

For leaders, playing favorites can be a smart strategy

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As anyone who's worked in an office, a factory, or any other workplace can attest, sometimes bosses play favorites. Whether it's assigning the most comfortable cubicles or the best parking spots, or deciding whose

opinions take precedence during planning sessions, leaders inevitably wind up treating some employees better than others.

That might seem unfair, especially if you aren't your supervisor's favorite. But now, for the first time, research shows that in some cases, biased bosses get better results—and not just from the workers they treat best.

"For leaders, playing favorites isn't always a bad thing," explained Haoying (Howie) Xu, assistant professor of management at Stevens Institute of Technology. "Favoritism is a double-edged sword—it can be harmful to team dynamics, but in the right circumstances it can also help organizations to succeed."

In his work, reported in the February 2023 print issue of *Personnel Psychology*, Xu and colleagues studied more than 200 different teams, comprising over 1,100 employees, in several Chinese companies representing a cross-section of different industries. By surveying both employees and supervisors about performance and team dynamics, Xu was able to reveal the ways in which workplace favoritism interacts with other factors to elevate or impede overall team performance.

The results were striking.

In teams that were already well-structured, either because some employees were placed in positions of authority or because some employees had more advanced skill sets, performance dipped when leaders played favorites. In less clearly structured teams, however, having a biased boss typically led to better outcomes, with improved coordination and performance across the entire team.

"That's an important finding, because most previous research has focused solely on the negative impacts of workplace favoritism," Xu

said. "Now, we're getting a more nuanced view of the way that leadership biases play out in the real world."

Drawing on a branch of management science known as leader-member exchange (LMX) theory, which studies the relationships between supervisors and employees, Xu argues that leadership biases operate by sending signals about the relative status of different [team-members](#). That can be a bad thing: in teams where a [social hierarchy](#) already exists, favoritism can create dissonance and spark conflict.

In teams that lack a clear pecking order, however, a leader's biases impose structure and help everyone to work together more effectively. If team members don't already have well-differentiated roles based on levels of authority or particular skills, favoritism provides a framework that reduces conflict and increases efficiency by helping employees to establish a stable dynamic instead of simply butting heads with one another.

"In homogenous groups, playing favorites can be a way for leaders to clarify the roles that different team-members should play," Xu explained. "When teams lack obvious hierarchies, it helps if the boss sends clear signals about who's on top and who is expected to take a more subordinate role."

"The key point is that playing favorite has clear positive and negative effects, so leaders need to ensure they're paying attention to how their favoritism is affecting their team."

Other factors can also influence the impact of leadership biases: more recently formed teams are more easily destabilized by workplace favoritism, for instance. Further research is needed to fully explore the way that favoritism works at different levels of organizations, and also to zoom in on the ways in which individual team-members' interactions are

influenced by their supervisor's [favoritism](#).

For now, Xu's research offers team supervisors and more [senior managers](#) clear guidance on how to optimize team performance. Managers could adjust their relationships with team-members to ensure they're sending appropriate signals.

More information: Haoying (Howie) Xu et al, LMX differentiation as a double-edged sword: A social hierarchy perspective for understanding the beneficial and detrimental effects of LMX differentiation on team performance, *Personnel Psychology* (2022). [DOI: 10.1111/peps.12564](https://doi.org/10.1111/peps.12564)

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