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## Article

# Emic and Etic Perspectives on HR Practice for Managing Human Resource Issues Affected by the Prevalence of Informal Networks in Arab Countries

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**Abstract:** Whilst research on Wasta has been improving in quantity and quality, there is still much more to know about the interactions between the different parties in Wasta transactions, the role of power in this process and how it impacts HR functions. As such, this research aims to address this gap by exploring the use of Wasta in human resources (HR) functions, drawing on 17 semi-structured interviews with HR, recruitment and line managers working in the Jordanian banking sector. This paper focuses on the roles of trust and power in the organizational transactions in which Wasta is positioned and identifies recruitment and selection (R&S) as one of the main human resource (HR) practices and procedures that are affected by Wasta. The findings shed light on the impact of Wasta on HRM practice on the micro and macro levels, highlighting the complex socio-economic needs for this practice which, whilst they might be beneficial on the micro level in terms of securing employment for job seekers and benefits for organizations in the Wasta exchange process, can also have some substantive negative outcomes in the forms of social and economic exclusion of others outside the Wasta network. By doing so, it develops the conceptualization beyond the often-simplistic view of Wasta as a negative (and sometimes positive) practice as viewed by previous research extending it to a practice that could have either impact on different stakeholders.

**Keywords:** human resource management; indigenous practices; informal networks; Wasta; social capital; MENA region; Jordan



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## 1. Introduction

The Middle East and North Africa (MENA) countries of the largely ethnically Arab people are substantially important for the world, politically, geographically, economically and socially (Hutchings and Weir 2006a; Iles et al. 2012). However, research interest has been partial and selective, as while scholars in social anthropology, history, literature and economics have conducted substantial research in these countries, management inquiry until recently has been scarce and fragmented and many of the studies of management conducted in the region have been one from an etic 'outsider' perspective (Iles et al. 2012; Khakhar and Rammal 2013; Metcalfe 2007; Weir 2000; Ali and Weir 2019). This holds true for research on the practice of Wasta, simply defined as networks historically based on tribal and familial relations and more recently on friendship and exchange networks (Helal et al. 2023). Such research has largely viewed Wasta from this etic perspective, resulting in a negative tone which aligns this practice with nepotism and corruption (Alsarhan et al. 2021). This has resulted in a gap in our understanding of how Wasta functions, particularly in the context of HRM practice where this practice prevails in the countries of the Middle East and North Africa (MENA) region. Nevertheless, both researchers and practitioners have come to appreciate the importance of context in management environment, which

has resulted in a recent increase in interest in exploring management issues from an emic 'insider' perspective, which has the potential to extend to other countries of the MENA region (Ali and Weir 2019). We build on this view by exploring the practice of Wasta, which has a vital role in business, economic and social decisions in the Arabic countries of the MENA region (Ali and Weir 2020). The importance of this research stems from Wasta being an impactful informal network on HRM practices in the MENA region that has been previously viewed as almost exclusively negative due to the etic view adopted by many of its early researchers (Ali and Weir 2019; Helal et al. 2023), rendering its understanding by researchers and managers from other cultures incomplete. The aim is to answer the following research question: how does Wasta impact HRM practices in the MENA region? We draw on the Jordanian banking sector as a case study venue for our research.

This paper is structured as follows: following the introduction, the literature review explores the concept of Wasta and the different informal networks around the world. This is followed by a section on Wasta in HRM and the etic view of Wasta research. The Jordanian context and the context of the banking sector are then presented. This is followed by the methodology and discussion of the interview data in light of previous research. The next section is on the practical implications and some managerial recommendations that could be useful to managers and HR practitioners in Jordan, the MENA region, and other networked societies, followed by the theoretical contribution and recommendations for researchers of informal networks. Finally, the conclusion is presented, including the limitations of the research.

## 2. Literature Review

### 2.1. Wasta

Wasta is a term for informal networks that are rooted in family, clan, tribal and kinship ties. It is common throughout the Arab countries of the MENA region, going sometimes under different names like Ma'Arifa or Piston in countries like Morocco, Algeria and Tunisia (Iles et al. 2012; Smith et al. 2012a). These social networks are not, however, confined to this region but have similarities and affinities with practices in other countries like Guanxi in China (Hutchings and Weir 2006a, 2006b; Chen 2016), Blat in Russia (Onoshchenko and Williams 2013) and in Latin America as Compadrazgo or co-parenthood (Velez-Calle et al. 2015). Whilst these societies have in common their networked and collectivist nature (Minbaeva et al. 2023; Melhem et al. 2024), the Arab countries of MENA region differ in their social values being rooted in the practices and ideology of Islam and its widespread acceptance of family and collective solidarity expressed in informal assumptions and behavioral practices rather than formal contractual or legal agreements as constituting the inevitable and necessary foundations of civic virtue (Ali and Weir 2019, 2020; Elsaheer 2024).

Wasta involves an articulation of relationships between individual, group and societal levels (Brandstaetter et al. 2015) that is persistent and pervasive. Smith et al. (2012a, 2012b) explain that while these influence processes are found to be widely disseminated, they occur more frequently in contexts characterized by high self-enhancement values, low self-transcendence values and high endorsement of business corruptibility.

Wasta is well established in countries of the MENA region, where it may be used to bypass formal bureaucratic procedures to ease the process of achieving a goal that might be more troublesome to achieve through formal structures (Cunningham and Sarayrah 1993; Hutchings and Weir 2006a, 2006b). Most modern-day use of Wasta refers to the use of an intermediary to secure a goal and is practiced for a variety of reasons in politics, society and business (Loewe et al. 2007, 2008; Alsarhan et al. 2021). Most notably, Wasta is used for economic aims, particularly in the frame of Human Resource Management (HRM) to secure employment by job seekers or job advancements, or cutting through bureaucracy in government interactions (Helal et al. 2023). Such phenomena have been increasingly written about over the past decade (Smith et al. 2012a, 2012b; Velez-Calle et al. 2015; Horak and Taube 2016; Weir et al. 2016; Ali and Weir 2019, 2020; Al-Twal et al. 2024) and there is

little doubt that they are endemic to the social and cultural structures of the MENA region, and cannot be easily passed over or taken lightly in any empirical analysis.

## 2.2. *Wasta and Informal Networks around the World*

While the term *Wasta* is unique to the MENA region, scholars from different disciplines have explored similar practices around the world. Management scholars in particular have been prolific in research exploring the practice of *Guanxi* in China (Hutchings and Weir 2006a; Qi 2013; Chen et al. 2013) and to a lesser extent its counterparts *Blat* in Russia and other former Soviet countries (Ledeneva 2006; Onoshchenko and Williams 2014), *Compadrazgo* in Latin American countries (Velez-Calle et al. 2015), *Yongo*, *Yonjul* and *Inmaek* in the Republic of Korea (Horak 2014; Horak and Taube 2016), *Talukaat* in Pakistan (Qureshi 2020) and *Yruzki* in Bulgaria (Williams and Yang 2017), highlighting the important impact these informal networks have on different aspects of business practices in all of these areas.

These networks, although similar in reflecting different forms of favoritism and networking (Hutchings and Weir 2006a; Horak 2014; Horak et al. 2020) and in the outcomes they produce on the micro, meso and macro level (Hutchings and Weir 2006a; Horak and Taube 2016; Ali and Weir 2020), have a key difference in that they are deeply embedded in the cultures of the countries in which they are practiced (Hutchings and Weir 2006a, 2006b; Ledeneva 2006; Horak 2014; Velez-Calle et al. 2015; Horak and Taube 2016). This cultural embeddedness means that they differ in the level of accessibility and ability to participate in the network due to the difference construction of societies and their cultures. For instance, *Compadrazgo* is the ritual kinship system that refers to fictive ties developed outside the biological family (Velez-Calle et al. 2015) and as such can be accessed at a later stage of life. On the other hand, *Yongo* networks in Korea are predefined, partly by birth, and are hence homogeneous and highly exclusive (Horak and Taube 2016). Whilst *Wasta* has been majorly attributed to familial and tribal affiliations, recent research highlights how it has recently shifted to be accessed by short-term relations and business connections (Ali 2016); as such, it appears to sit in the middle of this spectrum.

Another difference highlighted by researchers is that the origins of each practice lead to variations in how individuals interact and the processes and procedures they go through to achieve a goal in each of these practices. In the case of *Wasta*, its origin is in tribalism (Cunningham and Sarayrah 1993); for *Guanxi*, in Confucianism (Hutchings and Weir 2006b); and for *Blat*, in communism (Onoshchenko and Williams 2013). For example, it is argued that patrons of *Blat* generally view it as a positive practice, at least at the micro level, due to the historic reliance upon it in the countries in which it prevailed during the Soviet era (Onoshchenko and Williams 2014). This is because, historically, during Soviet times, *Blat* enabled individuals to draw on their networks of friends in strategic places to access commodities and services which were in short supply (ibid.). Thus, it was viewed positively because it was necessary and involved helping other individuals without the need for a direct repayment (Onoshchenko and Williams 2013). On the other hand, *Wasta* involves different and conflicting emotions, as such a practice of favoritism towards family and tribe members aligns with the tribal nature of many Arab societies. Many situations where *Wasta* is practiced are viewed as a corrupt or unjust act, which contradicts the teachings of Islam, the main source of ethical guidance for the majority of the people in the region (Hutchings and Weir 2006b; Mohamed and Mohamad 2011). This contradictory ethical view of *Wasta* practices makes it unique and important to study, particularly in the context of HRM and employee selection where this practice prevails (Ali 2016; Ali and Weir 2019; Al-Twal and Aladwan 2021; Alsarhan and Al-Twal 2024).

## 2.3. *Wasta in the Organizational and HRM Contexts*

*Wasta* has been shown to influence contemporary processes of decision-making on the macro level of national institutions (Megheirkouni and Weir 2019), meso level of organizations (Ali 2016) and micro level of individuals (Cunningham and Sarayrah 1993; Ali

2016; Al-Twal and Aladwan 2021). The prevalence of Wasta in organizations in the region is argued to be on the increase because it is proving to be impossible to overcome bureaucratic obstacles in any other way (Budhwar et al. 2019). It is argued that the main reason for the prevalence of Wasta in the MENA region is the lack of transparency and accountability at the organizational and national levels, lack of trust between people and governments who try to maintain a grip on authority to govern, its informal institutionalization (i.e., the belief that it is one's right to access public resources via familial, tribal and friendship ties) and lack of protection of employees' rights via labor legislation, resulting in people relying on their Wasta to protect their rights and to access scarce jobs and related benefits particularly in poorer countries in the region (Iles et al. 2012; Ali 2016; Budhwar et al. 2019). However, it is worth noting that recent research has started to look at this differently, highlighting that some aspects of Wasta and informal networks are a reflection of cultural preferences (Ali and Weir 2019).

Wasta practices are wide-ranging in organizational life and implicated among other processes: the HR practices of recruitment and selection where an intermediary can intervene for the consideration or even the selection of job-seeker (Ali 2016), training and development where individuals can attain training opportunities due to having a good connection with a manager or influential third-party (Aljbour et al. 2013), compensation and benefits where individuals can attain higher compensation or benefits due to their good social connections regardless of their performance (Alsarhan and Valax 2020), as well as career development where well-connected individuals can progress in their careers over more qualified colleagues due to their Wasta (Tlaiss and Kauser 2011a, 2011b). Such impacts of Wasta is seen in public-, private- and third-sector organizations (Branine and Analoui 2006; Tlaiss and Kauser 2011a, 2011b; Kassab 2016; Alsarhan and Valax 2020). Arguably, among the most apparent examples are the employee selection activities of organizations (Ali 2016). This is evidenced by the observations of Branine and Analoui (2006, p. 150), who state that in Jordan, vacancies are normally filled through connections and jobs are commonly offered to family members, relatives and friends, with very little consideration for their competence and achievements. This reflects the case in many Arab countries, as Tlaiss and Kauser (2011a) explain:

“It appears that Wasta in the workplace is one of the most important factors affecting the recruitment and career success of individuals” (Tlaiss and Kauser 2011a, p. 474)

#### 2.4. The Etic View of Wasta in Research

One of the first research definitions of Wasta describes it as favoritism that is normally based on tribal and family affiliation (Cunningham and Sarayrah 1993). It has been used as a descriptive term applied to behaviors that are widely evident within Arabic culture, often connoted with negative terms such as cronyism and favoritism that derive from the geographic or historical socio-political context (Ali and Weir 2020). Sometimes, definitions used in the literature tend to unnecessarily or arbitrarily simplify Wasta to connote only one aspect. For example, Wasta is defined by Mohamed and Mohamad (2011) as the “intervention of a patron in favor of a client in an attempt to obtain privileges or resources through a third party” (p. 412). However, by viewing Wasta from an emic perspective we argue that Wasta is usually much more than a simple economic transaction as it can involve several actors and parties where the intermediation goes through a complex network of mediators called Waseet(s) and involve a range of different types of ties (Ali and Weir 2020). This reflects the need to explore Wasta from a more holistic and ‘complex’ view to respond to the pervasive impact this practice has in the business realm of the MENA region, particularly on the HRM practices highlighted above (Ali 2016; Hutchings and Weir 2006a, 2006b; Ali and Weir 2019).

### 2.5. Jordan and Its Social Context

Jordan, officially the Hashemite Kingdom of Jordan, is an Arab country located in the politically turbulent MENA region. In terms of social structure, Jordan is a country known for its tribal society where social status and political life are strongly affected by the nature of the country's social setting (Branine and Analoui 2006; Rowland 2009; Sharp 2012). The tribal structure of Jordanian society is directly linked to the country's historical formation. Tribes predate the advent of Islam and Christianity and still play a major role in the social, political and economic environment in Jordan (Rowland 2009).

In terms of social division, the majority of Jordanian society consists of two groups: East Bank Jordanians and West Bank Jordanians, where the extended families and tribes currently living in Jordan come from either the former or later (Ali 2016). East Bank Jordanians lived in Jordan before the 1948 and 1967 Arab Israeli wars, and they tend to be more tribal. West Bank Jordanians (better known as Palestinian Jordanians) immigrated to Jordan as refugees from Palestine after the aforementioned wars and became Jordanian citizens. They tend to come from cities and are less tribal. The rest of the population consists of Circassians (1%) and Armenians (1%) (CIA World FactBook 2014).

The tribal social structure affects the structure of organizational ownership in Jordan, as many organizations from various sectors are family-owned. In small organizations, typically the father is the owner/manager, and the rest of family are employees (Weir 2003; Ali 2016). In larger organizations, the oldest male member of the family assumes the role of the Chief Executive Officer (CEO)/General Manager (GM) and the management of different functions is allocated to immediate family members with a tendency to hire members of their extended family, tribe or individuals of the same origin, e.g., Palestinian or East Bank Jordanian (Al-Rasheed 2001; Ali 2016; Ali and Weir 2019). This also affects the way employees are selected in many organizations, whether small or large. Many employees are selected on the basis of their relationship to the ownership/management of an organization. As such, many organizations are tacitly connected to certain families and tribes (Abdalla et al. 1998; Al-Rasheed 2001; Ali 2016; Ali and Weir 2019).

### 2.6. The Jordanian Banking Sector

The banking sector in Jordan, as in many countries, is considered the bedrock of the economy, as banks play a major role in financing the Jordanian economy's activities (CBJ 2015). The sector is unique compared to other countries and can be divided into two systems—the conventional banking system (known as commercial banks) and the Islamic banking system, where banks operate according to the teaching of Islam (Zeitun and Benjelloun 2013). Although banks operating under each system function differently (the main principle of Islamic banks is the prohibition of 'Riba', often translated to usury, and this has a substantial impact on the way these banks operate), banks following both systems are governed by the same authority, which is the Central Bank of Jordan (CBJ) (Ali 2016; Ali and Weir 2019). The CBJ was established in 1964 as an independent institution which acts as a fiscal agent for the government. The CJB regulates the operational, economic and financial activities of existing banks and sponsors the creation of new banks and other financial institutions (CBJ 2015). Although the CJB is seen as a relatively active and competent regulator in financial issues by the major banking classification institutions (Al-Fayoumi and Abuzayed 2009), we know very little about how effectively this regulation is applied with regard to employee recruitment, selection and promotion in Jordanian banks (Ali 2016).

Apart from the classification of banks operating in Jordan as either Islamic or commercial, they can also be categorized by their place of origin depending upon whether they were established either as national banks (in Jordan) or subsidiaries of foreign banks operating in Jordan (ibid.). Foreign subsidiaries include commercial multinational banks and regional banks which are either Islamic or commercial (Ali 2016). Despite these differences in origin and basis of operation, banks in Jordan also reflect the tribal organization 'model'. Banks are tacitly known to be controlled by an extended family or tribe or representative of

a particular segment of society (East Bank Jordanians or Palestinian Jordanians) (Ali 2016; Ali and Weir 2019).

It has been argued that these tacit connotations of ‘in-group’ and ‘out-group’ have a substantial impact on the way these banks recruit and select employees. As such, this case study set out to explore how Wasta practice ‘plays out’ in HRM practices in banks operating in Jordan.

### 3. Methodology

To achieve the main objective in understanding Wasta and how it impacts HRM practice in depth and from the inside (emic), a qualitative approach was deemed appropriate due to its ability to garner the in-depth data necessary to understand complex social constructions such as Wasta (Creswell 2009). Using the case study of the Jordanian banking sector, we draw on 17 semi-structured, qualitative interviews conducted with managers from 14 banks operating in Jordan. Convenience sampling was utilized, drawing on the informal networks of the first author, who is originally from Jordan, to contact interviewees and snowball the sample. The researcher identified human resource managers, recruitment and selection managers and line managers who are involved in employee selection processes in their respective organizations as cases who can provide rich, in-depth information appropriate to this research project. The selection of these individuals for the study’s sample was based on the researcher’s past work experience as a recruitment officer in a bank based in Jordan. In this role, the researcher dealt with Wasta requests on a daily basis and as such was able to assess which positions in the bank were subject to requests of Wasta utilizing informal ‘Wasta’ networks to gather qualitative data, which has been identified as a beneficial way to gain interviewees’ trust and access rich data about sensitive topics such as Wasta in the context of the Arab countries of the Middle East (Ali and Weir 2019). The interviews were conducted face-to-face and on average lasted around an hour. Examples of the questions asked were as follows: In your opinion, what are the main factors that influence HRM policies and practices in general and Recruitment and Selection R&S in particular in your bank? What are the main aspects of Jordanian culture affecting R&S practices in your bank? Interviewees were asked to elaborate on their understanding of Wasta when mentioned and how it impacts HRM and R&S practices. Interviewees were given the option to either conduct the interview fully in English, fully in Arabic or mixing both. Most interviewees chose to conduct the interview in English, sometimes mixing in Arabic, particularly when talking about cultural concepts such as Wasta. Interestingly, interviewees often used Arabic when speaking about negative HR practice, where Wasta was used in an unethical way. The interviews were transcribed verbatim by the first author and thematic analysis was used to manually identify the key themes emerging from data, which allowed for a deep understanding of data (Braun and Clarke 2006). Table 1 below showcases the interviewees’ code, banks and job titles.

**Table 1.** The interviewees.

Bank/Code	Manager Code	HR Manager	R&S Manager	Department Manager
1	A	X		
2	B	X		
3	C	X		
4	D	X		
5	E	X		
5	F		X	
5	G			X
6	H			X

Table 1. Cont.

Bank/Code	Manager Code	HR Manager	R&S Manager	Department Manager
7	I		X	
7	J	X		
8	K		X	
9	L	X		
10	M		X	
11	N	X		
12	O		X	
13	P		X	
14	Q	X		

## 4. Discussion

### 4.1. The Socio-Socio-Economic Role of Wasta in HRM

During the interviews, it became clear that most interviewees associated Wasta with social and economic transaction ‘exchanges’, which draw largely on trust. In the different interviews, it was revealed that a candidate might use his/her social connections by attaining an intermediate to assist the candidate’s hiring by an organization as part of a transaction or exchange process. In return for hiring a candidate, the candidate’s intermediary ‘Waseet’ is expected to provide something in return either to the individual who makes the decision or the organization itself. This is usually not specified at the time and may be something tacitly acknowledged, such as the maintenance of an ongoing deal or business arrangement or something given by the intermediary or one of his/her connections in the future. Interviewee H provides an example:

“There is something called social courtesy. For example, if I have a person of high status who has 50 million in deposits in the bank and this person comes to me and tells me I want to hire my nephew or niece, I will hire them in order to keep this 50 million deposited in my bank”.

However, as highlighted in the use of the term ‘social courtesy’ in the statement above, Wasta is not just limited to an economic transaction, as even if this exchange might mainly appear to reflect an economic goal, it also has a social dimension and benefit as it also re-enforces the connection between the organization and the intermediate, strengthening the intermediate’s social ties.

This reflects the findings of previous research on Wasta, which views it as a form of capital which can be mobilized in different economic and social situations (Mohamed and Mohamad 2011; Al-Twal and Aladwan 2021).

In terms of HRM practice, the use of Wasta as an exchange mechanism was perceived to have a positive impact on HRM by some interviewees, where accepting a request to hire a candidate was something that benefits the candidate (who gets a job) and the organization (who benefits in the present, or future, in exchange for hiring the candidate. Interviewee A confirms this view:

“Wasta is a way, it’s a tool, and it’s an entry... way to open the door. For example, if I know someone who has authority and who knows people and is well known... according to our culture there is nothing wrong if this person recommend[s] me to work in one of the banks”.

This finding is interesting as it evidences the possible benefits of Wasta, which were alluded to in previous research (Ali and Weir 2019); moreover, it highlights that whilst some uses of Wasta lead to its practitioners being viewed negatively, other uses are not perceived in a negative way.



However, despite these perceived benefits of drawing on *Wasta* to facilitate the recruitment or selection of job seekers, it has some negative implications as it often limits access to employment to a particular group. Interviewee N (female) explains:

“If you go to some banks you would see most of them are Christians or if you go to the Islamic bank of Jordan you will see almost 100 percent of employees are Muslims. If you go to X bank in Jordan you would find that most of them are from Palestinian origin”.

The interviewees detail a tacit practice of selection based on tribal and religious affiliation in many banks operating in Jordan, resulting in the majority of the organization’s employees sharing the same religious or ethnic background—which in turn shapes the ‘identity’ of the bank as a Muslim, Christian, East Jordanian or Palestinian Jordanian bank and might result in excluding ‘outsiders’ who are not part of these groups.

This statement highlights how such uses of *Wasta* can be viewed as cronyism from an etic perspective. However, from an emic view one can see that despite these negative outcomes of using *Wasta*, this practice has several beneficial economic and social benefits as a ‘lubricant’ to help in facilitating job attainment in a country and region that lacks strong formal institutions.

However, this benefit is limited to using *Wasta* as a way to network or recommend rather than force or pressure. Here, the theme of power in *Wasta* transactions also appeared to dominate the interviews, as many interviewees perceived *Wasta* as a way to use an intermediary’s high status or powerful position to influence a hiring decision. Interviewee C indicated that she sometimes is forced by the general manager to adhere to the request of *Wasta* when hiring a particular candidate:

“...The negative is when someone comes and you say ‘No, this person is not good or competent’, and tell the general manager ‘Sorry, this person does not fit with us’, and he says ‘No, hire him”.

The interviewee perceived that she was forced to hire the candidate despite holding reservations about their capacity to perform the job. In this situation, an individual seeking employment uses her/his *Wasta* to reach out to an intermediary in a high position with the power to procure the appointment of a preferred candidate, even though s/he lacks the required skills and qualifications for the job, thus moving beyond conventional merit-based employee selection processes. This intervention is so impactful that sometimes jobs are created in order to accommodate the request of a powerful intermediary or ‘*Waseet*’. Interviewee Q exemplifies such cases of hiring job seekers who have a powerful *Wasta*:

“Sometimes we hire them because of the *Wasta* when there really isn’t a vacancy for them to have”.

This forceful use of *Wasta* is predominantly perceived negatively by the interviewees as it leads to several negative impacts on other candidates, who lose their chance of employment although they might be more qualified, and colleagues of the person who is hired this way, as often they are not qualified or fit with the job and the organization as a whole, where productivity is influenced negatively.

However, previous research theoretically looked at *Wasta* from different perspectives as either positive or negative (Ali and Weir 2020). This is a key and novel finding in that it clearly distinguishes between when *Wasta* is ‘negative’ or ‘positive’ when used in the context of R&S. From the insights provided by the interviewees and their statements discussed in this section, it seems that two aspects of *Wasta* were of particular importance: namely, the elements of trust and power in *Wasta* transactions. Whilst *Wasta* can have some perceived benefits in that it reinforces trust and brings benefits to all parties involved in the transactions (which is the case when it is used to support qualified candidates to attain a chance of employment in the form of a recommendation that goes through the proper R&S process), it also has a ‘dark side’ in that it might limit access and power to a small number

of individuals or groups (when Wasta is used in a forceful way to hire somebody who is not qualified) (Alsarhan 2022).

#### 4.2. Wasta from an Emic Perspective

The insights and statements from the interviews provide a novel more balanced and emic insight into the practice of Wasta. Indeed, when analyzing the interviewees' statements discussed previously, it becomes apparent that Wasta is not just a nepotistic practice which is mainly used in the hiring, training and developing processes, as described by much previous research (Alsarhan et al. 2021). Rather, it is a much more complex process that draws on different characteristics such as exchange, trust and power in the mediation process to achieve an outcome not just based on economic sense but also extends to the social realm (Weir et al. 2016; Helal et al. 2023). It appears that Wasta 'works' and is maintained because society is already networked and that hiring decisions are not just based on merit but take into consideration the disfunctions of formal institutions (Helal et al. 2023), the economic needs (Ali 2016), the social benefits (Al-Ramahi 2008) and the long-term outcome for the in-group (Weir 2003).

However, with these benefits there come some drawbacks and a 'dark side' for the use of Wasta. Loewe et al. (2007), for instance, conclude that Wasta practice tends to further strengthen the Wasta and the access to it by those who already have it. They find, for example, that, in a paternalistic environment, men are more advantaged by Wasta than women. Moreover, using Wasta to hire unqualified individuals has several negative outcomes for all stakeholders, as highlighted above.

These insights enable us to understand how Wasta, as an example of a culture-specific concept, operates and is perceived in its emic setting. Wasta can have positive outcomes on the micro-level for individuals when mediating between parties helps a qualified individual secure a job through the mediation process (Loewe et al. 2007, 2008; Ali and Weir 2019); this practice also increases trust between different parties, increasing the social capital of its practitioners. However, it can have some severe negative outcomes on the micro-level where qualified individuals lose chances of employment, training and progression to others who have Wasta (Al-Twal and Aladwan 2021; Al-Twal 2021). On the macro-level, it can also reduce organizational diversity and lead to reinforcing power pockets in particular groups and weaken the formal institution as it reduces trust in political and legal institutions (Helal et al. 2023).

### 5. Managerial Implications and Recommendations to HRM Practitioners

We suggest, first of all, that dealing with Wasta exclusively or primarily as an ethical issue or one of personal morality may not be the most helpful place to start and neither is the insinuation that Wasta will die out of its own accord and will inevitably wither on the branch as other, less "traditional" and more "modern" ways of working emerge. There is considerable evidence that Wasta as a practice is in generally good health and the prediction that all of the social and economic systems in the world are sliding smoothly towards one desirable outcome, that of the liberal free market based on rational economic actor assumptions, looks rather less likely than perhaps it did in the early 1990s (Fukuyama 1992).

This research case can be used to help human resource practitioners, particularly those who are initially unfamiliar with the culture of the countries of the Arab Middle East, to operate successfully in the context of Wasta. We suggest a number of considerations and propose some recommendations:

First, the review of the literature on Wasta and the insight from the research demonstrates that this practice essentially operates in a context of complexity, diversity and a multiplicity of actual and potential organizational strategies. In these conditions, Wasta offers an open-ended approach to organizational and business dilemmas in which the opportunity for the co-evolution of acceptable outcomes is often of greater significance than the achievement of a perfect solution. As such, it is recommended that one should not ignore the existence of Wasta and refuse to recognize its prevalence but rather try to manage

and funnel its use, engaging in Wasta exchanges within the boundaries of legal and 'shared ethical' spheres. This should help in increasing trust in transactions and the stock of social capital whilst avoiding the negative outcomes of 'forceful' Wasta, which only draws on power regardless of merit or organizational need.

Second, Wasta can operate as a practical device for avoiding or minimizing uncertainty in what are usually risky HRM functions, such as employee selection. This is because Wasta acts as a guarantee to provide valid and truthful insights due to the role of trust in this process. HRM practitioners, however, should ensure that such Wasta transactions are based on trust to 'recommend' a job applicant rather than force the selection. They should also ensure that there is a business need for the role and that this not conducted for the sole purpose of exchange or increasing social capital.

Thirdly, it is important to realize that the social capital to which the operation of Wasta adds is an asset that is not valuable until it is triggered through social action and exists as much in its latency as in any exact present exchange value. Actors who wish to use their Wasta connections must be active in doing so, and they should also avoid the quid pro quo mentality as Wasta networks take time to develop and the 'return' is not always in the same type of capital. It is worth remembering that, in order to develop Wasta, an individual might need to act as a Waseet in several instances in order to become part of a Wasta network and reap its benefits. Moreover, as Wasta networks are in practice never closed, but are continuously evolving, giving off soft signals rather than generating definite and predictable quantities, they represent a potential for organizational and individual learning. It takes time to develop Wasta networks, to be able to identify who can act as a Waseet in different situations and to understand how to create a strategy for and structure a Wasta 'transaction'.

## **6. Theoretical Contributions and Recommendations for Future Researchers of Wasta and Informal Networks**

This research sheds light on the impact of Wasta on HRM practice on the micro- and macro-levels, highlighting the complex socio-economic needs for this practice which, whilst they might be beneficial on the micro-level in terms of securing employment for job seekers and benefits for organizations in the Wasta exchange process, can also have some substantive negative outcomes in the forms of social and economic exclusion and the concentration of benefits in the hand of in-ward group members. By doing so, it develops the conceptualization beyond the often-simplistic view of Wasta as a negative (and sometimes positive) practice as viewed by previous research (Alsarhan 2022) but rather a complex and even necessary network of exchange that needs to be considered by internal and external stakeholders when operating in Jordan and similar networked societies.

## **7. Conclusions**

Wasta is a complex networking process which predominates HRM practice in the MENA region. It is important not to limit its view to the etic perspective of favoritism or corruption but rather focus on its balanced used as a cultural practice which when used correctly can reap benefits to all stakeholders on different individual, organizational and socio-economic levels.

The findings enable us to understand how Wasta is not only connected to corruption but can also have positive outcomes (such as enabling qualified candidates to secure employment and an increase in trust and social capital) or negative ones (such as unfairness in employment chances and a reduction in diversity in the workplace and loss of productivity trust in political and legal institutions) depending on how it is used in the context of HRM and R&S. These findings are useful for researchers to understand Wasta in a more balanced way and for practitioners to operate successfully in the context of the MENA region where Wasta prevails.

## 8. Research Limitations and Suggestions for Future Research

This research is limited by its qualitative small sample size that, whilst addressing the aim of this research, focuses on one sector (banking) in one country (Jordan), which limits its transferability to other contexts. Moreover, Wasta can manifest itself in different functions of HRM other than R&S and in other areas of business. As such, future researchers are thus advised to explore multiple case studies in functions of HRM and other business aspects in different sections and countries to advance our understanding of Wasta and other informal networks. Furthermore, they can further explore Wasta's use by different groups such as the use of Wasta by expatriates and societal minorities who live in the MENA region to broaden our understanding of this practice and how it can be addressed by these different stakeholders.

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