

**Impact Of Cronyism On Career Satisfaction And Work Frustration
With Mediating Effect Of Organizational Loyalty**



BY

Saima Parveen

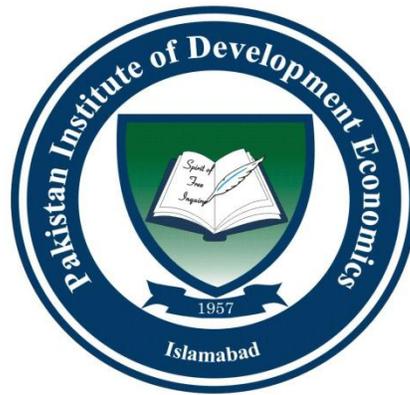
06/MBA(3.5)/PIDE/2013

Supervised By:

Dr.Nadeem Ahmed Khan
(HOD Health Economics, PIDE)

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**Impact Of Cronyism On Career Satisfaction And Work Frustration
With Mediating Effect Of Organizational Loyalty**

A Thesis presented to

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In fulfillment of the requirement for the degree of

**MASTER
In
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**Saima Parveen
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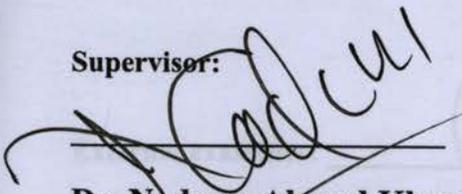
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Name	Registration number
Saima Parveen	06/MBA(3.5)/PIDE/2013

Has been approved

For the Pakistan Institute of Development Economics, Islamabad

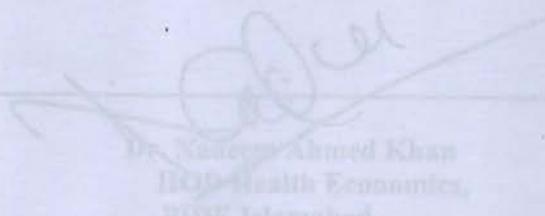
Supervisor:



Dr. Nadeem Ahmed Khan
(HOD Health Economics, PIDE)

Dr. Wasim Shahid
Assistant Professor,
QAU, Islamabad.

Supervisor:



Dr. Nadeem Ahmed Khan
HOD Health Economics,
PIDE Islamabad.

Head of department:



Dr. Usman Mustafa
Head, Department of Business Studies,
PIDE, Islamabad.

Final approval

This Thesis Titled

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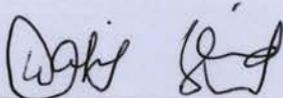
By

Saima Parveen
06/MBA(3.5)/PIDE/2013

Has been approved

For the Pakistan Institute of Development Economics, Islamabad

External examiner: _____



Submitted through:

Dr. Wasim Shahid
Assistant Professor,
QAU, Islamabad.

Supervisors: _____

~~**Dr. Nadeem Ahmed Khan**
HOD Health Economics,
PIDE Islamabad.~~

Head of department: _____

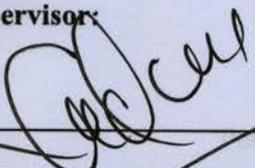
Dr. Usman Mustafa
Head, Department of Business Studies,
PIDE, Islamabad.

Certificate

It is certify that Ms. Saima Parveen has carried out all the work related to this thesis under my supervision at the department of management sciences,

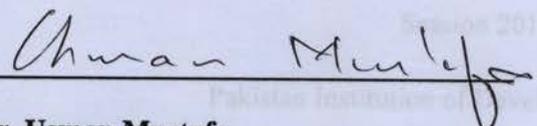
Pakistan Institute of Development Economics, Islamabad.

Supervisor:



Dr. Nadeem Ahmed Khan
HOD Health Economics,
PIDE Islamabad.

Submitted through:



Dr. Usman Mustafa
Head, Department of Business Studies
PIDE, Islamabad.

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Saima Parveen

Pakistan Institute of Development Economics

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Pakistan Institution of Development Economics, Islamabad

Declaration

I hereby declare that the research submitted to QEC Department by me is my own original work. I am aware of the fact that in case my work is found to be plagiarized, QEC has the full authority to cancel my research work and I am liable to penal action.

Student's Name: Saima Parveen

Date:

Abstract

The concept of cronyism has been investigated to explain different concepts in the literature. In this study, we aim at researching the influence of cronyism on Career Satisfaction and Work Frustration with a mediating variable of Organizational Loyalty of individuals and explain how the influence differentiates their career satisfaction or frustration with work perception of individuals. Therefore, we focused on government officials working in a public sector universities at Rawalpindi and Islamabad to examine their perception of cronyism in the organization. Having gathered the data from 73 government officials, validity and reliability was initially conducted on the scales of cronyism, organizational loyalty, career satisfaction and work frustration .After controlling the validity and reliability of the scales, model testing was carried out. Regression and mediation analysis were done. Results indicated that organizational loyalty partially mediated the relationship between cronyism and career satisfaction. In addition, organizational commitment partially mediated the relationship between cronyism and frustration with work. This study is an attempt to examine the impact of Cronyism on Career Satisfaction and Work Frustration when mediator is affecting their relationship, at organizational level.

Keywords: Cronyism, Career Satisfaction, Work frustration, Organizational Loyalty.

Dedications

Every challenging work needs self efforts as well as guidance of elders especially those who were very close to our heart

My humble effort I dedicate to my sweet and loving parent

Mother and Father

Whose affection, love, encouragement and prays day and night make me able to get such success and honor,

Along with all hard working and respected

Teachers

For advice and guidance which let me to complete this research work

Last but not the least;

I dedicate this research work to

My friends

Their company acted like an educational consortium for me.

Acknowledgment

All Glory is to Allah Almighty, the Supreme and the Sovereign, the most Compassionate. I thanks to Allah Almighty who bestowed upon me the potential to complete this research.

Words cannot express my Feelings, Devotion, Respect and Gratitude to my Parents, friends who gave me courage and support to achieve the goals of my life.

I feel highly privileged in taking opportunity to express my sincere thanks and sense of obligation to my supervisor Dr. Nadeem Ahmed Khan for his wise counsel, guidance and valuable suggestions, while completing this study.

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CHAPTER 1

INTRODUCTION

1.1 Background:

In today's world, many of the organization depend on their employees or the workforce they have, because they can achieve their strategic goals only on the efforts or work of their employees. Employees with best skills, knowledge and abilities will be hunted from the talent market, as these employees are the asset of an organization even public or private organizations. These organizations work to satisfy their employee or workforce, or fulfill the needs of an employee, then an employee will be happy and more productive, and loyal to the organization in which he/she is satisfied from his/her career development and don't seek the work as a frustrated one, while cronyism effect career satisfaction and make an employee to be frustrated from the work (Vokić & Hernaus, 2015).

Whether in developing countries, most of the organizations experience political involvement and practice cronyism. Individuals on the upper grade or having power will create a environment of cronyism and favoritism by promoting and hiring those individuals which are known by them (Turan, A., 2015). Economically favoring an individual or friend is considered in terms of cronyism. According to T.K.P. Leung Vincent, C.S. Heung, Y.H. Wong (2008), when position/authority holder in an organization has informal social bond in which other person carry some expectations and seeking for favor then the position holder person grant him that favor is cronyism, in which a position holder hire or give favor to a person on the basis of interpersonal relationship not on the basis of merit. For obtaining cronyism, employee only wants to make close relationship with the top management not work for the betterment of the organization.

In public sector organizations, there is cronyism practicing, in which on the basis of interpersonal, informal social relationship an individual is able to get promotion or being hired in the organization and individual having more ability and knowledge than the

avored, get ignored. By practicing cronyism in the organization, public sector organization also practice exploitation when political instrument is being used (Turan, A., 2015). In developing countries, most of the public sector is facing cronyism than the Private sector. Considering the present competition among the companies, private sector hire only the talented work force which work for them to be number 1, but in public sector organizations, employee want to have power and over power which is only possible when a number of people have vote for him. In public sector organization, most of the vacancies are filled only on the basis of the interpersonal relationship not on the basis of merit and qualification and experience required for the post. So, that's why the performance of the public sector is not very satisfactory as the public-sector work in the developed countries (Marri et al., 2012). Many of the educational schools, college and universities are run by the government i-e Danish schools. And most of the vacancies are filled by the authority holders who recommend their candidates to work in these organizations and make political influence. For filling the vacant positions, recruiting and hiring the candidates and giving them promotion, cronyism is seen in the public-sector organizations. Merit practices, and professionalism are being ignored by those organizations which practice cronyism or organization's authority holder favor their close friends. Political influence, and elite bureaucracy of favoring self-belongings and their love one will lead an organization towards cronyism and other like that. By practicing cronyism, a plant of corruption will grow up (Marri et al., 2012). Cronyism is practicing in most of the organizations now a day and it is a natural phenomenon (Ozler & Buyukarslan 2011). when superior favoring those employees, who are their friends or to those who have close informal relation, then environment of an organization is converting from merit to favoring some group of people (Marri et al., 2012). As a result of cronyism practice in the organization will leads an employee to be frustrated from his/her work, then many of the conflicts arises in the present environment of the organization. Preferences given to the close ones will be called sometimes '*circle of influence*'. circle of influence is related in terms of some people have close relations with the top management and so that they have influential power to influence in the decisions making by the top management. Those people who are considered in the circle of influence will create the air of cronyism. Employees recruiting based on circle of

influence will create jealousy in the organization and among employees that leads towards conflicts raising.

1.2 Cronyism in developing countries:

According to Khatri, Tsang, (2003), cronyism was the factor that was contributing to financial Asian crisis 1997. Cronyism is one of the four C's that is not economically beneficial for a country or even for an organization. At that time, due to cronyism practice, executives of financial Asian institutions give excessive credits to their close ones or to whom they have close personal relationships. That cronyism practice leads Asian countries towards bad economic situation.

As in the developing countries' public sector is most often facing the cronyism or their upper management is selecting those candidates who are friends to them and candidates of those who have political influence. So, that other employees in the organization which are selected on merit will create conflict because there is personal bias or injustice arises in the organization. Conflicts are rising in the organization because employees selected on the relationship does-not have eligibility for the vacant position and not meet the criteria required and they will not compete with the other employees who are selected on merit so that's why the environment of the organization add some conflicts. Presence of cronyism will create disappointment among the employees who are selected at merit (Ozler & Buyukarslan 2011).

According to (Marri et al., 2012), now a day's Pakistani culture is facing an environment of cronyism in public sector organization. Current employment situation of Pakistan is not very satisfactory either in public of private sector, many of the people with degree are not able to get job. Some of the employment opportunities are taken by the candidates with political tools. Political influence at the time of recruitment and selection of candidates is enough to practice cronyism in the organization. This process of getting jobs done will take away the eligible, capable and qualified candidates to the suitable job.

Cronyism in public sector organizations of developing countries make an environment of corruption that will make a stronger to be make strong and a weaker to be weaker (Marri et al., 2012). Because of corruption, workforce of developing countries

doesn't take interest in their work and it will be a cause of work frustration among employees and absence of team work. If employees of an organization don't take interest in objectives and goals of organization, then there will be less chances for an organization to be effective and efficient and take a part in the development of country. Result of corruption send a country to the declining stage.

Cronyism is the reason for a developing country that it is in the list of struggling countries, who fight against the corruption, and fulfill the needs of their workforce.

1.3 Effects of cronyism at workplace:

Erdem, Aslan & Keklik, (2013) highlight the disadvantage of cronyism that it creates stress and comfortless environment in the organization. Cronyism is the result of power and politics prevailing in an organization. Outcome or the result of cronyism will create injustice among the employees and it will be the result of low productivity and low career satisfaction.

Due to cronyism functioning in an organization, frustration among employee will increasing. Frustration is an emotional, psychological construct which is experiencing by an employee in an organization when he/she see some injustice, and appointment of those candidates which are friends to upper administration, unequal distribution of reward and promotion (Turan, A., Tunç, A. Ö., & Göktepe, E. A.,2015).

Employee deprived from the cronyism practice will not be loyal to his/her organization as there is injustice is prevailing, so that employee will be unsatisfied from his career development in the organization and don't take the goals and objectives of the organization seriously. The result of that will be negative, as the organization will morally, socially and economically move towards inclination. Satisfying an employee is important for an organization, because on the basis workforce an organization can achieve its goals and objectives. Productivity and outcomes of an organization is only increased when their employees are happily working in the organization and take organization goal as their responsibility (Vokić & Hernaus, 2015).

1.3.1 Demoralization and less career satisfaction:

According to the study of (Shahid & Azhar, 2013), loyalty among the employees of the public-sector organization is crucial because an organization strategic objective depend on the how employees fulfill their responsibility.

An employee is only loyal to the organization when he/she is satisfied from his/her work. Level of satisfaction and loyalty differ from employee to employee. If an employer recognizes the work of employee, provide some monetary and non-monetary rewards, appreciate the performance and hard work for attaining the goals. Due to cronyism, employees working in the organization will feel how better benefits given to preferred employees, greater attention and more opportunities are given to them. Then this situation can demotivate, demoralize those employees who even do their job best as they can. They feel discouraged, less recognized, less career satisfied, and less appreciated. Employers often sent their special employees to perform the special duties and assigning them high ranks. Then employees less actively take part in the accomplishment of company's missions and goals. If employees feel all the goodies are for the favored ones even with less duties performed by them, then work frustration results. Due to work frustration, low morale, missed deadlines and lower productivity will produced (Aydogan,2012).

1.3.2 Organizational conflicts:

When employees who are selected on merit basis perceive some cronyism in the organization then conflicts take birth. Situation of favoring of employees leads towards an organizational conflict not only between the preferred employees and other employees but they make a hurdle in the way of top management, executives and employees. If this situation of conflicts rising, then environment of proper working will not good for the employer.

According to social identity and psychological theories, employee only share their privileges with those people who have same attitudes, behavior and skills. Employees compare themselves with the other people in their social group (Turan, A., 2015). so if

the cronyism is seen by an employee in the organization then they compare themselves to the other favored people, then that favor effects negative to them.

Employer and employee interaction is the only thing which overcome the conflicts between them. Interaction between employer and employee is possible when executives keep communication flow with their employees. Lack of good communication channel will weaken the organizational justice (Aydogan, 2012).

1.3.3 Declining organizational performance:

Employees hired on the basis of friendship and close relation were not have the abilities and skills to perform the tasks of the organization. Executives hire their close one on the basis of relation not on the basis of their qualification and skills. So the performance of the organization start declining.

Cronyism in an organization start damaging the transparency of the management. so that equality and openness between management and employees may start damaging. When the executives hire employees on the basis of their relations either they have same school graduation, same race and birth place, then culture of the organization move towards homogenizing. Homogeneity in an organization convert the environment of from openness to closeness. As a result of homogeneity, the social status and competence among employees start changing (Aydogan, 2012). If an organization have close environment, then it is difficult for that organization to cope up with other organization with better work force. So that the organization move towards the less productivity, profitability.

As today's era is about how organization compete on the basis of resources, organizational culture and mainly on the basis of the workforce they have. If the workforce is not satisfied from the organization future goals, then they will not work properly. So, that these organizations came in the list of non-profit organizations, may move towards the shutdown conditions as well. Not only organizations bear loss from that situation, but also the country bear that loss.

1.3.4 Employee intentionally quitting the job:

When employees realizing that they are making the contribution in the objectives of the organization is not satisfactory with the output they receive and when they compare their contribution to the duties they perform and feel what they receive is not equal to what they, then with the case of demoralization, they start quitting the jobs. Employees feel that they are working in an injustice environment where their contribution is not recognizing by the employer, then lack of confidence occur among employees. That lack of confidence will affect the negative career satisfaction.

According to social identity theory, employee start comparing themselves to other employee on the basis of their skills attitude and the output what they receive, if the employees receive less than the employees with some favor from the executives, then dissatisfaction among employees will rising, and that dissatisfaction will lead towards quitting or leaving the job (Karatas a., 2015).

1.4 Relationship of Cronyism and organizational loyalty:

According to the researchers conducted on cronyism and organizational loyalty, it shown that cronyism at organizational level create less organizational loyalty, and employees feel themselves not satisfied from the organization's strategic plans.

Many researches are conducted on the organizational loyalty and according to them a loyal employee take less effect from the cronyism prevailing in the organization. According to the theorist (Hirschman, 1970), A loyal employee with the organization will not dissatisfied from his career, and will not be work frustrated. So ultimately he/she will not easily quit the job. If cronyism is seen in the organization, a loyal employee wait patiently until the environment of cronyism change. Loyal employee with the organization doesn't use the tools of taking exit from the job, but he raises his/her voice for the justice, because loyalty is an act of supporting the organization.

According to many of the researchers and theorists, organizational loyalty in an employee is not just his/her support for the organizational but also considered as enhancing the development and welfare of the organization (Turan, A., 2015)

In the present study, organizational loyalty is a mediating factor, it can affect the relationship of other variables. Cronyism and organizational loyalty have negative relationship, as organizational loyalty is a form of organizational commitment. But relationship of cronyism with other two variables in the study i-e career satisfaction, work frustration, can be positive or negative with the effect of an employee is loyal with the organization.

Taking organizational loyalty as mediating variable, it could change the relationship of cronyism and career satisfaction, cronyism and work frustration.

This present research supports relationship of cronyism, career satisfaction, and work frustration, but relationship could be changed when other variable (organizational loyalty) mediate the relationship or others. Prior research investigates the relationship of cronyism, career satisfaction, and work frustration with mediating variable of organizational loyalty. Other previous researches (Turan, A., 2015) are conducted to investigate that does the perception of cronyism, career satisfaction, and work frustration with mediating variable of organizational commitment. While many other researches are conducted to investigate the relationship of cronyism and job satisfaction among employees (Marri et al., 2012) or the effects of cronyism on organizational trust (Turan, A., 2015).

1.5 Significance of the study:

Cronyism is mostly seen in public sector organizations. Many of the authority holders use political tools to give vacant positions to those people who have close relations to them or have close friendship. Priority given to the close one, makes a greater impact on the other employees who select on merit basis, then the environment of an organization shows complexity.

Cronyism is mostly shown in developing and less developed countries. In developing countries, societies and traditional ties are stronger so that the environment of cronyism start growing in that societies. Countries with strong societal relations mostly favor their friends and relative in the organization. According to (Erdem, Aslan & Keklik, 2013), cronyism have more negative than positive effect on employees in public sector

organizations in developing countries. Due to cultural differences, cronyism practices or measures start changing.

Pakistan is a developing country, and people live in Pakistan have strong societal and traditional relations, so that cronyism practices are mostly seen in its public-sector organizations. According (Marri et al., 2012), cronyism and favoring those people who are relative to upper administration in organization, is common culture in Pakistan. Even jobs are not sufficient in developing countries like Pakistan, but environment of cronyism create career dis-satisfaction and work frustration among employees. This study is conducted to find out the impact of cronyism practice in public sector organization on career satisfaction and work frustration of employees in Pakistan, and changing relation of cronyism when an employee is loyal to its organization. Present study tries its best to show the role of loyalty in the relationship of cronyism to career satisfaction and cronyism to work frustration, either they are changing or not in collective culture.

Present research is beneficial for a number of people to understand the concept of cronyism with its consequence on employee's career satisfaction, work frustration and on the other side the impact of loyalty of employee to the organization. Furthermore, this research educates public sector organizations needs to produce loyal employee because only a loyal or satisfied employee can increase the profitability of the organization.

1.6 Objectives:

Following are the objectives of the present research,

To examine how cronyism, effect the career satisfaction and work frustration among employees in public sector organizations.

To find out either organizational loyalty mediates the relationship of cronyism to career satisfaction and work frustration or not.

1.7 Limitations of the study:

Present research has some limitations as this research include only career satisfaction and work frustration which can be effected by cronyism even there are many

of the variables which can affect career satisfaction and work frustration. In this research, research model includes two dependent, one independent variable and one mediating variable i-e organizational loyalty. There may be other mediating variables such as organizational commitment, recognition, and security on job, which will have made its effect on the relationship of dependent and independent variables.

This research target only some public universities of Islamabad and Rawalpindi city, not whole public sector universities of Islamabad and Rawalpindi city. On the basis of some gathered responses the conclusion is drawn. Research is not done in broader sense but it can be beneficial or helpful to further studies.

CHAPTER 2

LITERATURE REVIEW

2.1 Cronyism:

Cronyism is generated from word *crony* in 17th of century and the Greek word *chronios* both having meaning of close or long lasted friendship (Khatri and Tsang, 2003). Word cronyism is a form of favoritism in which favoring a person without considering abilities and skills of their person expect relationship (Karatas a., 2015).

Cronyism is about giving a priority to a person in a contact relationship over other person having more ability or aptitude than a relative in a public or private sector organizations. Giving position grade to a person in an organization by the head of the organization only on the basis of ones have mutual friendship and good relations (ozler & Buyukarslan, 2011). Cronyism can be explained as giving priority or preferences to a Politician's cronies in an organization on the basis of others saying regardless on the basis of merit (Araslı and Tümer, 2008). Cronyism take birth from the office politics which has nothing new than the real politics. Cronyism is similar as organizational politics (Ozler & Buyukarslan 2011).

When superior shows favoritism to his or her subordinate on the basis of having relationship with that subordinate but superior ignores a person's loyalty. There are two cultural predecessors which can cause or leads towards organizational cronyism, named as particularism and paternalism. Both cultural predecessors give birth to personal biases and ignoring personal loyalty (Khatri and Tsang, 2003).

Cronyism is not only giving priority to their relative but is also about giving priority to their friends or specific group members. Cronyism implementation in organization not only take place due to political influence but also take place when superior select the member of same club, class mate, colleague request or family ties.

In organizational cronyism which is comprised of unfair, injustice, unethical behavior with employees who have skills and abilities than the favoring employees will create conflicts in organization at large scale which may affect the organization or company's performance or efficiency (Vokić, N. P., & Hernaus, T., 2015). When cronyism is close in any organization there will be the wrong policies which will affect the honesty and truthfulness of the employee and will create a paved path for the corruption at large scale (Özbilen, 2001). Organizational cronyism has damaging effects on the organizational policies (Khatri and Tsang 2003).

An organization with cronyism situation eliminate the cost of searching employees or hunting talented employees from the market (Turan, A., 2015). Most of the organization even public or private spend a huge cost on searching most talented employees. Due to organizational cronyism, candidate is not selected on the basis of merit but they are selected on the basis of friend and family ties so that organizational cronyism creates negative impact on HR recruitment and selection practices. Candidates are not selected on merit either they have appropriate qualifications or skills, this cronyism situation in organization causes the negative image of the organization (Araslı and Tumer, 2008).

2.2 Career satisfaction:

Term career has been originally generated from the book of "psychological duties" written by Anne Roe. Concept of career has meaning of personal/occupational experiences and duties towards progress of his/her working life/duration (Turan, A., 2015).

Satisfaction meaning in HRM dictionary is, if an employee or a person is willingly doing her/his work with psychological presence (Vokić, N. P., & Hernaus, T., 2015). Person can be satisfied if he/she is start comparing the ones performance to its expectation and then feels pleasure (Turan, A., 2015). In an organization, a person is said to be satisfied if he/she needs money and get monetary reward for his/her performance and on the other side a person want appreciation then his/her satisfaction can be in non-monetary rewards from his/her job (Turan, A., Tunç, A. Ö., & Göktepe, E. A., 2015).

Career satisfaction is defined as, one person has satisfaction from his/her career even in intrinsic or extrinsic way (Greenhaus et al., 1990). A person expects what from his work life experiences than comparing them to his/her present performance at job and then feels satisfied from his/her job or career (Turan, A., 2015). If a person select an occupation according to his/her choice and feels happy and satisfactory from his/her career that is denied as career satisfaction.

Herzberg (1964) explain/define career satisfaction. According to Holland (1959), ones achievements skills and abilities while performing a job can explain the career satisfaction. Turan, A. (2015), define career satisfaction as, regular changing in the responsibilities and duties at work can affect an employee's satisfaction level towards career. According to Herzberg's dual factor theory, career satisfaction is how a person perceive working conditions and other individual, organizational factors and feels satisfactory. Career satisfaction is crucial at personal performance level as well as organizational performance level, an organization make highest position all over on the basis of its workforce, if workforce is satisfied then organization can prove to be No.1. (Turan, A., Tunç, A. Ö., & Göktepe, E. A.,2015).

2.3 Work frustration:

Frustration can be defined as a person is having defending ego that is interfering or creating hurdle in his/her achievements, goals and aims (Turan, A., 2015). Negative consequences of emotions at job can give birth to work frustration (Turan, A., 2015).

Many factors at work can create work frustration e.g conflict, ambiguity, and lack of clarity between supervisor and the subordinate, if superior does not clarify the subordinate's role and subordinate expect his/her job differently than the present situation can cause work frustration (Lewandowski, C. A. (2015)

Past researches about work frustration is about one's support of unfairly and unethically favoring friends and relative, harming justice at work place. According to (Turan, A., 2015), when superior go for his/her egoistic behavior and that behavior cause frustration and make a path for reward and interaction biases.

2.4 Organizational loyalty:

Word loyalty's concept first presented in a book *the philosophy of loyalty* written by Josiah Royce in 1908. Royce describe loyalty as a moral principle or a virtue in one's heart. Loyalty is defined in terms of highly relationship oriented context that a person has with his job or occupation. Loyalty can be created on the basis of personal interaction, familiarity, attraction or attachment with the organization or workplace (Farh and Cheng, 2000). When an individual start performing role obligations, favors to an authority or organization only because of some social norms is named as loyalty (Farh and Cheng, 2000). Loyalty is usually present among people of organizations relationships and society.

If superior individuals in an organization shows benevolent and kind to their subordinate then subordinate are loyal, obedient and respect their superiors. Loyalty is defined as one's show respect obedience and faithful support towards the organization of people of the organization. In another word, when a person sacrifice his/her self-interest and show complete dedication towards his/her organization (Farh and Cheng, 2000). An individual accepts the organization's goals, aims and do extra efforts to accomplish those goals with faithfulness and willingly, is described as one's loyalty towards an organization.

Organizational loyalty is an affective commitment of a person or an individual towards employer or organization where he/she sacrifice self-interest and performing tasks of organization willingly beyond any moral or legal duty. Loyalty of employees in an organization exist when employees understand the goals and objectives of the organization, accept these objective as their moral duty, do efforts to attain the objectives and stay in the organization for long period of a time. Honest motives of one's towards organization is seems to be organizational loyalty. Organizational loyalty is the feelings and attachment of ones for the organization and teams of the organization (Antoncic, 2011). Organizations build loyalty in employees by doing justice, supporting them, showing trust and allowing employee involvement. Psychological contract of employee for the organization and his/her beliefs can build organizational loyalty. Organization's environment is the factor that play major role in generating loyalty in an employee, an organization's loyalty generation process is fulfilling the needs of the employees, so that

employees fulfill the needs of the organization. Employees who are emotionally connected with the organization are the assets of the organization (Kyle LaMalfa, 2007). Time period of employees at place can determine the loyalty in employee (Vokić, N. P., & Hernaus, T., 2015).

Different theories are presented on the organizational loyalty, and in past many or the researches are conducted. According to (Graham and Keeley, 1992), organizational loyalty is an attitude which is defined in different forms, passive loyalty, reformist loyalty, and unconscious loyalty. Passive loyalty is about an employee patiently wait for the change and improvement in the environment. Reformist loyalty is about actively participating and bringing organizational change in the organization. In reformist loyalty, an employee continually pressuring the organization for changing the environment. Third form of loyalty is unconscious loyalty in which employee totally ignore injustice prevailing in the organization, and it results inattention from the injustice.

2.5 Cronyism and career satisfaction:

Cronyism can damage the perception of an employee about the organizational justice in an organization. Many researches indicate that the organizational cronyism and the career satisfaction are negatively correlated. Employees can be satisfied from their career growth when organization make policies and career improvement programs without cronyism or creating biases (Turan, A., 2015). Most of the researches shows that due to cronyism negative sentiments about organization increases while trust among employees' decreases or it can damage individual belief.

When superior at organization favoring friends and family ties, favored candidates not have required qualification according to the post as other candidates have who appeared at merit, so that nonproductive and inappropriate qualification can cause for low efficiency and negative influence among the people about the organizational justice this will lead employees at organization towards less career satisfaction (Araslı and Tumer, 2008). If there is cronyism at public or even at private sector organization then career satisfaction among employees have negative association with it (Arasli & Tumer, 2008).

Only organizational justice can increase the career satisfaction among employees and both have positive connection (Turan, A., 2015).

Hypothesis 1: There is a relationship between Cronyism and Career Satisfaction.

2.6 Cronyism and work frustration:

Implementation of cronyism at organization, negatively affect the performance of people, because individual selected on the basis of cronyism attain privilege of superior even he/she does not deserve it and other employees feel work as burden to him as does not perform well at organization (Turan, A., 2015). An employee think that he/she is working at an unfair organization when he/she compare their work contribution and receiving benefits with other individual who also get the same benefits but does not have appropriate qualification and does not do proper tasks, so that cronyism create detachment of individual from work as well as from organization ((Turan, A., 2015). In an environment of cronyism at organization, employees feel the work for attaining the organizational objectives as burden to them and frustration of work can move them towards leaving or quitting the organization (Turan, A., 2015). Performance, confidence and efficiency of employee start decreasing when there is a climate of cronyism regardless of skills and abilities of employees at work and working under superior/supervisor who practice organizational cronyism can create work frustration among the employees who are selected on the basis of merit (Turan, A., 2015).

Cronyism at working place can increase work stress and work frustration (Araslı and Tümer, 2008). If superior shows no response towards the performing subordinate and refuses his/her work, then frustration of work can be increases. Work frustration can be caused due to the organizational politics which are prevailing in the climate of organization (Turan, A., 2015). Cronyism can cause for discouraging employees at work who have abilities to achieve the objectives of the organization and have skills or creativity. Due to cronyism, employees lose their interest, start quitting job, and feels work as burden to them. Work excitement and cronyism have negative relationship with each other.

Hypothesis 2: There is a relationship between Cronyism and Work Frustration.

2.7 Organizational loyalty and career satisfaction:

If an employee in an organization wants to continue relationship with the organization as he/she has affection, and wants to enjoy the relationship for its own sake not for instrumental worth but for loyalty. Loyal employees take care of the organization in a right way, ultimately they want to stay longer in that organization as they are satisfied with their career at that company (Turan, A., 2015).

Relationship of affection between top management and subordinate has greater impact on subordinate's trust on organization. Many researches shows that if an employee has trust than he/she is loyal with the organization and through good relationship, he/she has career satisfaction. According to (Kyle LaMalfa, 2007), it is not necessary for the organization to satisfy an employee only through monetary rewards but emotional connection with employee is important so that they want to be appreciated and recognized. Career satisfaction and organizational loyalty has stronger relationship than employee commitment and career satisfaction. If employees are more satisfied with their work then they experience pleasure of emotion at workplace (Vokić, N. P., & Hernaus, T., 2015). Most probably satisfied employees can stay longer in the organization then others.

Hypothesis 3: There is a relationship between Organizational Loyalty and Career Satisfaction.

2.8 Organizational loyalty and work frustration:

Loyalty of employee can be seen as if he/she is staying long in the organization and waiting for the improvement in the working environment (Farrell & Rusbult, 1992). According to (Kolarska and Aldrich, 1980), when an employee is doing nothing at workplace then his common response may be dissatisfied from the organization.

An employee with high level of satisfaction a workplace can increase loyalty and definitely decreases the work frustration, neglect the destructive behavior at him (Rusbult & Farrell, 1992). Employees who have low level of job security at organization, have feels work as burden to them and probably have low level of loyalty but employees with

high level of job security cannot leave the organization, and perform task at organization willingly not as burden to them. Only the organizations with authoritative based environment can experiences low level of loyalty, job security and satisfaction (Rusbult & Farrell, 1992). If employee having feelings of loyalty and affection with the organization then there will be less work frustration, both are negatively correlated (Turan, A. 2015)

Hypothesis 4: There is a relationship between Organizational Loyalty and Work Frustration.

2.9 Organizational loyalty and cronyism:

Employees with feelings of love, affection and loyalty can make extra effort to achieve the objectives of the organization and work hard for organization (Turan, A., 2015). As top management or the superior at organizations make lists of rewards and evaluate employees performance so that employees attachment will be developed with the top management, sometimes superior shows biases in the performance evaluation and make list with top name of his/her friend relative or with a person having good terms and ties, that particular-ism highly effect employees feelings of love, affection and loyalty, so that particular-ism leads the situation towards cronyism (Khatri and Tsang, 2003).

According to (Khatri, Tsang, 2003), cronyism in an organization places an impact on the employees' loyalty with the organization. Cronyism can be seen in most of the organizations where superiors need a number of employees for the sake of their interest or increasing the area of their power and influence, then superiors start favoring the employees who are loyal to them instead of seeing the skills and abilities of the employees, that is the cronyism at organizational level which affect the loyalty of employee (Farh and Cheng, 2000).

According to the theory of (Hirshman, 1970), a loyal employee will take less effect from the cronyism prevailing in the organization, he/she wait and patiently see the injustice work in the organization and only raise his/her voice against cronyism until the injustice has overcome. According to him, organizational loyalty is about supporting the organization and about leaving or quitting the organization. Hirshman's concept about

organizational loyalty is criticized by Barry, (1974), that organizational loyalty is not all about raising voice or not quitting the job but is more than that,. According to (Barry, 1974), when an employee see cronyism in an organization, he/she is responsible for working for the welfare of the organization, it is not about waiting patiently until the relationship has changed. A loyal employee raise his/her voice and also not stop working for the welfare of the organization.

Different forms of loyalty are being described by Graham and Keeley (1992) in which all forms are about not leaving or quitting the job but seeing the cronyism with patience, raising voice against it or pressuring the top management for changing the environment of organization.

Hypothesis 5: There is a relationship between Organizational Loyalty and Cronyism.

2.10 Organizational loyalty, cronyism and career satisfaction:

Employees who are loyal with the organization and have feelings of affection with the organization then they are likely to do their work with full gratitude and responsibility, they are satisfied with their career in the organization and much more opportunities and path of growth are awarded to them (Farh and Cheng, 2000). Employees see cronyism and injustice in the organization when they feel that some of the employees get promotion faster regardless of the abilities and skills but on the basis of relationship (Vokić, N. P., & Hernaus, T., 2015). Loyalty for organization can be developed in employee when organization provide career development, justice and job security (Khatri, Tsang, (2003). Employees who are suffering from biasness and injustice from the supervisor can show less affection to the organization and feels dissatisfaction about career (Farh and Cheng, 2000).

Talented employees seek for career growth in the organization, when there is lack of opportunities, employees start leaving the organization so that more talent with less loyalty weaken the organization (Vokić, N. P., & Hernaus, T., 2015). When there is bias in the organization then cronyism, at organizational level can occur. Relationships

increasing among the employees in the organization make organizational environment more complex (Khatri, Tsang, 2003).

Hypothesis 6: Organizational Loyalty is mediating the relationship of Career Satisfaction and Cronyism.

2.11 Organizational loyalty, cronyism and work frustration:

Relationship and friendliness among employees of organization can increase creativity, and promote team work. When there is stress among the employees of the organization due to cronyism, and biasness, it turns to weak the strong relationships in the organization. When loyalty is present in the organization then there will be less cronyism in the organization.

When employees engage themselves in achieving the organizational objectives at High level can build loyalty in employee for the organization (Vokić, N. P., & Hernaus, T., 2015). When there is trust among the employees in the organization and they are highly loyal with the organization then ultimately employee is experiencing less work frustration and role related stress.

Hypothesis 7: Organizational Loyalty is mediating the relationship of Work Frustration and Cronyism.

THEORETICAL FRAME WORK:

In this research/study, the research model is developed on the basis of previous research conducted by (Turan, A., 2015). The model is shown below:

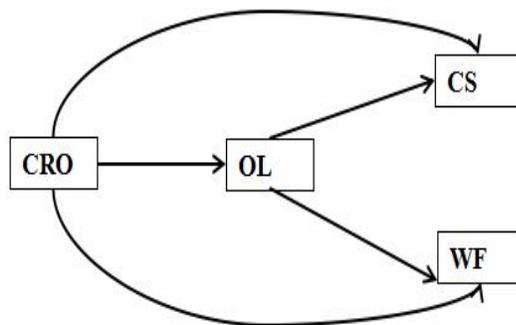


Figure 1: Research Model

CRON = Cronyism,

OL = Organizational Loyalty,

CS = Career Satisfaction,

WF = Work Frustration.

In this model, relationship of four variables is shown, where one is independent and two are dependent variables, and one is mediating variable. CRON is an independent variable which is not effected by the change in other variables CS (career satisfaction), WF (work frustration) are the dependent variables which may change by the change in another i-e independent variable. OL (organizational loyalty) is the mediating variable which affects the relationship of dependent and independent variable. In above model, mediating variable OL influence the relationship of CRON and CS and also impacts the relation of CRON and WF.

CRON directly influence CS and WF as shown in the model, and mediating variable OL also influence the relationship of CRON, CS, and WF, then CRON has no direct relationship with CS and WF there is another variable with the presence of which the relation is changing.

Presence of cronyism in an organization will create work frustration and would lead towards low level of career satisfaction of an employee working in the organization. But when organizational loyalty effect the relationship of cronyism, career satisfaction

and work frustration then there is less effect of cronyism in the organization and there will be less of work frustration among employees and leads better career satisfaction of an employee working in the organization. Organizational loyalty depends among the how employee perceive their career and work in the organization although other factors also influence career satisfaction and work frustration but in our study we discuss organizational loyalty and cronyism. On the basis of this model the research is conducted.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Population:

Data is collected for this study from the employees who are currently working in public sector universities of Islamabad and Rawalpindi city of Pakistan. Public sector organizations are chosen only on the basis of public sector organizations have environment of favoritism and cronyism because employees suffer from cronyism at large scale in public sector organizations.

3.2 Sample and sampling procedure:

In this work/study we are using Purposive sampling technique. Our population for the study is public sector universities of Islamabad and Rawalpindi city of Pakistan.

For collecting the data, firstly, questionnaire forms about 120 are prepared for the research purpose and 3 public sector universities from Islamabad and Rawalpindi city is selected out of whole population as a sample. Secondly, we select 17 and above grade employees working in these universities and information about organizational cronyism is taken from them through questionnaire survey technique. Sample of this research included employees who are currently working in the university especially upper level management with minimum tenure of 5 years. For getting information from the upper level grade employees, the appointment is surely taken from the heads/executives of the public-sector universities. This sampling procedure required the time period of 3 weeks in which collection of questionnaire done. Thirdly, after distributing the questionnaire and receiving back from the management of public sector universities, they will be analyzed and giving a response rate of 61% as 73 questionnaires were returning from the respondents of the public-sector universities of Islamabad and Rawalpindi city.

Given and received questionnaire from the following universities:

Universities	Given questionnaire	Received questionnaire
Pakistan institute of development economics	35	25
Quaid e azam university	25	13
Arid agriculture university	60	35

Table 1: Questionnaire Given and Received

3.3 Data Analysis:

For analyzing the data of the research, Descriptive statistical analysis is used, which includes the frequencies, standard deviation and the mean of the data obtaining from the participant of the public-sector universities of Rawalpindi and Islamabad, and then exploring the values of cronyism, organizational loyalty, career satisfaction, and work frustration from the obtained data. After that, missing value analysis is conducted and replacing the missing values of the data by placing most occurring value of the data. Relationship between organizational cronyism, organizational loyalty, career satisfaction, and work frustration is determining through Regression analysis and also mediation analysis is done. Through simple regression analysis, impact of independent variable on the dependent variables is explained.

In this study, the mediation analysis of mediator, dependent and independent variable for determining the impact of mediator on dependent and independent is done by using the mediation process of (Preacher and Hayes, 2004). This mediation analysis is conducted by using a new special PROCESS in SPSS developed by Andrew F Hayes.

All the analysis was performed using SPSS-20 (Statistical Package of Social Sciences) software.

3.3.1 Justifications for using Preacher and Hayes technique:

Preacher and Hayes technique for the mediation analysis is very useful for examining the indirect relationship of independent and dependent variable. Preacher and Hayes technique is considered as most important technique in social sciences research. Benefit of this technique is not only to predict the indirect relationship but also the direct and total effect of predictor, outcome with an effect of mediator. In this technique, the mediation effect is different for the models defined by Preacher and Hayes, (2004). PROCESS by Preacher and Hayes shows various models which is convenient to run the mediation analysis. After the mediation analysis by Preacher and Hayes, it can be ensured that this technique is best for the mediation analysis than the other regression based technique or estimates.

3.4 Method and measures:

For determining the relationship of cronyism, career satisfaction, work frustration and organizational loyalty, primary data is used via questionnaire survey method in this work. 5 point likert scale is used, anchored by 1= strongly disagree to 5= strongly agree. Questionnaire consist of 32 *items*, which measure all the variables using in this study/work e.g cronyism, career satisfaction, work frustration, and organizational loyalty. Starting of questionnaire consist of 4 open ended questions from the subject related to their demographics including age, gender, designation, email address (optional).

3.4.1 Cronyism:

In this study, cronyism is measured by using scale of (Abdalla et al. 1998) consist of eight items. Items are scored by using five point likert scale (1= strongly disagree to 5= strongly agree). Reliability and validity of the scale is seen by calculating the values Cronbach alpha through validity and reliability test. Cronbach alpha value for the cronyism scale is 0.651(>0.6) and validity is 0.58 > 0.23 while number of observation

were $N=73$. A value of 0.23 is taken from Pearson Moment r-Table at Level of Significance 0.05. Scale is significant at 0.000 which is less than 0.05.

3.4.2 Career Satisfaction:

In this work, career satisfaction is measured by using the instrument of 5 items by (Greenhaus et al., 1990), in which scale shows how respondents perceive their work and career at working environment. Reliability of the scale is checked through the Cronbach alpha value which was 0.85 greater than the value 0.6, reliability of the scale is relatively good, and validity was $0.809 > 0.23$. scale is significant at $0.000 < 0.05$.

3.4.3 Work Frustration:

Work frustration is determined by using the scale of (Porter's, 1961) which is consist of 15 items and they are ranked on five point likert scale ranging from “strongly disagree to strongly agree”. scale shows how much employees are frustrated from their work at the present working organizational scale is significant at 0.000 less than 0.05. Scale is reliable at Cronbach alpha value 0.850 greater than value of 0.6 and validity is 0.560 when $N=73$.

3.4.4 Organizational loyalty:

Organizational loyalty is consisting of 4 items of (Iqbal, A., Tufail, M. S., & Lodhi, R. N, 2015). Organizational loyalty scale shows the loyalty of employee towards its organization.

Scale used was significant at $0.000 < 0.05$ with validity of $0.64 > 0.23$ i-e $N=73$. Cronbach alpha value for the reliability of scale was $0.711 > 0.6$.

Variables	Reliability measure
Cronyism	0.651
Organizational Loyalty	0.711

Career Satisfaction	0.85
Work Frustration	0.850

Table 2: Reliability Analysis

Reliability of all 32 items was relatively good, as shown in the following table that value of Cronbach alpha is 0.719.

Reliability Statistics	
Cronbach's Alpha	No of Items
.719	32

Table 3: Reliability of Item

Descriptive statistics in form of Mean, S.D, Minimum, Maximum of all the variables shows:

- 1) The center tendency.
- 2) The spread of the data.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CS	73	1.50	5.00	3.4863	.79814
OL	73	2.00	5.00	3.4897	.83691
WF	73	2.13	4.67	3.3799	.57421
CRON	73	1.63	4.00	2.6353	.49810
Valid N (listwise)	73				

Table 4: Descriptive Statistics

Above table shows the descriptive statistics of the model, descriptive statistics include minimum, maximum, mean and standard deviation. Mean of the career satisfaction, organizational loyalty, work frustration and cronyism is 3.4863, 3.4897, 3.3799, 2.6353 respectively. This study include four variables in which one variable is independent(cronyism), two dependent (career satisfaction, work frustration) and a mediator variable, organizational loyalty.

Standard deviation in above table shows the variation from the mean, maximum the value of standard deviation shows the large variation in the variable. In Career Satisfaction the variation is .79814, in organizational Loyalty the variation is .83691, Work Frustration has variation .57421, and Cronyism has variation of .49810.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

This section of the research deals with the analysis of gathered data from different public sector universities. The generated results of the gathered data will show whether accept or reject the hypothesis of the study. Basically, this research deals with the impact of cronyism on career satisfaction and work frustration, there is also a mediator variable organizational loyalty. The purpose of the research is to gather many of data from the respondents and then arrange them for the testing, after that the conclusion will be drawn whether the results support the hypothesis or not. In social sciences research, there is nothing wrong or right, but the findings must have sensible reasoning.

Firstly, the reliability of the scale must be checked, on the basis of the reliable and valid scale, respondents give the accurate data and then the results will be significant otherwise error in the data will create negative impact on the results and then hypothesis will prove false.

In previous section, the reliability analysis of the scale was done because scale's accuracy is important to make sure that the scale has characteristic relevance with the theory. Reliability analysis was used to examine the accuracy of the instrument used (Fowler, 2009). SPSS-20 was used to test the reliability, firstly the reliability of each item was tested after that the reliability of the whole instrument was checked. Whole instrument containing 32 items has reliability 0.719 which must be more than 0.60 (Nunally, 1978). Reliability analysis was done in SPSS by doing Analyze > Scale > Reliability Analysis.

Secondly, the validity of the scale was tested in the previous section, in which each item's validity was greater than 0.23, value 0.23 was taken from r_{table} (Pearson Product Moment). Validity in SPSS was done by the doing the commands of Analyze > Correlate > Bi-variate. After that that the value of Pearson Product Moment was taken against total number $N=73$ which was 0.23.

4.1 Demographic characteristics:

Demographics of the sample in this research include Age, Gender, and Designation which are defined as following:

Gender:

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	45	61.6	61.6	61.6
	Female	28	38.4	38.4	100.0
	Total	73	100.0	100.0	

Table 5: Gender

In the gathered data, male and female participants were 73. According to the above-mentioned statistics, 61.6 % participants were Male and 38.4% of the sample were Female respondents who were above grade holders at sample universities.

Age:

Age (Binned)					
		Frequency	Percent	Valid Percent	Cumulative Percent
valid	21 - 30	10	13.7	13.7	13.7
	31 - 40	26	35.6	35.6	49.3
	41 - 50	27	37.0	37.0	86.3
	<= 60	10	13.7	13.7	100.0
	Total	73	100.0	100.0	

Table 6: Age

Data gathered from the respondents had ages between 21 to 60 age group people. The above table shows that mostly data gathered from the age group of 41-50 which were in 37%.

Then 26% respondents lie in age group of 31-40, which had second highest frequency. 13.7% respondents were from age group of 21-30, and above same percent of respondents were from 60 and above age group respondents.

Designation:

Designation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Professor	13	17.8	17.8	17.8
	Assistant Professor	21	28.8	28.8	46.6
	Associate Professor	2	2.7	2.7	49.3
	Lecturer	13	17.8	17.8	67.1
	Assistant Lecturer	1	1.4	1.4	68.5
	Research Economist	12	16.4	16.4	84.9
	S.P.O	1	1.4	1.4	86.3
	Assistant Registrar	1	1.4	1.4	87.7
	Audit Officer	1	1.4	1.4	89.0
	Registrar	3	4.1	4.1	93.2
	Chief Development	1	1.4	1.4	94.5
	Joint Director	1	1.4	1.4	95.9
	Senior System Analyst	1	1.4	1.4	97.3

	DY Director	1	1.4	1.4	98.6
	Asst. Director	1	1.4	1.4	100.0
	Total	73	100.0	100.0	0

Table 7: Designation

Above table shows the frequency of respondents from the the mentioned designations. More data gathered from the Assistant Professors which were 28.8% of the total sample.

A large number of respondents were professors, Assistant Professors, Research Economists and lecturers. As more portion in pie chart shows professors, Assistant Professors, Research Economists and lecturers.

4.2 Regression Analysis:

In this study the regression analysis was done, which shows the relationship of outcome and the predictor. Through regression analysis we could examine the influence of independent variable (Cronyism) on dependent variables i-e Career Satisfaction and Work Frustration. Regression analysis was done by using SPSS software, in which following commands were done, Analyze>Regression>Linear. And then predictor was entered into the independent box and dependent variables were entered into dependent box, one by one.

Output of the process was generated which was consisted on Model Summary, ANOVA, and Coefficient tables. Through these tables, we could see the influence of Predictor and Outcome by having the values of Beta Coefficient, significance, R, R Square, Adjusted R Square and t & F-statistics. Beta coefficient shows the relationship of Dependent and Independent Variable whether it is strong or weak. R Square in Model Summary table shows; how much change occur in dependent Variable by change occurring in independent variable. Adjusted R Square explains the variance occurring between the predictor and the outcome. Value of F ratio in ANOVA table shows how much the means of predictor and outcomes are significantly different from each other.

Relationship between the predictor and outcome must be significant because many of the researcher focus on the significance level of the ANOVA. if there is significance level less than the critical value of alpha then the Hypothesis will be accepted.

4.2.1 Regression Analysis for Cronyism and Career Satisfaction:

In this step, the effect of Cronyism and the Career Satisfaction was analyzed. Taking Cronyism as predictor and Career Satisfaction as outcome variable, we run regression Analysis. Regression Analysis for Cronyism and Career Satisfaction was as following:

Model Summary					
Model	R	R Square	Adjusted R Square	R	Std. Error of the Estimate
	.245 ^a	.060		.047	.77916
a. Predictors: (Constant), CRON					

Table 8: Model summary of Regression Analysis for Crony and CS

Value of R shows the correlation among dependent and independent variables. Above table shows 24.5% correlation among Cronyism and Career Satisfaction. Value of R-Square is 0.60 which means that there is 6.0% change in career satisfaction(X) by 1 percent change in Cronyism(Y). there is 4.7% variation among both variables Cronyism and the Career Satisfaction, and standard error is 0.779.

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	2.762	1	2.762	4.550	.036 ^a
	Residual	43.104	71	.607		
	Total	45.866	72			

a. Predictors: (Constant), CRON				
b. Dependent Variable: CS				

Table 9: ANOVA of Regression Analysis for Crony and CS

In ANOVA table, the regression analysis of Cronyism and the Career Satisfaction is significant with the significance level of 0.036 which is less than the critical value of alpha(0.05), so here we accept the hypothesis. The value of F ratio is 4.550 which shows that means of dependent and independent variables are different from each other.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	4.523	.494		9.150	.000
	CRON	-.393	.184	-.245	-2.133	.036
a. Dependent Variable:						
CS						

Table 10: Coefficient of Regression Analysis for Crony and CS

Coefficient table shows that there is significance between Cronyism and Career Satisfaction, which is 0.036. and Cronyism and the Career Satisfaction are negatively correlated with each other because Beta has value -0.245. there is negative relation between Cronyism and the Career Satisfaction, it means that an increase in Cronyism, Career Satisfaction among employees start decreasing.

4.2.2 Regression Analysis for Cronyism and Work Frustration:

In this section the regression analysis for Cronyism and Work Frustration has done. Here Cronyism is taking as independent variable(Y) and Work Frustration is taking as dependent variable(X).

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.262 ^a	.069	.056	.55798
a. Predictors: (Constant), CRON				

Table 11: Model Summary of Regression Analysis for Crony and WF

Value of R is 0.262 which shows that 26.2% correlation is present between Cronyism and Work Frustration, and value of R-Square is 0.069, means that Work Frustration is changed by 6.9% by a change in Cronyism. Adjusted R-Square has value 0.056, and shows 5.6% variation among Cronyism and Work Frustration. Standard error term is 0.558.

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1.634	1	1.634	5.250	.025 ^a
	Residual	22.105	71	.311		
	Total	23.739	72			
a. Predictors: (Constant), CRON						
b. Dependent Variable: WF						

Table 12: ANOVA of Regression Analysis for Crony and WF

Firstly, we see either there is significance among Cronyism and Work Frustration, so relationship of Cronyism and Work Frustration is significant with value of 0.025. and F ratio means, which shows mean of both variables differ from each other by 5.25 ratio.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	2.583	.354		7.296	.000
	CRON	.302	.132	.262	2.291	.025
a. Dependent Variable: WF						

Table 13: Coefficient of Regression Analysis for Crony and WF

In this table, Beta coefficient have value 0.262 it means that there is positive relationship between Cronyism and Work Frustration. When there is cronyism seen in any organization then employees of this organization will be frustrated from their work, or in other words when Cronyism increases then Work Frustration also increases.

4.2.3 Regression Analysis for Organizational Loyalty and Work Frustration:

Here regression analysis of Organizational Loyalty and Work Frustration is done, in which OL is taken as predictor and WF is taken as an outcome variable. In this analysis impact of OL is checked on the dependent variable i-e WF as following:

Model Summary					
Model	R	R Square	Adjusted R Square	R	Std. Error of the Estimate
1	.247 ^a	.061		.048	.56031
a. Predictors: (Constant), OL					

Table 14: Model Summary of Regression Analysis for OL and WF

Above shown value of R predict how much correlation is present between Organizational Loyalty and Work Frustration, so there is 24.7% correlation among both variables. Adjusted R-Square shows the variation between both variables i-e

Organizational Loyalty and Work Frustration which is 4.8% and there is standard error in term of 0.56031. R-Square is 6.1% which means that Work Frustration is changing by 6.1% with a change in Organizational Loyalty.

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1.449	1	1.449	4.616	.035 ^a
	Residual	22.290	71	.314		
	Total	23.739	72			
a. Predictors: (Constant), OL						
b. Dependent Variable: WF						

Table 15: ANOVA of Regression Analysis for OL and WF

In above tables, level of significance in the relationship of both variables is shown, as there is significant value 0.035 which is less than the value of alpha 0.05 so, we accept the hypothesis. Value of F shows how much the means of Organizational Loyalty and Work Frustration differ from each other, means of both variables differ by 4.616 ratio from each other.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	3.971	.283		14.031	.000
	OL	-.170	.079	-.247	-2.148	.035
a. Dependent Variable: WF						

Table 16: Coefficient of Regression Analysis for OL and WF

In coefficient table, negative value of Beta shows there is negative relationship between Organizational Loyalty and Work Frustration, value of Beta is -0.247 predicts that Work Frustration start decreasing by an increase in Organizational Loyalty. Also, there is significance shown in the table.

4.2.4 Regression Analysis for Organizational Loyalty and Career Satisfaction:

Regression Analysis for Organizational Loyalty and Career Satisfaction is done here, in which the impact of Organizational Loyalty and Career Satisfaction is shown. How much independent variable Organizational Loyalty influence the dependent variable Career Satisfaction. That influence is shown by the following tables:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.347 ^a	.120	.108	.75380
a. Predictors: (Constant), OL				

Table 17: Model Summary of Regression Analysis for OL and CS

Above shown value of R interprets that how much correlation is there between Organizational Loyalty and Career Satisfaction. 34.7% correlation is there between both variables. Adjusted R-Square shows the variation between Organizational Loyalty and Career Satisfaction which is 10.8%, shows variation among variables. Then R-Square is 12% which means that Career Satisfaction is changing by 12% with a change in Organizational Loyalty. And last column shows the standard error of estimate which is 0.75380.

ANOVA ^b					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	5.523	1	5.523	9.721	.003 ^a

	Residual	40.343	71	.568		
	Total	45.866	72			
a. Predictors: (Constant), OL						
b. Dependent Variable: CS						

Table 18: ANOVA of Regression Analysis for OL and CS

Level of significance in the relationship of both variables is shown, as there is significant value 0.003 which is less than the value of alpha 0.05 so, we accept the hypothesis. Value of F shows how much the means of OL and CS differ from each other, means of both variables i-e OL and CS differ by 9.721 ratio from each other.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	2.331	.381		6.123	.000
	OL	.331	.106	.347	3.118	.003
a. Dependent Variable: CS						

Table 19: Coefficient of Regression Analysis for OL and CS

Beta value in above table shows that what is the relationship both Organizational Loyalty and Career Satisfaction having between them. Beta has positive value, 0.347 which shows that there is positive relationship between Organizational Loyalty and Career Satisfaction. An increase in Organizational Loyalty cause a positive increase in Career Satisfaction. There is also significance shown by $0.003 < 0.05$.

4.2.5 Regression Analysis for Organizational Loyalty and Cronyism:

Regression Analysis for Organizational Loyalty and Cronyism is examined after doing the analysis in SPSS software. In this analysis, the impact of Organizational Loyalty and Cronyism is checked through the following table:

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
	.277 ^a	.077	.064	.48194	
a. Predictors: (Constant), OL					

Table 20: Model Summary of of Regression Analysis for OL and Crony

Predictor in above table is OL. Above shows value of R that there is some correlation between both dependent and independent variables, so the value of R is 0.277 means that there is 27.7% correlation between OL and Crony. Adjusted R-Square shows the variation between OL and Crony which is 6.4%, shows variation among variables. R-Square means that Crony is changing by 7.7% with a change in OL. And last column shows the standard error of estimate which is 0.48194.

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	1.373	1	1.373	5.910	.018 ^a
	Residual	16.491	71	.232		
	Total	17.864	72			
a. Predictors: (Constant), OL						
b. Dependent Variable: CRON						

Table 21: ANOVA of Regression Analysis for OL and Crony

In above tables, Level of significance is shown 0.018, which is less than the critical value of alpha 0.05, so here we accept the hypothesis. Then value of F shows how much the means of Organizational Loyalty and Cronyism differ from each other, means of both variables i-e Organizational Loyalty and Cronyism differ by 5.910 ratio from each other.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	2.060	.243		8.460	.000
	OL	.165	.068	.277	2.431	.018
a. Dependent Variable: CRON						

Table 22: Coefficient of Regression Analysis for OL and Crony

Significance is also shown by $0.018 < 0.05$. Beta value in above table shows that either there is positive or negative relationship in both Organizational Loyalty and o Cronyism. Beta has positive value, 0.277 which shows that there is positive relationship between Organizational Loyalty and Cronyism. An increase in Organizational Loyalty cause a positive increase in Cronyism. So, hypothesis has been rejected.

4.3 Mediation analysis:

Incorporation of third variable in the relationship of dependent and independent variable, which creates an impact on their relationship is called mediation analysis. For mediation analysis concept of total, direct and indirect effects must be understandable. Total effect (c) is the relationship of dependent and independent variable. Direct effect (c') is related to the relationship of dependent and independent variable while controlling for mediator. Effect of independent on mediator is (a) and mediator effect on dependent is presented by (b) so, Indirect effect (c-c') is related to the influence of third variable in the relationship of dependent and independent variable and third variable is

called mediator, with the presence of mediator the relationship of dependent and independent variable may be moves towards strong or weak relationship. Partial mediation occurs when direct path start decreasing after incorporation of mediator. And if the direct path (c') changed as insignificant then there will be full mediation.

According to Preacher and Hayes mediation analysis, there must be direct relation of dependent and independent. After that mediator, must have significant relationship with dependent and independent variables. If independent variable is significant predictor of mediator and dependent variable, then there is mediation effect.

For checking the mediation effect of organizational loyalty on cronyism and career satisfaction, we must have to omit the direct path of CRO and CS, then for mediation analysis of organizational loyalty on CRO and work frustration we must omit the direct paths of CRO and WF one by one.

4.3.1 Mediation Analysis Of Organizational Loyalty to Cronyism And Career Satisfaction:

In this section, mediation analysis of organizational loyalty on cronyism and career satisfaction has been done, results are following:

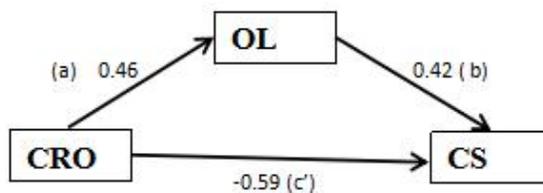


Figure 2: Mediation Path of CRO,CS

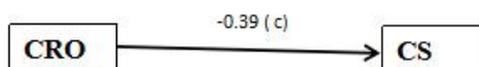


Figure 3: Total Path CRO,CS

Run MATRIX procedure:

***** PROCESS Procedure for SPSS Release 2.16.3 *****

Written by Andrew F. Hayes, Ph.D. www.afhayes.com

Documentation available in Hayes (2013). www.guilford.com/p/hayes3

Model = 4

Y = CS, X = CRON, M = OL, Sample size = 73

Outcome: OL

Model Summary

R	R-sq	MSE	F	p
.2772	.0768	.6557	5.9101	.0176

Table 23: Model Summary of Outcome OL to CRON

Model

	Co-eff	Se	T	p
constant	2.2623	.5137	4.4039	.0000
CRON	.4658	.1916	2.4311	.0176

Table 24: Coefficient of outcome OL to CRON

Outcome: CS

Model Summary

R	R-sq	MSE	F	p
.4968	.2468	.4935	11.4707	.0000

Table 25: Model Summary of outcome CS to OL and CRON

	Co-eff	se	T	p
constant	3.5526	.5029	7.0648	.0000
OL	.4288	.1030	4.1646	.0001
CRON	-.5930	.1730	-3.4277	.0010

Table 26: coefficient of outcome CS to OL and CRON

***** TOTAL EFFECT MODEL *****

Outcome: CS

Model Summary

R	R-sq	MSE	F	p
.2454	.0602	.6071	4.5502	.0364

Table 27: Model summary of outcome CS to CRON

Model

	Co-eff	se	t	p
constant	4.5226	.4943	9.1495	.0000
CRON	-.3932	.1844	-2.1331	.0364

Table 28: coefficient of outcome CS to CRON

***** TOTAL, DIRECT, AND INDIRECT EFFECTS *****

Total effect of X on Y

Effect	SE	t	p
-.3932	.1844	2.1331	.0364

Table 29: effect of X on Y

Direct effect of X on Y

Effect	SE	t	p
- .5930	.1730	3.4277	.0010

Table 30: Direct effect of X on Y

Indirect effect of X on Y

	Effect	Boot	SE
OL	.1997	.0922	.0525

Table 31: Indirect effect of X on Y

Normal theory tests for indirect effect

Effect	Se	Z	P
.1997	.0971	2.0558	.0398

Table 32: Normal theory tests for indirect effect

According to Hayes, if CRO is significant predictor of mediator (OL) and dependent variable (CS), then there is mediation effect.

In above table, indirect effect of CRO on Career satisfaction is 0.1997, with 95% CI, effect is greater than zero so there is a significant effect at alpha 0.05.

Firstly, in mediation analysis, the regression of cronyism on career satisfaction, ignoring the mediator organizational loyalty, is significant, $b = -0.3932, t = -2.1331, p = 0.0364 < p = 0.05$. after that effect of independent variable (CRO) on mediator, organizational loyalty is also significant because value of $p = 0.017$ is also less than alpha 0.05, $b = 0.46, t = 2.43$. in next step of mediation analysis effect of Organizational loyalty on Career satisfaction while controlling for Cronyism is also significant with $b = 0.428, t = 4.16$ and $p = 0.0001$. in fourth step, analysis shows that impact of cronyism on career satisfaction is also significant while controlling for organizational loyalty with $b = -0.59, t = -3.427$ and $p = 0.001$ which is less than $p = 0.05$. In the fourth step, when there is

meaningful reduction in the relationship of CRO and CS then it shows there is partial mediation. Means there is partial mediation when ($c > c'$). Sobel test is also conducted and it is found that there is partial mediation in the model when $z = 2.0558$ and $p = 0.0398$.

4.3.2 Mediation Analysis Of Organizational Loyalty to Cronyism And Work Frustration:

In this section, mediation analysis of organizational loyalty on cronyism and work frustration taking OL (M) as mediator and CRO (X), WF (Y) has been done, results are following:

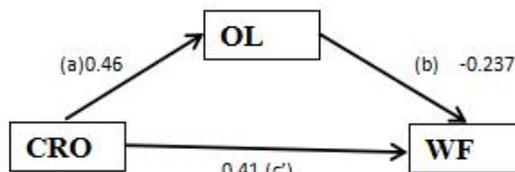


Figure 4: Mediation Path CRO, WF

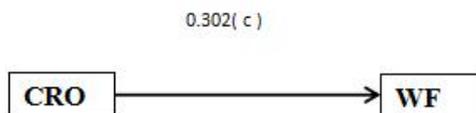


Figure 5: Total Path CRO, WF

Run MATRIX procedure:

***** PROCESS Procedure for SPSS Release 2.16.3 *****

Written by Andrew F. Hayes, Ph.D. www.afhayes.com

Documentation available in Hayes (2013). www.guilford.com/p/hayes3

Model = 4

Y = WF, X = CRON, M = OL, Sample size= 73

Outcome: OL

Model Summary

R	R-sq	MSE	F	p
.2772	.0768	.6557	5.9101	.0176

Table 33: Model Summary of outcome OL to CRON

Model

	Coeff	se	T	P
constant	2.2623	.5137	4.4039	.0000
CRON	.4658	.1916	2.4311	.0176

Table 34: coefficient of outcome OL to CRON

Outcome: WF

Model Summary

R	R-sq	MSE	F	p
.4238	.1796	.2782	7.6639	.0010

Table 35: Model Summary of outcome WF to CRON and OL

Model

	Coeff	se	T	p
constant	3.1205	.3776	8.2648	.0000
OL	-.2377	.0773	-3.0746	.0030
CRON	.4132	.1299	3.1811	.0022

Table 36: coefficient of outcome WF to CRON to OL

***** TOTAL EFFECT MODEL *****

Outcome: WF, Model Summary

R	R-sq	MSE	F	p
.2624	.0688	.3113	5.2497	.0249

Table 37: Model Summary of WF

Model

	Co-eff	se	T	p
constant	2.5828	.3540	7.2964	.0000
CRON	.3025	.1320	2.2912	.0249

Table 38: coefficient of WF

***** TOTAL, DIRECT, AND INDIRECT EFFECTS *****

Total effect of X on Y

Effect	SE	T	p
.3025	.1320	2.2912	.0249

Table 39: Total effect of X on Y

Direct effect of X on Y

Effect	SE	t	p
.4132	.1299	3.1811	.0022

Table 40: Direct effect of X on Y

Indirect effect of X on Y

Effect	OL	Boot SE
	.1107	.0565

Table 41: Indirect effect of X on Y

Normal theory tests for indirect effect

Effect	Se	Z	p
-0.1107	.0599	-1.8478	.0646

Table 42: Normal theory tests for indirect effect

After the second mediation analysis of Cronyism and Work Frustration with mediating variable of Organizational Loyalty, we firstly found that, Cronyism and Work frustration have significant relationship, with $b=0.032$, $t=2.291$, $p=0.024$. in second step of analysis we found that impact of Cronyism on Mediator is also significant with $b=0.46$, $t=2.43$, $p=0.017$. when controlling Cronyism, and checking the impact of Organizational loyalty on Work Frustration, we found relationship significant with $p=0.003$, $t= -3.07$, $b= -0.237$. in last step of mediation analysis controlling Organizational Loyalty, impact of Cronyism on Work Frustration shows increasing then the previous results when there was no mediator. Previous path is shown as (c) and new path or direct path is shown as (c'), there is partial mediation because there is significant relationship between Organizational loyalty and Work Frustration, but also increasing direct relationship of Cronyism and Work Frustration. Indirect effect is shown less than zero at CI of 95%, so indirect effect is not significant. Sobel test is conducted and found that there is partial mediation between Organizational loyalty, cronyism and Work frustration ($c'>c$).

CHAPTER 5

CONCLUSION AND IMPLICATIONS

5.1 Conclusion:

In this study, the major consideration was to understand how Cronyism(CRO) place an impact on Career Satisfaction(CS) and Work Frustration(WF) with a mediating variable Organizational Loyalty(OL) at public sector organizations, how an employee's Career satisfaction and Work Frustration change by Cronyism Practice and by incorporation of Organizational Loyalty what change will occur.

Findings of current study is related to the focus of the study. Through the results of the research we find their cronyism have significant relationship with other variables Career satisfaction and Work Frustration. The research also explores the indirect effect of Cronyism on Career Satisfaction and Work Frustration by in incorporation of Organizational Loyalty.

This section is related to the discussion of the research's results in the light of theoretical support. Previous researches and results of present research takes into account to discuss the present research. This notion was not taken before this research, to examine the impact of Cronyism and Career Satisfaction, Cronyism and Work Frustration with an incorporated variable Organizational Loyalty. Results of Direct and Indirect effects are very interesting to elaborate the relationship of CRO, CS, and WF by controlling and allowing mediator to affect the original relationship. Practice of cronyism have more effect than the other ethical concepts (Khatri and Tsang, 2003). According to theory discussed in literature, CRO has negative impact on OL, CS, and Organizational Loyalty has positive relation CS and CRO, Organizational Loyalty has negative relation with WF. Finding in this research shows that Cronyism has negative relationship with CS but positive relation with OL. CRO and OL have significant relationship but the relationship is positive. Increase in Cronyism will lead to an increase in Organizational Loyalty. Relation of Organizational Loyalty has positive relation CS and CRO, Organizational

Loyalty has negative relation with WF, as relation is shown by the value of Beta in results. Negative and positive Beta shows negative and positive relationship respectively. This is the evident that an increase in Cronyism will lead to an increase in work frustration and decreases career satisfaction. Similarly, increase in Cronyism will make an increase in Organizational Loyalty. Organizational Loyalty creates a negative impact of WF and positive effect on CS. All the results are explained in detail in Chapter 4.

Main purpose of the study is to investigate the impact of Cronyism on Career Satisfaction and Work frustration with an incorporated construct of Organizational Loyalty. The research is based on upper administration of upper grade employees at public sector universities of Rawalpindi and Islamabad. Concept of Cronyism effect employees of organizations more than other unethical concepts in public sector universities where employees have different views and cultural differences. Loyal employees are the real assets of the organizations so that Career Satisfaction increases and Work Frustration start decreasing. Different researches are conducted to test the relationship of Cronyism Work Frustration and Career Satisfaction. Previous research by (Turan,A., 2015), examine the relation of Cronyism, Work Frustration, and Career Satisfaction with an incorporate variable Organizational Commitment. Impact of Cronyism on Organizational Loyalty is questionable, through the findings of the correlation between them, because the correlation is positive between them, but literature does not support that result, many of the researchers conclude that organizational loyalty effect negatively to Cronyism. According to the theory of (Hirshman, 1970), a loyal employee will take less effect from the cronyism prevailing in the organization. Beta is positive in the regression analysis and mediation analysis of Cronyism and organizational loyalty. So, that Loyalty in an employee increases cronyism in public sector universities of Rawalpindi and Islamabad.

As in literature, Cronyism has positive relation with Work Frustration, and negative relation with Career satisfaction, our results supports that relationship. Relationship of OL and CS are also positive and theory support that results. OL and WF has negative relation and literature also support that results. Mediator variable OL has significant impact on CRO and CS, and OL also has significant impact on CRO and WF

relationship. Both Mediation analysis shows there is partial mediation because indirect path influence the dependent variables more or less.

According to the previous research, CRO to CS has negative Beta value, and CRO to WF has positive Beta, OL to CS has Positive Beta, OL to WF has negative correlation all the results or findings are supported by the literature review except relation of CRO to OL, according to the theory it should be negative but correlation shows positive relation. There may be different consequences happen to affect the relation of OL and CRO because the research is done in Pakistan which is developing country. Past research was done in Developed country, there may be cultural difference that support the positive relation of CRO and OL.

Findings of the research suggest that Cronyism has negative impact on Career Satisfaction. Cronyism in an organization will lead towards less career satisfaction of employees, but with the presence of Organizational Loyalty, Cronyism in an organization effect less to an employee's Career Satisfaction so that CS start increasing.

Another finding of the result is that cronyism positively impact Work Frustration. Means Cronyism Increases Work Frustration among Employees in an Organization. Incorporation of Mediator Variable Organizational Loyalty have an indirect relationship with CRO and WF, and we found that with the incorporation of OL, WF start decreasing even there is CRO present in an organization.

Through all the findings it is concluded that hypothesis used in the study are accepted on the basis of the results.

5.2 Contribution and implications:

5.2.1 Upper Administrations Implications:

The findings of my research can help upper administration to solve the problem of cronyism at organizations. Many of the researches are conducted on the problem of cronyism at organizations multiple variables are focused in the researches which affect Career Satisfaction and Work Frustration. But I have focused on Organizational Loyalty

that minimize the effect of Cronyism on Career Satisfaction and Work Frustration. If upper administration focus making the employees loyal to them then there can be less effect of Cronyism on career Satisfaction and Work frustration. Upper Administration implications can be showed by the incorporation of mediator in the relation of Cronyism, Career Satisfaction and Work Frustration in my research. This effect of OL is the key finding of the study and useful for the upper Administration.

5.2.2 Researcher's implications:

In my study, there is limited population of Rawalpindi and Islamabad universities is used. Because limited information and resources are there in developing that, in developing country it is difficult of access information at large scale. After that researchers use a sufficient amount of information to conduct a detail study, so there is implication for the researcher to use multiple resources and access sufficient information to conduct the study to observe the impact of cronyism on career Satisfaction with mediator (OL), more properly.

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Impact of cronyism on career satisfaction and work frustration with mediating effect of organizational loyalty

As a part of my MBA research at Pakistan Institute of Development Economics, I am conducting a survey that investigate the Impact of cronyism on career satisfaction and work frustration with mediating effect of organizational loyalty. I would appreciate you to complete the following information required.

Age: _____

Gender: _____

Designation: _____

Email Address (optional): _____

Please indicate your level of agreement or disagreement with each of these statements by Placing an "Tick" mark in the box of your answer.

Strongly disagree=1, Disagree=2, neutral=3, Agree=4, strongly Agree=5

	1	2	3	4	5
1. Employees at this institution depend on high ranking.	<input type="checkbox"/>				
2. Department heads are scared off from employees who have relations in upper-administration.	<input type="checkbox"/>				
3. I watch what I say when I talk to colleagues who have relations in upper-administration.	<input type="checkbox"/>				
4. Employees try to meet the demand of other employees who have relatives in the upper-administration.	<input type="checkbox"/>				
5. Employees value family members' benefits than the benefits of institution.	<input type="checkbox"/>				
6. Favoritism causes internal conflicts in the institution.	<input type="checkbox"/>				
7. Institute has to keep staff for long term who have not any relatives in upper-administration.	<input type="checkbox"/>				
8. It is difficult to remove or demote employees in the institution who have relatives in the upper-administration.	<input type="checkbox"/>				
9. I am satisfied with the success I have achieved in my career.	<input type="checkbox"/>				

	1=Strongly Disagree	2=Disagree	3=Neutral	4=Agree	5=strongly Agree
10. I am satisfied with the progress, I have made for meeting my career goals.	<input type="checkbox"/>				
11. I am satisfied with the progress, I have made for meeting my goal of income.	<input type="checkbox"/>				
12. I am satisfied with the progress, I have made for meeting my goals for advancement.	<input type="checkbox"/>				
13. I am satisfied with the progress, I have made for meeting my goals for the development of new skills.	<input type="checkbox"/>				
14. Employee's loyalty is effected by working at over time.	<input type="checkbox"/>				
15. Employee's loyalty is effected by Job security .	<input type="checkbox"/>				
16. Attractive salary package increase employee loyalty.	<input type="checkbox"/>				
17. Less opportunities for promotion in this institution.	<input type="checkbox"/>				
18. I have feeling of security on my position.	<input type="checkbox"/>				
19. I have opportunity in my position to help others.	<input type="checkbox"/>				
20. I have opportunity in my position to develop close friendship.	<input type="checkbox"/>				
21. I have the feeling of self-esteem resulting from doing my position.	<input type="checkbox"/>				
22. Regards received for my work from employees in the institution is not frustrating.	<input type="checkbox"/>				
23. Regards received fro my work from the students is not frustrating.	<input type="checkbox"/>				
24. I have opportunity for independent taught and action in my position.	<input type="checkbox"/>				
25. I have authority to participate in the setting of goals and procedures in my position.	<input type="checkbox"/>				

	1=Strongly Disagree	2= Disagree	3=Neutral	4=Agree	5=strongly Agree
26. I have opportunity to participate in work determination method in my position.	<input type="checkbox"/>				
27. I have opportunity for personal growth and development in my position.	<input type="checkbox"/>				
28. I have feeling of self-fulfillment resulting from my position.	<input type="checkbox"/>				
29. I have feeling of work accomplishment in my position.	<input type="checkbox"/>				
30. I work for good pay in my position.	<input type="checkbox"/>				
31. I have feeling of an expert in my position.	<input type="checkbox"/>				
32. Position/authority that I have is not frustrating one.	<input type="checkbox"/>				