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Causes of In-Group and Out-Group Formation between Leaders and Followers in Kenya: Experiences of Employees Living at Ruaka Township

Susan W. Kibii*, Tariku F. Gemechu, Artyom E. Kluchnikov

School of Leadership and Governance, International Leadership University (ILU), Nairobi, Kenya
Email: suekibii@gmail.com

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Abstract

The purpose of this phenomenological study was to find out the causes of in-group and out-group formation in organizations as described by employees living at Ruaka Township in the context of LMX Theory. Why would some members of an organization feel more appreciated and accepted than others? Research suggests that the relationship between leaders and their followers differs, with some followers being closer (in-group) than others (out-group). The literature reveals a variety of factors causing the formation of in-groups and out-groups, although most of the studies on this subject have been conducted in the western contexts, leaving a gap in the context of Africa. Therefore, a qualitative study using a phenomenological research design investigated the lived experiences of 12 purposively sampled employees from Kahigu Drive, Ruaka Township, to describe the factors that cause in-group and out-group formation in organizations in Kenya. Primary data were collected through 40 - 60 minutes in-depth interviews that were later transcribed and then analyzed through inductive coding method. Findings revealed major themes that emerged through first-cycle and second-cycle coding processes. These themes represent key factors that were considered as notable causes of in-group and out-group formation in organizations in Kenya such as favoritism, competition, organization politics, resources and opportunities sharing procedures amongst others. The findings were discussed along with literature reviews and recommendations made for contemporary practitioners and future research.

Keywords

In-Group, Out-Group, Leader-Member, Organization, Phenomenology, Communication, Kenya

*First author.

1. Introduction

Why would some few members of an organization be treated more favorably than other members of the same organization? Northouse (2016) argued that leaders and their followers establish unique relationships in workplaces, with some cases of leaders having few members who are closer to them than other group members. This is what Graen and Uhl-Bien (1995), in their Leader-Member Exchange (LMX) theory, referred to as in-group and out-group. This study was conducted in the context of in-group and out-group dynamics.

According to Hogg and Vaughn (2008), in-group bias refers to individuals displaying partiality for some, perceived to be in the same social group (in-group) versus those from another group (out-group). LMX theory, which was previously known as Vertical Dyad Linkage, has provided a useful framework for studying leader-follower relationships and has been the focal point of many empirical studies. Harris et al. (2007) observed that numerous studies have been done which confirmed the existence of in-group and out-group in organizations while Ahmed (2007) claimed that there are many experimental studies verifying that leaders display greater favoritism toward those of in-group members in comparison with the out-group members.

According to Dansereau et al. (1975), followers become a part of the in-group or the out-group depending on how well they work with their leader and how well the leader works with them. Northouse (2016) asserts that relationships within the in-group are evidenced by respect, mutual trust, and reciprocal influence while relationships within the out-group are mainly marked by formal communication that purely has to do with job description. Unlike the in-group members who have lots of interaction with the leader, the out-group members just come to work, do their job, and leave with minimal or no direct interactions with the leader (Northouse, 2016). Dansereau et al. (1975) claim that the common favors given to the in-group members are usually information and opportunities.

Causes of in-group bias may differ from one organization to another and one country to another. Plant and Devine (1998) asserted that people who have love and respect for others show less in-group favoritism. In the political arena, Stangor and Leary (2006) observed that political liberals show less in-group bias unlike the political conservatives who demonstrate in-group bias, a factor that is mostly propelled by conservatives' desire to protect their own from others. Stangor and Leary claimed that authoritarians too are in-group-favoring which is mostly driven by their superiority complex.

According to research done in Russia on the causes of favoritism and nepotism in an organization, Safina (2014) found out that when institutions fail to operate properly, they are usually replaced by unofficial organizations allowing phenomena such as favoritism and nepotism to blossom. Consequently, the governance becomes a hub for corruption. Safina further discovered that another way that portrays favoritism and nepotism is when the leaders bestowed with power push forward a favorite to move up the career ladder regardless of whether they have the needed experience and expertise or not.

Leadership in many African countries, which has ethnic diversities, is usually characterized by tribal bias and favoritism. According to Ilorah (2009), discriminated ethnic groups in Africa are usually marginalized economically in resource allocation and decision-making. Consequently, citizens are treated inequitably in many ways, and especially in national resource distribution and political representation.

In Africa, a known cause of ethnic wars and corruption is the favoritism of various kinds exercised within countries. Ilorah noted that many ethnic problems in Africa, driven by ethnic bias and favoritism, lead to the diversion of resources meant for development towards financing conflicts. According to a report by the African Development Bank (2002), over 35 wars were fought in Africa between 1970 and 2002, mostly from internal conflicts. In 1996, armed conflicts in 14 of the 53 countries on the African continent resulted in more than 8 million refugees and displaced persons (p. 39). This situation remains relevant even today.

It is in this context that this investigation sought to describe the causes of in-group and out-group formation in Kenya as described by employees living in Ruaka Township. The current study pursued three specific objectives: (1) to understand the leader-follower relationship in the organizations, (2) to identify factors contributing to the formation of in-group and out-group organizations, and (3) to find areas of improvement in the development of employees' sense of belonging in organizations. This empirical study contributes to the knowledge base by answering the main research question—*What are the causes of in-group and out-group formation in organizations as described by employees living at Ruaka Township in the context of Leader-Member Exchange (LMX) Theory?* Secondary questions are stated below to help answer this question.

- *How is the leader-follower relationship in the organization?*
- *What are the factors that contribute to the formation of in-group and out-group in organizations?*
- *Which areas require improvement in the development of leader-follower relationships in organizations?*

The qualitative study applied phenomenological research design, used in-depth interviews to collect data and employed inductive coding analysis procedures to analyze data.

1.1. Problem Statement

The review indicates that in-group and out-group formations are prevalent in various settings, including organizations, and pose significant development challenges (Ilorah, 2009). It has also been shown that the causes of in-group bias can vary from one organization to another and from one country to another (Safina, 2014; Spencer-Rodgers et al., 2007). Based on these findings, the in-group and out-group syndrome has played a significant role in Kenya's administration, particularly during the 2007-2008 post-election violence. These biases are observed at national and organizational levels (Habyarimana et al., 2007). While most studies attribute national biases primarily to ethnicity, the researcher desired to establish the factors contributing to the formation of in-groups and out-groups within organizations in Kenya.

1.2. Profile of the Ruaka Township

Ruaka Township is located in Ruaka Ward, Kiambaa Constituency, within Kiambu County. It is approximately 15 kilometres from Nairobi City and is surrounded by numerous foreign embassies and private companies. Many employees in these organizations call Ruaka home, making it an appropriate setting for this study. The researcher identified four flats on Kahigu Drive in Ruaka Township to achieve the research objectives. These flats are well-constructed and prestigious, serving as residences for many working-class individuals in the area. The rental prices for these flats are relatively high, making them affordable primarily for the financially stable, most of whom are employed by the nearby companies. Additionally, the flats are strategically located near the main road, providing easy public transportation access. They also offer sufficient parking space, an added advantage for residents with personal vehicles. The researcher identified four flats on Kahigu Drive in Ruaka Township as ideal for the study because they are home to many employees from nearby businesses who could provide valuable insights into their experiences with in-group and out-group formation within their organizations.

2. Literature Review

Human beings are inherently social creatures and tend to form groups to derive part of their identity and self-esteem from their membership in these groups (Baumeister & Leary, 1995). Groups can be categorized as either formal or informal. The formation of informal groups, such as in-groups and out-groups, can be influenced by various factors. This literature review explores the possible causes of in-group and out-group formation between leaders and followers, as identified by other researchers. Additionally, it examines these dynamics through the lens of Leader-Member Exchange (LMX) theory.

2.1. Leader-Member Exchange (LMX) Theory

LMX Theory focuses on the relationship between leaders and their followers, highlighting two types of relationships: the in-group and the out-group (Northouse, 2013). According to Northouse, this theory suggests that leaders form differentiated relationships with their subordinates. Liden and Graen (1980) noted that while a leader may show equal trust and affection to all employees, followers' performance can vary based on their competence, motivation, and commitment. As a result, leaders tend to rely more on certain subordinates than others. In-group members typically receive more opportunities to demonstrate their skills and are given more attention from the leader. These individuals are given additional responsibilities and are often rewarded more than those in the out-group (Janse, 2019). Conversely, out-group members receive less attention, fewer rewards, and fewer responsibilities (Janse, 2019). This division can influence employees' attitudes and commitment to the organization, ultimately impacting their job satisfaction, either positively or negatively (Janse, 2019).

2.2. Social Categorization

Humans are inherently social beings who identify with various social circles. According to Shufutinsky (2019), people tend to associate themselves with certain groups based on their environments, which helps maintain social order and fosters strong bonds. In discussing social categorization, Miller (2009) explained that in-groups consist of individuals who share similar affiliations or origins, while out-groups refer to those who do not share these attributes. These affiliations can include shared religion, gender, caste, or even a common hometown.

While such groupings can offer benefits, social categorization can also lead to rivalries with out-groups and create unhealthy relationships among members within the same organization (Chua, 2018). Kenrick et al. (2003) noted that people often form groups based on kinship to achieve objectives such as resource sharing. Social categorization thrives on these commonalities (Kalmijn, 1998). It is more natural for individuals or groups to identify with those who possess similar characteristics, which can further enhance group divisions (Appiah, 2005). This understanding leads to the first interview question: *How would you describe social classes within your organization?*

2.3. Favoritism in Workplaces

Favoritism is a common phenomenon in organizations. According to Fu et al. (2012), in-group bias reflects typical human behavior, while Stangor and Leary (2006) assert that favoritism is a normal part of everyday life, with individuals tending to prefer and treat those they favor better than others. Tajfel et al. (1971) defined in-group favoritism as the tendency to manage individuals from one's in-group more positively than those perceived as belonging to the out-group. Stangor and Leary (2006) identified social categorization as a known cause of in-group favoritism, while Raja et al. (2013) noted that favoritism can be influenced by political, social, and environmental factors. When a select few followers are made to feel more important than their peers, it can negatively impact the morale and participation of other employees. Highlighting one employee as a model for others to emulate can lead to feelings of alienation and resentment among the team members. Research has repeatedly shown that favoritism can lead to in-group and out-group formation (Goette et al., 2006). This leads to the second interview question—*How can you describe favoritism in your organization?*

2.4. Competition in Workplaces

According to Mudrack et al. (2012), competition involves social comparisons related to an unequal distribution of rewards or limited resources that arise from performance in a particular activity. Fletcher et al. (2008) define competition as the enjoyment derived from interpersonal contests, accompanied by the desire to emerge victorious and outperform others. Meanwhile, Kaya et al. (2016) argue that individuals engage in competition to enhance their personal profits and gains. While competition can motivate members to work harder, it can also impede co-operation. The key factor is how individuals manage competition (Okoro et al., 2018). Some researchers see positive aspects of competition, while others view it as entirely negative. Zhang et al. (2011) highlighted the detrimental effects of competition, arguing that it can be unhealthy. They claim that competition demotivates individuals from collaborating and supporting one another, ultimately weakening collective performance. This perspective leads to the third interview question: *How would you describe competition within your organization?*

2.5. Trust Issues

Building trust with followers is essential for any leader aiming for success in their endeavours. Although scholars have studied the concept of trust extensively, there is still no universally accepted definition (Connell et al., 2003). In the context of this paper, trust is understood as being rooted in the relationships between team members and their leaders, characterized by honesty, transparency, and fair treatment for all. Leaders and their followers rely on each other to achieve organizational goals, making trust a critical element of this relationship (Brahm & Kunze, 2012). Additional research has shown that trust fosters emotional openness between leaders and their team members, leading to a greater willingness to listen and an acceptance of influence from others—factors that promote unity and progress within the organization (Chowdhury, 2005). Kramer and Carnevale (2001) argued that cultivating trust in the workplace benefits everyone involved, while Connell et al. (2003) noted that trust typically develops through the actions of organizational leaders. Furthermore, Kramer and Carnevale highlighted that dismantling trust requires less effort than building it. Fairholm and Fairholm (2000) identified several factors that contribute to distrust, including ineffective interpersonal communication, indifference and hostility, self-serving interests, and a leader's lack of sensitivity to the needs of their subordinates. This leads to the fourth interview question—*How can you describe trust in your organization?*

2.6. Organizational Politics (OP)

Organizational Politics (OP) is a common occurrence in many workplaces. Kaya et al. (2016) suggest that OP arises from competition among individuals. According to Pfeffer (1981), OP occurs when individuals seek to gain power and resources to achieve their desired outcomes, especially in situations characterized by ambiguity or disagreement. This trend can be detrimental to workplace dynamics, as it is often driven by selfishness and a desire for power, resulting in harmful and divisive consequences. Drory and Room (1990) highlight that competition for limited resources can also contribute to the emergence of OP. Within an environment influenced by OP, perceptions of organizational politics (POP) significantly affect organizational cohesion, employee attitudes, and interpersonal relationships among workers (Ferris et al., 2002). Given the effects of POP, it is likely that employees may form groups based on their varying perceptions of organizational politics. Madison et al. (1980) observed that individuals in higher positions often have different levels of POP. He also noted that these perceptions can affect the quality of friendships in the workplace, with some employees feeling superior to others. This leads to the fifth interview question—*How can you describe organization politics in your organization?*

2.7. Organizational Communication

Deeter-Schmelz and Kennedy (2004) proposed that communication is a vital component for an organization to build and strengthen relationships among staff. Through effective communication, information about the organization's mission, vision, policies, procedures, and ongoing activities is conveyed to all members and stakeholders (Farmer et al., 1998). Zhu et al. (2004) emphasized that communication goes beyond merely sharing information; it plays a critical role in the overall functioning of the organization. Consequently, the interactions between leadership and subordinates during the complex processes aimed at achieving objectives require a robust communication system (Patel et al., 2012). An effective communication system serves as a platform for resolving conflicts, while ineffective communication can generate discord within the organization, particularly among individuals who feel overlooked or excluded from the flow of information. Such breakdowns in communication can be attributed to various factors, including insufficient information and poor communication practices (Miller, 2009). In light of these scholarly insights, organizational leadership must ensure that the organization's communication systems and structures are well-designed to facilitate effective communication that includes all stakeholders. This leads to the sixth interview question—*How can you describe communications in your organization?*

2.8. Type of Leadership

Leadership and followership are fundamentally connected. According to Suda (2013), effective followers can positively influence leadership behavior, while competent leaders help cultivate strong followers. Suda further argued that an organization's success or failure depends not only on the effectiveness of its leaders but also on the ability of its followers to follow effectively. An effective leader fosters cohesiveness among team members despite diversity (Suprapto & Verdyana, 2020). Stashevsky and Koslowsky (2006) noted that leaders who adopt a transformational leadership style invest more in team cohesion than those who use a transactional leadership approach. The comparison of these two leadership styles indicates that transactional leaders tend to be selective about which followers to engage, focusing on what those individuals can offer. This can lead to the formation of in-groups and out-groups. Dansereau et al. (1975) argued that dependable, skilled, and committed members are more likely to develop strong relationships with the leader, thereby becoming part of the in-group. This leads to the seventh interview question. A study population refers to the entire group of individuals or objects that researchers aim to generalize their findings about (Kothari, 2004). In this study, the target population consisted of employees from various organizations residing in Ruaka township, including both men and women of all ages. The sampling method used was purposive sampling. According to Babbie (2001), purposive sampling involves selecting participants based on their knowledge of the population and the specific purpose of the study, allowing researchers to obtain the desired information from a targeted group. This method ensures that participants are chosen for their expertise and ability to provide relevant and technical information related to the study. The research involved 12 selected participants who met specific criteria: they had to be employees working in different departments and capacities within their respective companies and needed to reside in one of the four flats located on Kahigu Drive in Ruaka Township. This leads to the seventh interview question—*How can you describe the leadership style in your organization in enhancing cohesiveness amongst the followers?*

3. Research Method

The aim of this phenomenological study was to explore the factors contributing to in-group and out-group formation between leaders and followers, as experienced by employees living in Ruaka Township, within the framework of Leader-Member Exchange (LMX) Theory. This research employed a qualitative approach with a phenomenological design. According to Moustakas (1994), phenomenological research is an inquiry approach in which the researcher describes the lived experiences of individuals regarding a specific phenomenon, as narrated by the participants. Creswell (2014) noted that phenomenological research elucidates individuals' experiences related to a particular phenomenon.

3.1. Target Population

A study population refers to the entire group of individuals or objects that researchers aim to generalize their findings about (Kothari, 2004). In this study, the target population consisted of employees from various organizations residing in Ruaka township, including both men and women of all ages. The sampling method used was purposive sampling. According to Babbie (2001), purposive sampling involves selecting participants based on their knowledge of the population and the specific purpose of the study, allowing researchers to obtain the desired information from a targeted group. This method ensures that participants are chosen for their expertise and ability to provide relevant and technical information related to the study. The research involved 12 selected participants who met specific criteria: they had to be employees working in different departments and capacities within their respective companies and needed to reside in one of the four flats located on Kahigu Drive in Ruaka Township.

Leedy and Ormrod (2016) suggested that phenomenological researchers primarily rely on in-depth interviews lasting about 1 to 2 hours with a small, carefully selected group of participants. They noted that sample sizes typically range from 5 to 25 individuals, all of whom should have direct experience with the phenomenon being studied (p. 233). As shown in **Table 1**, 12 respondents participated in this study. Seven were females, and five were males, with ages ranging from 30 to 46. All participants were residents of the four flats located on Kahigu Drive in Ruaka Township. Each individual was employed in their respective organizations across various departments and roles.

Table 1. Demographic sample data of respondents.

Number	Pseudo Name	Gender	Age	Industry	Experience (years)	Position
1	Andrew	M	32	Security	5	Guard
2	Kovey	M	30	Gospel	6	Co-ordinator
3	Maureen	F	33	Insurance	7	Marketing
4	Grace	F	32	Banking	6	Teller
5	Jackline	F	38	Insurance	8	Human Resource Manager
6	Dama	F	44	Insurance	10	Accountant
7	Gerald	M	32	Real-Estate	5	Manager
8	Dan	M	33	Insurance	5	Sales officer
9	Winnie	F	46	Education	20	Primary school Teacher
10	Babadika	M	37	Education	10	College lecturer
11	Harriet	F	34	Education	9	Primary school Teacher
12	Alice	F	45	Food	5	Secretary

3.2. Data Collection Procedure

Qualitative interviews, as defined by Creswell (2014), involve unstructured and generally open-ended questions that are limited in number and designed to elicit the views and opinions of participants. Patton (2015) notes that these interpersonal interviews utilize open-ended questions to encourage in-depth responses about people's experiences, perceptions, opinions, feelings, and knowledge. In this study, the researcher conducted interpersonal interviews using a questionnaire format to gather primary data from respondents. The study derived interview questions from the literature review. The interviews were conducted one-on-one, and Zoom meetings were utilized when physical meetings were not feasible. To ensure dependability, a comprehensive discussion guide and open-ended questions were used to facilitate focused data collection and prompt spontaneous, unbiased answers. The researcher also took extensive notes, made digital recordings, and analyzed transcripts rigorously. Below is a summary of the seven interview questions (IQ) derived from the literature review that the researcher used to collect data.

IQ 1: How can you describe social classes in your organization? (Appiah, 2005).

IQ 2: How can you describe favoritism in your organization? (Goette et al., 2006).

IQ 3: How can you describe competition in your organization? (Zhang et al., 2011)

IQ 4: How can you describe trust in your organization? (Fairholm & Fairholm, 2000)

IQ 5: How can you describe organizational politics in your organization? (Madison et al., 1980)

IQ 6: How can you describe communications in your organization? (Greenberg & Musheke, 2008)

IQ 7: How can you describe the leadership style in your organization in enhancing cohesiveness amongst the followers? (Dansereau et al., 1975)

3.3. Data Analysis Plan

For the data analysis, the researcher employed inductive coding, a method that involves generating codes as constructs to symbolize or translate the data (Padgett, 2016; Saldana, 2016). The researcher utilized this coding technique to analyze the data, identify patterns, and develop theories. After completing the initial coding for the data collected from the interviews, the researcher derived themes from the coding process. According to Saldana (2016), first-cycle coding is the initial form of coding used on raw data. Subsequently, a second cycle of coding was conducted to minimize the researcher's biases. Through pattern coding, the researcher identified repetitive and consistent occurrences in the data. Based on the respondents' answers and the insights gained from the coding analysis, the researcher was able to interpret the data accurately, find meaning, and reach a conclusion.

4. Findings

This phenomenological study aimed to find the causes of in-group and out-group formation between leaders and followers as described by employees living at Kahigu Drive, Ruaka Township, in the context of LMX Theory. This chapter presents the analysis and findings from the participants' responses. This phenomenological investigation was conducted to answer the question—what causes in-group and out-group formation in organizations as described by employees living at Kahigu Drive, Ruaka Township, in the context of Leader-Member Exchange (LMX) Theory?

Below is a summation of seven significant themes derived from first-cycle coding and refined through second-cycle coding processes. The themes are presented according to their categories, frequency, and initial codes.

Themes Derived from the Second-Cycle Coding Process

According to Gioia et al. (2013), the second coding cycle tends to be more researcher-centric since the concepts, themes and dimensions from existing theories can be presented to elevate the analysis to a higher level of abstraction. Saldana (2016) noted that second-cycle coding reorganizes and condenses the vast array of initial analytic details into a main dish (p. 235). Second, coding and recoding enable the removal of researchers' biases from the research. The themes derived in this final analysis stage helped to answer the research questions (Gemechu, 2018).

Below is the summary of themes derived from the second-cycle coding process, as shown in Table 2.

Table 2. Summary of themes derived from second-cycle coding process.

Category	Theme	Codes
#1. Person's demographic and achieved status (183)	Person's demographic status (81)	Ethnicity, Race & Gender (81)
	Achieved status (102)	Economic Status & Position (102)
#2. Leadership influence, the process of sharing resources, opportunity, and consideration of demographic status (153)	Leadership influence (108)	Leadership style (94)
	Process of Sharing of resources and opportunity (10)	Sharing of Resources & opportunities (10)
	Demographic status (35)	Person's Origin (35)
#3. Fight for Power, Resources and opportunities, Personality type (96)	Fight for Power, Resources & opportunities (93)	Strife for power (44) Interpersonal Rivalry (37) Fight for Resources and opportunities (12)
	Personality type (3)	Personality type (3)
#4. Quality of Leadership, relationships and their Level of dependability, flow of information and formula applied in addressing divisive factors (140)	Quality of Leadership (17)	Type of Leadership (17)
	Quality of relationship and their Level of dependability (64)	Relationships and trustworthiness (64)
	Flow of information and formula applied in addressing divisive factors (59)	Communication (17) Constant conflicts (34) Demographic Status (8)
#5. Type of leadership, system failure, Competition for power and Fight for Resources & Opportunity (137)	Type of leadership and system failure (65)	Type of Leadership (41) Failed System (24)
	Competition for power and Fight for Resources & Opportunity (72)	Competition for power (48) Fight for Resources & Opportunity (24)

Continued

#6. Leadership Professionalism, communication system and structure, Communication ability and perceived attitudes (132)	Leadership Professionalism, communication system and structure (85)	Quality of leadership (31)
		communication system and structure (54)
	Communication ability and perceived attitudes (47)	Communication skills (21)
		Perceived Attitude (26)
#7. Leadership ability, administrative system, and level of tolerance (94)	Leadership ability and administrative system (70)	Leadership Professionalism (50)
		Administrative system (20)
	Level of tolerance (24)	Level of tolerance (11)
		Environment Atmosphere (13)

5. Discussions

In the pursuit of the purpose of this research, twelve interview transcripts reporting on lived experiences of employees living at Ruaka Township about the causes of in-group and out-group formation in organizations in the context of Kenya were analyzed using inductive coding as described under the methodology section before major findings were presented. In this section, those findings are discussed following research questions. In addition, research implications, limitations, and suggestions for future studies are described. The main objective of this study was to find out the causes of in-group, and out-group formation in organizations through the three research questions discussed below.

5.1. Research Question One

How is the leader-follower relationship in the organization?

The study revealed that most respondents did not feel well-connected to their leaders. The research findings indicated various types of relationships between leaders and their followers. While discussing these relationships, participants identified several key factors influencing organization leader-follower dynamics. These factors include demographic status, achieved status, trust levels, and leadership type.

5.2. Demographic Status Influence

The study revealed that in workplaces, individuals are often categorized based on demographic factors such as ethnicity, race, and gender, among others. Many respondents noted that workers who share the same ethnic background as their leader tend to feel more connected to that leader and receive more attention compared to those from different ethnic groups. Individuals sharing the same ethnicity often develop a stronger sense of belonging compared to those from different ethnic backgrounds, which can lead to division. This finding aligns with Beiser-McGrath et al. (2020), who stated that Ethnic favoritism is the primary factor that influences injustices.

5.3. Achieved Status of Influence

The study discovered that most leaders are more attracted to high-achieving employees than to those who perform less well. Highly qualified and well-performing workers receive better treatment, which in turn helps to develop stronger relationships with their leaders. These findings align with Graen and Uhl-Bien (1995), who stated that a leader's interactions and relationships with their followers significantly influence the followers' attitudes toward their work and the entire organization.

5.4. Level of Trust

Examining the leader-follower relationship from a trust perspective, the results revealed that trust is impacted by the quality of leadership, the nature of interpersonal relationships, and the leader's dependability. The research indicated that there are leaders who make promises but fail to deliver on them, which negatively affects team members' trust in their leadership. These findings align with Fairholm and Fairholm (2000), who argued that ineffective communication, indifference, hostility, selfish interests, and a lack of sensitivity to subordinates' needs can all undermine trust in the leader-member dynamic.

5.5. Type of Leadership

The study found that the type of leadership significantly influences the strength of the leader-follower relationship. This indicates that the success of the organization and the unity among employees largely depend on the leader's ability to embrace diversity and foster cohesion. These findings align with the assertion by Suprapto and Verdyana (2020) that an effective leader strives to create cohesiveness among members of the organization, even in the presence of diversity.

5.6. Research Question Two

What are the factors that contribute to the formation of in-group and out-group in organizations?

The study established several factors that contribute to the formation of in-group and out-group relationships in organizations, such as favoritism, unhealthy competition, organizational politics, and informal leakage.

5.7. Favoritism

Based on the study findings, favouritism in workplaces is one of the mentioned factors that aid the formation of in-group and out-group. According to the responses, the highest frequency indicated that favoritism is largely practiced by leadership, is in most cases based on demographic status, and is strongly felt in the process of sharing resources and opportunities. These findings agree with other past studies by Ahmed (2007), who claimed that many experimental studies have been done verifying that leaders display favoritism toward in-group and out-group formation.

5.8. Unhealthy Competition

The research findings showed that unhealthy competition is a common cause of in-group and out-group formation in organizations. According to the findings, most unhealthy competition is triggered by fights for power. These findings agree with Fletcher et al. (2008) who posited that competition is a phenomenon that stems from human interest, while trying to achieve a certain thing or be better than others.

5.9. Organizational Politics

The findings revealed that organizational politics contributes to relationship strife within organizations. Participants described their experiences with organizational politics, attributing it to failures in leadership systems, competition for power, and conflicts over resources and opportunities. This aligns with Drory and Room (1990), who noted that organizational politics often arises from competition for limited resources. According to Mintzberg (1985), organizational politics consists of selfish behaviors that threaten the interests of others and involve manipulating decision-making processes to serve one's own agenda, often disregarding the wishes of others.

5.10. Informal Leakage

The study established that information leakage is another common wrecker of relationships. When the information from leadership reaches the followers from unofficial sources rather than the appropriate channel, workers' trust for the leadership is affected. The above finding agrees with Greenberg and Musheke (2008) who asserted that information leakage is a hazard to the unity of the organization members.

5.11. Research Question Three

Which areas require improvement in the development of leader-follower relationships in organizations?

This study revealed several gaps in leader-follower relationships. It indicates that many of these gaps result from poor leadership, favoritism, unhealthy competition, neglected systems and structures, and ineffective communication, among other factors. Based on its findings, the study has identified several key aspects that can help improve leader-follower relationships in organizations, as discussed below.

5.12. Leadership Skills

The findings of this research indicate that the strength of relationships between leaders and followers, as well as among followers themselves, is highly influenced by the type of leadership present within an organization. The results demonstrate that leaders must possess professional skills in order to foster strong relationships. This highlights the importance of developing leadership skills as a key area of focus. According to Goleman et al. (2002), effective leadership skills enable leaders to build strong connections with their subordinates, promote unity, cultivate a sense of belonging among team members, and eliminate unnecessary divisions within the group.

5.13. Stable Communication System

The study revealed that the communication process significantly impacts relationships within organizations, either positively or negatively. The structure and system of communication play a crucial role in fostering trust and unity among members. Some participants noted that communication processes are infrequently or inadequately followed in their organizations, leading to the careless release of sensitive information. This finding aligns with Colwill (2010), who argued that the risk of information leak or premature disclosure increases when an organization's communication system is poorly established or not properly adhered to.

5.14. Conflict Resolving Mechanism

The study revealed that most organizations do not have effective methods for addressing disruptive issues, which many participants identified as challenges affecting workplace relationships. It was found that the way leadership manages conflicts, can either strengthen or damage these relationships. This finding aligns with Baker et al. (2013), who noted that unresolved conflict poses a significant threat to the unity of organizational members.

5.15. Research Implications

This study highlights the significance of effective leadership in managing followers. Leaders must possess conflict resolution skills, and organizations should establish a systematic approach to conflict resolution and a dedicated platform for it.

Communication must occur through appropriate channels. Therefore, organizations should implement a robust communication system and ensure communication protocols are followed diligently. Any information gaps should be addressed to maintain a standardized and efficient flow of information within the organization.

Leaders should also receive training on how to interact with their subordinates in various areas. This training should include strategies for managing diversity and treating followers fairly.

5.16. Limitations of the Study

This study faced several challenges. The first was the government restrictions due to the COVID-19 pandemic, which made many targeted respondents unwilling to participate for fear of contracting the virus. Another challenge was the participants' availability, as all of them were employees and typically worked most days, often finishing late.

5.17. Recommendations for Future Research

During this study, several areas emerged as potential topics for future research. The first area involves examining how effectively leaders can balance and provide fair support to their followers. Another related area is the development of an assessment tool for leaders to evaluate the state of in-group and out-group relationships within their organizations.

This study focused on employees' descriptions of the causes of in-group and out-group formation. Therefore, further research on how followers' autonomy may influence the dynamics of in-group and out-group relationships would be valuable.

6. Conclusion

This research aimed to identify the factors that lead to the formation of in-groups and out-groups within organizations. The study was conducted within the context of Leader-Member Exchange (LMX) theory, which asserts that leaders develop varying types of relationships with their followers, and the quality of these relationships significantly influences the outcomes of those interactions (Northouse, 2016).

Through a literature review, the study identified seven key factors contributing to the formation of in-groups and out-groups, as highlighted by various researchers. These factors include social categorization, favoritism, workplace competition, trust issues, organizational politics, communication within the organization, and types of leadership. The findings of this study corroborate the conclusions drawn by previous scholars.

Based on the research findings, the following conclusions were reached: In-groups and out-groups do exist, and in many organizations, leader-member relationships tend to be weak. The study also found that the formation of in-groups and out-groups is influenced by a variety of factors. One significant factor is the way leaders interact with their subordinates; some leaders tend to engage more with certain followers than with others.

Additionally, a poor communication system that allows information to leak can exacerbate the formation of in-groups and out-groups. Rivalry often arises when information is prematurely shared, miscommunicated, or received through inappropriate channels.

Other identified causes of in-group and out-group formation include discrimination against certain members based on demographic or achievement status, inadequate mechanisms for sharing power, resources, and opportunities, unhealthy competition, organizational politics, and the overall quality of leadership.

The findings of this study will contribute to the existing knowledge base in leadership and organizational dynamics, particularly for organizations looking to improve their leader-member relationships. Leaders will gain insights into effective management practices and understand the pitfalls to avoid in a workplace setting. Ultimately, this research aims to help leaders reduce in-group and out-group dynamics, foster unity, develop a sense of belonging, and encourage teamwork.

Furthermore, the insights from this study will serve as a valuable resource for scholars and researchers interested in exploring related fields of research.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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