



# “The impact of perceived organizational cronyism on decision-making: The moderating role of ethical organizational culture”

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# THE IMPACT OF PERCEIVED ORGANIZATIONAL CRONYISM ON DECISION-MAKING: THE MODERATING ROLE OF ETHICAL ORGANIZATIONAL CULTURE

## Abstract

One of the primary responsibilities of managers is to make informed decisions that promote company progress and enhance performance. Unfortunately, not all managers adhere to appropriate decision-making standards. Some managers may resort to subjective criteria instead of relying on objective performance metrics. The purpose of this study is to investigate employees' perceptions of cronyism and how organizational cronyism influences decision-making in pharmaceutical manufacturing companies in Jordan. A quantitative approach was employed, using a structured questionnaire to gather employee responses. The questionnaires were collected from employees of the top five pharmaceutical companies, which are considered the most dynamic and competitive in the Jordanian market. A total of 452 usable questionnaires were included in the analysis. The results indicate that all three dimensions of organizational cronyism, including paternal cronyism ( $\beta = 0.295$ ,  $t = 5.382$ ,  $p > 0.000$ ), in-group bias ( $\beta = 0.277$ ,  $t = 3.514$ ,  $p > 0.000$ ), and reciprocal exchange of favor ( $\beta = 0.321$ ,  $t = 3.866$ ,  $p > 0.000$ ), have a significant impact on decision-making. Regarding the moderating impact of ethical organizational culture, the results reveal a weak impact on the relationship between the dimensions of organizational cronyism and organizational culture. Unprejudiced decision-making can be a crucial factor in fostering an ethical culture and reducing organizational cronyism.

## Keywords

horizontal cronyism, vertical cronyism, paternal cronyism, in-group bias, reciprocal exchange of favor, Jordan

## JEL Classification

M14, D23, D73

## INTRODUCTION

Cronyism, a form of favoritism in which influential individuals provide preferential treatment to friends or colleagues, significantly impacts organizational integrity, governance, and economic success. In addition to undermining meritocracy, cronyism diminishes organizational effectiveness and employee morale. This issue is global in scope, hindering economic performance by distorting the allocation of resources. Negulescu and Doval (2014) asserted, "Making decisions is a huge responsibility not only for the organization itself but also for its employees and other stakeholders." Merit violations are common in environments characterized by cronyism, as decisions are often based on subjective criteria rather than objective standards (Rynes et al., 2005; Arasli & Tumer, 2008). In collectivist cultures with high power distance, it is particularly prevalent that personal affiliations take precedence over quality in business decision-making (Keleş et al., 2011; Soleimanof, 2016). The social and cultural framework of Arab countries is one of the many factors that contribute to cronyism, as it emphasizes kinship and family relationships, which serve as the primary source of organizational values.



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Author(s) reported no conflict of interest

In organizations where cronyism is common, top employees often favor their preferred group based on factors unrelated to performance, such as personal friendships, strong political connections, and social status. Employees are categorized into “in-groups” and “out-groups” through informal social networks fostered by organizational cronyism. This phenomenon is particularly prevalent in collectivist cultures with high power distance, where personal connections are often valued more than merit in business decision-making.

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## 1. LITERATURE REVIEW

According to Ott (1989), organizations are complex networks of coalitions and individuals, each possessing distinct interests, values, beliefs, preferences, opinions, and perceptions. Consequently, every company cultivates a unique work environment shaped by the vision of top management, which is reflected in its decision-making processes. Organizations may experience detrimental behaviors, such as nepotism, favoritism, and cronyism, which undermine employees' commitment, citizenship, and loyalty. Cronyism refers to the practice of favoring colleagues, friends, or partners based on personal relationships rather than objective performance criteria. This practice often involves providing excessive advantages, such as preferential appointments, promotions, reduced workloads, and other favorable working conditions. As a result, cronyism can lead to feelings of organizational cynicism, deviance, and decreased job performance among those who are not part of the favored group. Khatri and Tsang (2003) define organizational cronyism as the “unfair use of organizational power and authority.” Erdem and Karataş (2015) further describe cronyism as rewarding employees based on friendship and long-term relationships while disregarding merit and transparency. Turhan (2013) defined organizational cronyism as “any privileged or favored treatment by a manager toward certain employees based on factors (such as personal relationships and loyalty) that are unrelated to performance criteria or formal procedures from the perspective of employees.” Consistent with Turhan's (2013) conceptualization, De Clercq et al. (2022) described organizational cronyism as “an overarching construct that reflects employees' perception that decision-making throughout the organization is predicated on favoritism.” At this stage, it is essential to clearly distinguish between cronyism, nepotism, and favoritism.

Nepotism refers to preferential treatment based on biological relationships, while cronyism involves prioritizing individuals based on personal friendships. Favoritism can arise from factors beyond qualifications, including loyalty, personal preferences, or in-group bias. Additionally, two types of cronyism have emerged: horizontal cronyism, which is supported by peers, and vertical cronyism, which is endorsed by superiors. For example, when friends or coworkers at the same level show preference for one another based more on personal relationships than on merit, this is termed horizontal cronyism. Horizontal cronyism involves forming alliances to influence decisions, concealing shortcomings, and sharing sensitive information to gain an advantage. In contrast, when superiors or leaders favor their subordinates while completely disregarding performance-related criteria, this is known as vertical cronyism. Individuals who are favored may receive better projects, opportunities, promotions, or advancements that are not justified at the vertical level. This favoritism may manifest in the form of preferential working conditions and unfair promotions for certain employees. According to Choi (2011) and Diefenbach (2009), such favoritism can lead to unproductive behaviors, increased work stress, intentions to leave the organization, and a lack of confidence in management.

The concept of cronyism has been prevalent in organizations, as management is often not immune to favoritism (Kteily & Bruneau, 2017). Pearce (2015) describes cronyism as a tactic employed by management to misuse their authority in favor of specific subordinates based on personal relationships and friendships. Consequently, in many organizations, relationships often take precedence over merit (Arasli et al., 2006). Cronyism and favoritism are likely to thrive in environments where institutions lack the autonomy to make decisions based on merit (Dhiman, 2024). Leaders may behave in ways that are either constructive,

such as empowering subordinates, or harmful, such as engaging in abusive monitoring. They may also exhibit positive actions toward certain staff members while displaying inappropriate conduct toward others (Jawahar et al., 2021). As noted by Akca (2020), organizational cronyism is a significant stressor in the workplace that negatively impacts employees' attitudes and behaviors, including job satisfaction, organizational commitment, ethical leadership, and organizational citizenship behavior. This assertion was supported by Ali et al. (2022), who found a strong positive correlation between organizational cronyism and unproductive work behavior, organizational dissatisfaction, and organizational deviance. Negm et al. (2023) examined the effects of perceived organizational cronyism – such as in-group bias, paternal cronyism, and the reciprocal exchange of favors – on employee frustration in Egypt. Their findings indicated that perceived organizational cronyism contributes to increased job and organizational frustration.

Based on Khatri and Tsang (2016) and Turhan (2013), three dimensions are used to measure organizational cronyism: in-group bias, paternal cronyism, and reciprocal exchange of favors. In-group bias is the first dimension of organizational cronyism. According to Elbaz et al. (2018), nepotism and cronyism foster the development of powerful informal social networks, leading to classifications of in-groups (preferred) and out-groups (not favored) in cultures characterized by power distance. Top management often abuses their authority by granting unwarranted benefits to friends, family, supporters, and trusted staff members, regardless of their performance. Favored groups, referred to as cronies, receive preferential treatment based on criteria unrelated to performance, while non-cronies, despite being high achievers, are denied these benefits. Khatri and Tsang (2016) assert that cronyism is a potential outcome that significantly influences employee behavior as long as in-group biases persist and loyalty to leaders is prioritized.

The second dimension is paternal cronyism, which refers to management's expectation of employees' submission, unwavering loyalty, and compliance with decisions (Begley et al., 2010; Turhan, 2013). Demonstrating obedience and fidelity to man-

agement is indicative of paternalism in practice (Hofstede, 2010). From an organizational standpoint, paternalism describes leaders' tendencies to favor employees who are related to them or exhibit loyalty, often to the detriment of others, and to treat these employees preferentially (Turhan, 2013).

The third dimension involves the reciprocal exchange of favors, which Cialdini (2001) defines as the norm of reciprocity. This norm encompasses the commitment to repay and the obligation to accept benefits when offered. Barbalet (2023) describes the reciprocal exchange of favors as “a mechanism that generates an enduring relationship characterized by affective bonding, mutual appreciation, and a sense of reciprocal indebtedness, with the intention of enhancing benefits and satisfying interests.” Bilal et al. (2020) found that perceived business success is negatively correlated with reciprocal exchanges of favors. This suggests that organizations may struggle to succeed if they exhibit a high level of cronyism.

Organizations are composed of groups and individuals that take part in organizational decision-making processes with various purposes. Disparities in goals, job interdependencies within team members, and variances in how the company and its surroundings are all expected to affect the likelihood of conflict inside an organization. The viability of organizations relies heavily on managerial operations, especially decision-making. Because of that, it is very influential to carry out administrative activities effectively. By undermining the administrative components, cronyism is believed to undermine the efficacy of these decision-making procedures and cost companies their competitive edge. Jones (1991) highlighted how management trust may be damaged and the organization's culture can be adversely affected when decision-making procedures are perceived as unfair and opaque. This can further undermine employee morale and create a toxic work environment detrimental to organizational performance (Shaw et al., 2005).

Strauss et al. (2017) found that employee engagement in proactive activity can lead to stress in firms where organizational cronyism is pervasive since proactive conduct requires a high degree of cognitive functioning and decision-making. This

can be resource-draining, so employees cast aside their efforts to enhance their work and bring favorable transformations. Employees are, therefore, inclined to refrain from constructive conduct if they are unhappy with organizational decision-making procedures that put cronyism ahead of performance (Khan, 2024). Therefore, a firm's performance is contingent upon making various sound organizational decisions. The decision-making environment of a firm can significantly influence the quality of its decision-making by implementing transparent and merit-based selection processes, thereby minimizing subjective decision-making and reducing the potential for cronyism and favoritism. Kirbac (2013) posited that unjust practices could contribute to a toxic culture, flawed decision-making processes, and unethical behaviors exhibited by leaders. When personal relationships are prioritized over performance in decision-making, equality is severely compromised (Shaheen, 2017). According to Lasisi et al. (2022), employees' motivation, as well as their hope, resilience, and – most importantly – their well-being, is undermined when they perceive that dysfunctional political maneuvers distort organizational decision-making in favor of favoritism over merit. Supporting this notion, Saraç and Batman (2024) found that cronyism adversely affects motivation in both city hotels and resorts. Furthermore, organizational cronyism contributes to an increase in employee deviant workplace behavior, with employee ignorance partially mediating the relationship between organizational cronyism and deviant behaviors at work (Shaheen et al., 2023).

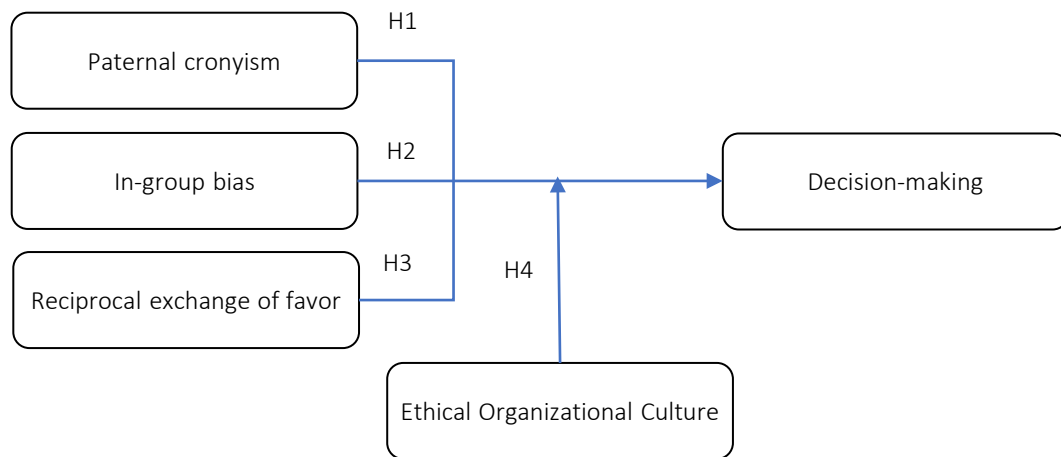
Concerning the moderating variable, organizational ethical culture, ethical organizational culture, and ethical business culture have been used interchangeably in the literature to describe ethical culture (Roy et al., 2024). Treviño and Weaver (2003) defined ethical culture as “a specific set of organizational values that govern immoral and unethical practices and conduct.” By incorporating employees' behaviors, abilities, expectations, and goals in fostering an ethical atmosphere and refraining from unethical behavior, ethical organizational culture elucidates the moral norms of the workplace. Ethical organizational culture is one of these settings that, at its best, can provide clear norms and support that assist individuals in navigating com-

plex ethical decision-making scenarios when they encounter and recognize a moral conflict and seek a resolution (Huhtala et al., 2015). Previous research has demonstrated that ethical culture can mediate and moderate other variables. Similarly, Demirtas and Akdogan (2015) found that ethical culture serves as a mediator between ethical leadership and turnover intentions. The primary objective of the analysis conducted by Danilwan et al. (2022) was to investigate how human resource practices influence organizational performance and how ethical culture moderates this relationship. The findings indicate that ethical culture has a moderating effect on organizational performance across all HR activities.

In the Jordanian context, there are limited studies that examine cronyism. Loewe et al. (2008) investigated the impact of *Wasta* on Jordan's business environment. They concluded that *Wasta* exacerbates the complexity of administrative processes and increases the injustice of administrative decisions, resulting in a mediocre business climate in Jordan. Akhwarshida and Al-Adwan (2017) identified the prevalence of nepotism and cronyism in higher education institutions and their relationship with quality. The study concluded that academic leaders have multiple definitions of *Wasta* and cronyism, including force majeure, violations of the law, and covert corruption. The primary reasons for favoritism and cronyism include weak religious motivation, a lack of legal accountability, and the absence of penalties. Al-Rawabdeh et al. (2020) examined the prevalence of *Wasta* and cronyism in the Jordanian public sector and sought to understand the reasons and motivations behind this behavior from the perspective of government employees. The main finding of the study indicated that the Jordanian public sector engages in a moderate amount of *Wasta* and cronyism, with a prevalence rate of 60.6%. The most common reasons and motivations for practicing *Wasta* were found to contribute to a lack of justice in society and a decline in citizens' trust, as individuals faced difficulties in obtaining their rights through official channels.

The literature review infers that most studies agree that organizational cronyism leads to a





**Figure 1.** Research model

range of detrimental employee behaviors, including deviant workplace conduct, work-related stress, diminished organizational commitment, and reduced organizational citizenship behavior, as it undermines management's decision-making capabilities.

Therefore, the purpose of this study is to examine how employees perceive cronyism and how organizational cronyism impacts decision-making in pharmaceutical manufacturing companies in Jordan. Figure 1 illustrates the research model.

The study offers up the following hypotheses:

- H1: Paternal cronyism will significantly affect decision-making.*
- H2: In-group bias will significantly affect decision-making.*
- H3: Reciprocal exchange of favor will significantly affect decision-making.*
- H4a: Organizational ethical culture will moderate the relationship between perceived paternal cronyism and decision-making.*
- H4b: Organizational ethical culture will moderate the relationship between reciprocal exchange of favor and decision-making.*
- H4c: Organizational ethical culture will moderate the relationship between in-group bias and decision-making.*

## 2. METHOD

The paper employed a quantitative approach, encompassing both descriptive and analytical methods, for data collection and analysis. The Jordanian pharmaceutical sector comprises 27 manufacturers and is recognized as the fifth-largest exporting industrial sector in Jordan (Sboul, 2024). The study population consisted of all employees from the top five pharmaceutical companies in Jordan, selected due to their active and competitive presence in the sector. Thus, 520 questionnaires were distributed, of which 488 were only completed. However, in the final analysis, 36 questionnaires were omitted, which yielded an 86% response rate.

The questionnaire consists of two parts: the first pertains to the respondent's profile, while the second is dedicated to measuring the study variables using a five-point Likert scale. To assess employees' perceptions of cronyism, the perceived organizational cronyism scale developed by Turhan (2013) was utilized. This measure comprises a total of 15 items across three dimensions: reciprocal exchange of favors (four items), paternal cronyism (five items), and in-group bias (six items). The eight-item scale created by Ardichvili et al. (2012) was employed to evaluate ethical culture, and questions regarding decision-making were adopted from Shamim et al. (2019).

Table 1 shows the respondents' demographic profile. Accordingly, 64.8% of respondents were men, and respondents aged between 31–40 were the highest among other categories with 46.7%.

Concerning working experience, employees with four to six years of experience were the highest category, with 39.1%. The majority of respondents attended undergraduate education at 82.7%. Employees were the dominant category in terms of profession, with 86.0% distributed in various departments, such as marketing and sales at 41.8% and production at 26.5%.

**Table 1.** Demographic profile

Demographic Factors	Frequency	%
<b>Gender</b>		
Male	293	64.8
Female	159	35.2
<b>Age</b>		
22–30	62	13.7
31–40	211	46.7
41–50	92	20.4
More than 51	87	19.2
<b>Profession</b>		
General manager	4	0.88
Manager assistant	13	2.9
Head of the department	46	10.2
Employee	389	86.0
<b>Education level</b>		
High school/Diploma	42	9.2
Undergraduate	374	82.7
Postgraduate	36	7.9
<b>Working experience</b>		
1–3 years	94	20.8
9–4 years	176	39.1
15–01 years	89	19.6
16–20 years	62	13.7
More than 21 years	31	6.8
<b>Department</b>		
Administrative	60	13.2
Marketing and sales	189	41.8
Production	120	26.5
R&D	43	9.5
Finance	18	3.9
Human Resource	22	4.8

### 3. RESULTS

The extent to which items measure the same constructs is known as convergent validity. PLS-SEM uses item loadings, average variance extracted (AVE), and composite reliability (CR) to evaluate convergent validity for reflective constructs. Hair et al. (2017) stated that the value of AVE must be more than 0.5 to achieve a sufficient value of convergent validity. After ensuring the formative and reflective measurements of reliability and validity,

the study can analyze the structural model (SM). A number of procedures were employed to guarantee the validity and reliability of the questionnaire, as shown in Table 2. The metrics include discriminant validity for construct validity, internal consistency as determined by Cronbach's alpha, and composite reliability (CR). The results were obtained from analysis for in-group bias ( $\alpha = 0.781$ , C.R. = 0.912, AVE = 0.794), for paternal cronyism ( $\alpha = 0.783$ , CR = 0.992, AVE = 0.760), for reciprocal exchange of favor ( $\alpha = 0.739$ , CR = 0.908, AVE = 0.824), for ethical culture ( $\alpha = 0.873$ , CR = 0.936, AVE = 0.792), and for decision-making ( $\alpha = 0.868$ , CR = 0.941, AVE = 0.799). The scale items indicate sufficient convergent validity and internal reliability; Cronbach's alpha, CR, and AVE scores for every dimension were higher than the recommended cutoff level, as Hair et al. (2014) suggested. Further evidence of scale reliability was provided by the fact that all standardized factor loadings were higher than 0.70.

To measure discriminant validity, Leguina's (2015) Fornell-Larcker criterion was used as exhibited in Table 3. According to Hair et al. (2012), "The square root of AVE for each construct should be greater than the correlations of the construct with other model components." According to Table 4, the validity results were acceptable. The data used to measure the research dimensions had sufficient reliability, discriminant validity, and convergent validity. Therefore, the study can proceed with assessing the inner model to test the hypotheses.

The amount of variation in the dependent variable that can be explained or accounted for by the independent variables is known as the coefficient of determination ( $R^2$ ). For social sciences,  $R^2 > 0.75$ ,  $\geq 0.50$ , and  $\geq 0.20$  are the threshold values, and they are regarded as good, moderate, and weak, respectively. The dependent variable's  $R^2$  value in the current study was 0.743, meaning that 74.3% of the organization's cronyism aspects account for decision-making. Figure 2 illustrates the near-to-good results.

For testing the hypotheses, the partial least squares structural equation modeling (PLS-SEM) method for data analysis is deemed more suitable for theory development. The findings of direct relationships between theoretical constructs show that parental cronyism significantly affects decision-

**Table 2.** Factor loadings, Cronbach's alpha, average variance extracted (AVE), and weight of item loading

Variable	Factor Loadings	Cronbach's Alpha	CR	AVE
<b>In-group bias</b>				
IGS1	0.858	0.781	0.912	0.794
IGS2	0.843			
IGS3	0.869			
IGS4	0.912			
IGS5	0.887			
IGS6	0.904			
<b>Paternal cronyism</b>				
PC1	0.837	0.783	0.922	0.760
PC2	0.841			
PC3	0.836			
PC4	0.888			
PC5	0.825			
<b>Reciprocal exchange of favor</b>				
REF1	0.898	0.739	0.908	0.824
REF2	0.826			
REF3	0.903			
REF4	0.927			
<b>Ethical culture</b>				
EC1	0.864	0.873	0.936	0.792
EC2	0.901			
EC 3	0.815			
EC4	0.914			
EC5	0.877			
EC6	0.802			
EC7	0.848			
EC 8	0.853			
<b>Decision-making</b>				
DM1	0.922	0.868	0.941	0.799
DM2	0.835			
DM3	0.924			
DM4	0.852			
DM5	0.801			
DM6	0.849			
DM7	0.882			

**Table 3.** Discriminant validity: Fornell-Larcker criterion

Variable	DM	IGB	PC	REF	EC
DM	0.820	–	–	–	–
IGB	0.619	0.748	–	–	–
PC	0.544	0.672	0.870	–	–
REF	0.201	0.442	0.521	0.802	–
EC	0.565	0.583	0.636	0.541	0.754

Note: DM = decision-making; IGB = in-group bias; PC = parental cronyism; REF = reciprocal exchange of favor; EC = ethical culture.

making ( $\beta = 0.295$ ,  $t = 5.382$ ,  $p > 0.000$ ), as shown in Table 4; thus, the first hypothesis is accepted. Table 4 shows that in-group bias has a significant effect on decision-making ( $\beta = 0.277$ ,  $t = 3.514$ ,  $p > 0.000$ ); thus, the second hypothesis is accepted. The result for testing the direct impact of recip-

cal exchange of favor and decision-making was  $\beta = 0.321$ ,  $t = 3.866$ ,  $p > 0.000$ ; the study accepts the third hypothesis.

For testing the indirect impact, the paper checked the moderating impact of organizational ethical



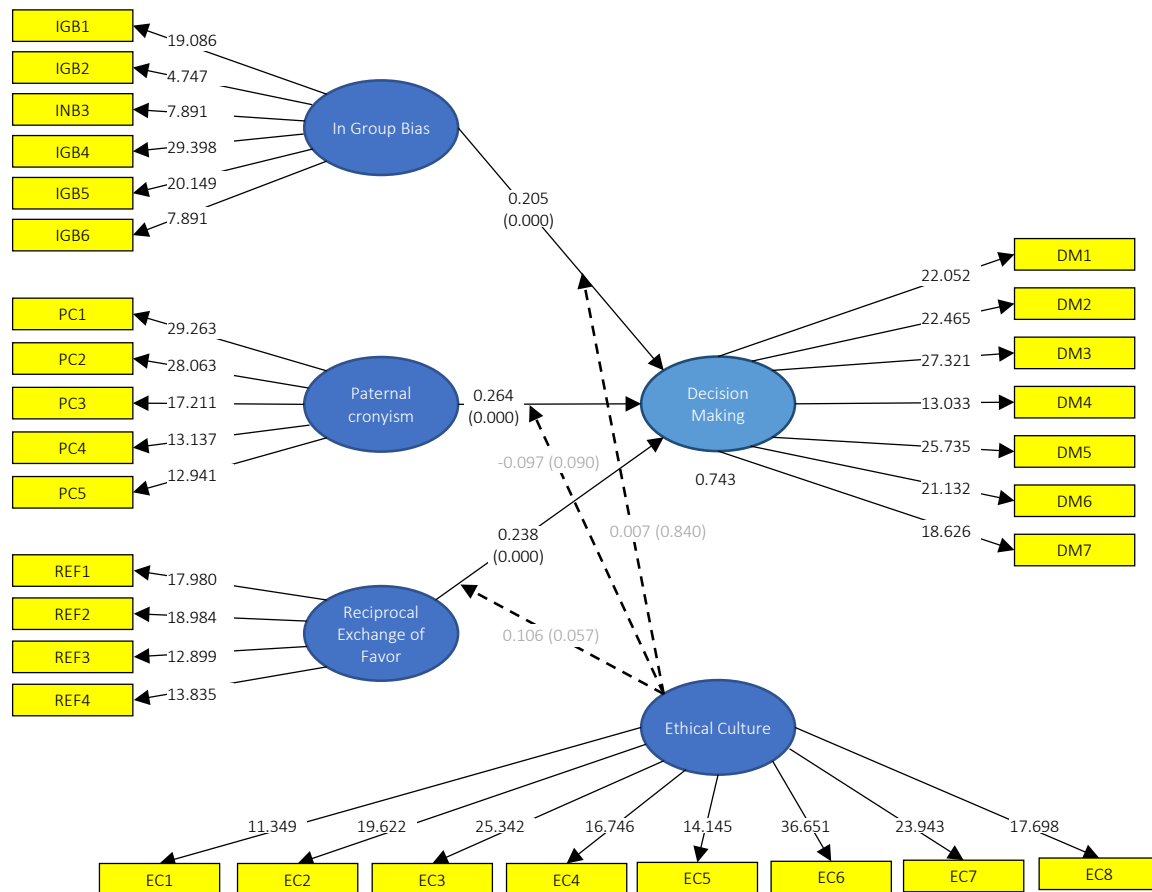


Figure 2. Hypotheses testing

culture on the relationship between organizational cronyism dimensions and decision-making with the help of SmartPLS v.4.10.9 through 5,000 arbitrarily drawn samples along with a replacement of 0.05 level of significance. The results show that ethical organizational culture has no statistically significant moderating impact on the relationship between organizational cronyism dimensions and decision-making. The results were where  $\beta = 0.277$ ,  $t = 0.202$ ,  $p > 0.057$  for in-group bias, paternal cronyism showed  $\beta = 0.277$ ,  $t = 1.697$ ,  $p > 0.090$ , and

reciprocal exchange of favor showed  $\beta = 0.277$ ,  $t = 1.903$ ,  $p > 0.840$ .

#### 4. DISCUSSION

According to the results, the first dimension of organizational cronyism, paternal cronyism, significantly impacts decision-making. This outcome is consistent with the high power distance and collectivist culture that predominates in the major-

Table 4. Hypothesis testing

Hypothesis	Path	Std. Coefficient	t-value	p-value	Decision
H1	Paternal cronyism → Decision-making	0.063	5.382	0.000	Supported
H2	Reciprocal favor → Decision-making	0.061	3.866	0.000	Supported
H3	In-group bias → Decision-making	0.058	3.514	0.000	Supported
H4a	Ethical culture × Paternal cronyism → Decision-making	0.057	1.697	0.090	Not Supported
H4b	Ethical culture × Reciprocal exchange of favor → Decision-making	0.056	1.903	0.057	Not Supported
H4c	Ethical culture × In-group bias → Decision-making	0.034	0.202	0.840	Not Supported

ity of Arab nations. Employees showing absolute devotion to their manager are given distinctive status in the organization, and absolute loyalty became the only criterion in assessing employees' performance. This unethical mutual relationship is based on unconditional obedience by employees in return for protection. Paternal cronyism grants incompetent and inexperienced individuals the ability to occupy higher positions, which consequently leads to deprived decision-making. The outcome is consistent with Turhan (2013), Badran and Akeel (2022), and Negm et al. (2023).

The findings of the second hypothesis, which investigated in-group bias, the second element of organizational cronyism, revealed a significant impact on decision-making. Because cronyism produces both in-groups and out-groups, members of the out-group experience exclusion. Accordingly, cronyism causes exclusion, and when people are excluded, they experience isolation. Mao et al. (2018) mentioned that feeling ignored, excluded, or invisible at work is a common and painful experience caused by isolation. Consequently, cronyism causes out-group members to feel isolated. Employees who are not members of the in-group experience stress from cronyism, which has a detrimental effect on their performance (Tekiner & Aydın, 2016). Cronyism in promotions and development chances can result in uneven access to professional growth for employees. Employees who do not belong to the favored group may experience disengagement and demotivation, leading to a toxic culture. Eliminating the concept of in-group and out-

group is a top priority to preserve a positive work atmosphere and maximize performance. The second hypothesis result is consistent with Riaz and Zaman (2018), Shaheen et al. (2023), Badran and Akeel (2022), and Fatima et al. (2024).

Concerning the third hypothesis, the results reveal that reciprocal exchange of favor has a significant impact on decision-making. Reciprocity is built on three pillars: giving, taking, and returning. As to the social exchange theory, the duty to return the favor is the norm of reciprocity. As a result, employees build intimate bonds with one another by sharing rewards and punishments. To eradicate unfavorable behavior, organizational support and incentives, such as career growth, salary raises, or job promotion, should be designed based on inclusive organizational appraisal and not controlled by individuals. The result of the third hypothesis is in line with previous studies such as Jawahar et al. (2021) and Bilal et al. (2020).

Concerning *H4a*, *H4b*, and *H4c*, the results show that ethical organizational culture has no significant moderating impact on the relationship between the three dimensions of organizational cronyism and decision-making; hence, the study rejected *H4a*, *H4b*, and *H4c*. This indicates that organizations need to actuate an integrated ethical program that contains a code of conduct and a comprehensive ethical system that describes desired behavior and provides necessary resources for employees to behave ethically. The results of these hypotheses are in contrast with previous research by Danilwan et al. (2022).

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## CONCLUSION

The purpose of this study is to investigate how employees perceive the impact of organizational cronyism on decision-making in pharmaceutical manufacturing companies in Jordan and whether ethical culture moderates the relationship between organizational cronyism and decision-making. This study highlighted a critical issue affecting organizational decision-making, leading to incompetence and inferior consequences that lessen employee motivation and performance. Scant research has tackled the causes of organizational cronyism in the Jordanian context. Results revealed that organizational cronyism instigates the spread of unfair and unethical decision-making. Therefore, institutional work at organizations should be based on the presence of specific systems, policies, and work rules that are binding on all. Unfortunately, some organizations may not follow those policies and regulations and instead make subjective decisions in selecting, appointing, treating, and promoting employees. Objective, unbiased, and fair decision-making will curb cronyism and raise trust in decision-makers and the whole system in the organization with a transparent, democratic, and unprejudiced allocation of resources

and an unbiased performance appraisal system. Therefore, policies and rules should be transparent. Discussions on problems, proposals, and organizational issues in general have to take place in a larger community, ideally with an open peer review procedure, and the outcomes of these procedures have to be disclosed.

## AUTHOR CONTRIBUTIONS

Conceptualization: Hamza Khraim.

Data curation: Hamza Khraim.

Formal analysis: Hamza Khraim.

Investigation: Hamza Khraim.

Methodology: Hamza Khraim.

Project administration: Hamza Khraim.

Resources: Hamza Khraim.

Software: Hamza Khraim.

Supervision: Hamza Khraim.

Validation: Hamza Khraim.

Writing – original draft: Hamza Khraim.

Writing – review & editing: Hamza Khraim.

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