

organizational, and individual factors that foster workers' perceptions of workplace favoritism. Theoretically, a narrow focus on supervisors does not address why supervisors may act as they do, and it also directs practical attention to supervisor monitoring and training. If we are right, and the perceptions of workplace favoritism are arising from the societal, organizational, and individual context as well as from supervisory actions, such "blame the supervisor" approaches can be quite dysfunctional. They do not solve the problem, and they make the supervisor's job more unattractive, possibly limiting the pool of people who would be interested in such positions.

Another contribution of this initial theory of favoritism regards organizational change programs. From work in political science and anthropology it seems that once established, perceptions of workplace favoritism are resistant to change. This could account for the persistence of favoritism perceptions despite extensive structural favoritism controls in modernist organizations (Pearce & Wang, 2023). The expected stickiness of favoritism perceptions also has implications for multinationals which might have acquired a stake in an organization in which perceptions of workplace favoritism are widespread. The foreign managers may establish clear performance and talent management systems, but those workers who have only experienced mock bureaucracy will doubt that these systems are more than false fronts for continued favoritism. A similar challenge may meet entrepreneurial firms whose executives assume they can easily add more formal performance-management systems later. This work suggests that change programs to increase performance-focused rewards and opportunities when perceptions of favoritism are high probably need more persistent attention than in a context where workers already assume performance-focused decisions.

If favoritism perceptions are as dysfunctional and resistant to change as we propose, how might organizations convince workers that performance is what is ultimately rewarded? This is particularly challenging if such perceptions result from societal or organizational environments beyond managerial control. One option is decision transparency in why some receive more rewards or opportunities (Pearce & Klein, 2017). After all, favor-based rewards and promotions are more likely than meritism to be allocated secretly without transparency in the allocation criteria. Favoritism is less likely than meritism to be conducted openly because favoritism is widely seen as a taboo trade-off and many have assumed the dysfunctional consequences we have articulated. Even when favoritism is the normative workplace expectation, it usually is seen as wrong (see, Pearce et al., 1998). If favoritism is conducted in secrecy, then transparency may be the best way to mitigate favoritism perceptions and the damaging consequences we propose. After all, central features of Weber's ([1947] 1924) bureaucracies are clear criteria and transparency. Even the executives of those organizations, such as small start-up enterprises that are consciously avoiding bureaucratic formalism, can be clear about what is rewarded and why.

Conclusion

While we might like to believe that meritocracy is more common today than when Weber first described its advantages 100 years ago, workers' beliefs that favoritism governs certain organizational decisions are still widespread. Many consider workplace favoritism to be a taboo trade off, and so we proposed there would be significant negative consequences for individuals, their peers, and their organizations. We hope this preliminary theory of perceived workplace favoritism assists in furthering our understanding of this disdained yet apparently prevalent workplace perception. Something as widely perceived as workplace favoritism seemingly is deserves more systematic theoretical and empirical attention in the management literature.

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Figure 1

Favoritism Model

Environmental Antecedents - Corruption - Environmental Uncertainty	
Organizational Antecedents - Weak Performance Demands - Weak Bureaucratization	**Perceived Favoritism Beneficiary**
Supervisory Antecedents - Ambiguity in What's Rewarded - Internal Inequity and Ideals - Low Supervisor Support - Outgroup Membership	**Perceived Workplace Favoritism**
Individual Antecedents - Low Generalized Trust - Previously Experienced Favoritism	

Psychological Consequences
- Less trust in:
  · Organizations
  · Supervisors
  · Coworkers
- Debilitating Negative Affect
- Helplessness
- Low Job Satisfaction
- Low Organizational Commitment

Dysfunctional Behaviors
- Ingratiation and Prioritization of Relationship Building Over Task Performance
- Cheating and Rule Breaking
- Resistance to Change