**Wasta as a mechanism for intentional bias and exclusion in the organizational setting**

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Stream: Developments and Consequences of Unintentional and Intentional Biases within Social Networks in the Workplace

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**Abstract**

This paper explores the way in which HR practices, and in particular, the repatriation process of employees who completed their international assignment is affected by intentional bias which in the Saudi context is embedded in nepotism or so called *wasta*. *Wasta* is conceptualised as a mechanism for intentional bias and exclusion in the organizational setting. The paper presents a case study of a company from Saudi Arabia and the empirical data supports the finding that *wasta* is a prevalent force behind recruitment and selection in the Arab world. This finding confirms previous studies on these HR functions in the Middle East. However, since no studies explored the impact of *wasta* on employee retention, this paper contributes to the gap in the literature on this subject. The findings shed light on the impact of *wasta* on employee retention be and their willingness to leave or remain in the organisation. The recognition of the correlation between *wasta* and employee retention forms an important step in unpacking *wasta* and its role in the contemporary Arab business world.

**1. Introduction: Saudi Arabian context**

The high economic growth in Saudi Arabia during the oil boom of the 1970s and early 1980s resulted in a shortage of workers that were needed to support the growing economy ([Mellahi and Al‐Hinai, 2000](#_ENREF_35)). This sudden economic boom in Saudi Arabia had an effect on the structure of society at all levels. The government implemented a very extensive development plan, which involved investing in hospitals, housing projects, transportation, universities, schools, airports, and other development schemes ([Mellahi, 2000](#_ENREF_33)). The swift transformation of the economy from an economy based on nomadic trade, fishing and agriculture to an economy based on hydrocarbon, construction and service industries using modern technological production processes, created a need for a new base of skilled workers who were not available locally ([Atiyyah, 1996](#_ENREF_11)). As a consequence, Saudi Arabia witnessed an enormous influx of foreign workers ([Mellahi and Wood, 2002](#_ENREF_36)). In a country of 19 million people, approximately 7 million were foreigners, representing no less than 60 per cent of the working population and more than 93 per cent of private sector employees ([Cooper, 1996](#_ENREF_17)). Today, only 10 to 15 per cent of the total employees in the private sector are Saudi nationals; about 80% of the labour force is non-national ([UNDP, 2010](#_ENREF_43)) .

Reliance on expatriate workers and others factors, such the growing mismatch between the educational and technical qualifications of the new entrants and the skill requirements of the market, have created unemployment in Saudi Arabia ([Prokop, 2003](#_ENREF_40)). Underemployment is emerging in Saudi Arabia as an economic and social concern and the government is facing the challenge of creating job opportunities for its citizens ([Cordesman, 2003](#_ENREF_18)). During the 1980s, the government attempted to guide young Saudis into work in the private sector after recognising the public sector’s failure to provide an indefinite number of jobs. Unfortunately, the generation of high numbers of graduates has failed to meet the required quality and specialisations needed by the private sectors ([Wapler, 2001](#_ENREF_44)). Studies by the International Labour Organisation (ILO) and the World Bank have revealed the deficiency of the Saudi education system in effectively preparing Saudis for future jobs, and its gradual negative effect on economic development ([Bourland, 2002](#_ENREF_16)).

Unemployment among nationals caused a crisis that has forced the government to take action, so several policies and plans have been implemented by the Saudi government to control the recruitment of those expatriates in public and private sectors ([Looney, 2004](#_ENREF_30)). One of the plans which were imposed as a strategic objective by the government to reduce the reliance on expatriates was *Saudization* (localization) program ([Madhi and Barrientos, 2003](#_ENREF_32)). The aim of *Saudization* is to replace expatriate labour force with a trained and qualified local labour force in a planned manner that will support the development of local manpower to create a pool of human resource able to cater for the needs of the economy ([Kamal and Al-Harbi, 1997](#_ENREF_29), [Mellahi and Al‐Hinai, 2000](#_ENREF_35)).Overall, the program has three main goals, which are as follows ([Looney, 2004](#_ENREF_30)):

* Increased employment for Saudi nationals across all sectors of the domestic economy
* Reduced and reversed over-reliance on foreign workers
* Recapture and reinvestment of income which otherwise would have flowed overseas as remittances to foreign worker home countries.

One of the initiatives that is supporting the fulfilment of the above objectives is the training of Saudi employees abroad within international assignments arranged for the selected, high-potential employees. In this paper, we explore the way in which HR practices, and in particular, the repatriation process of employees who completed their international assignment is affected by intentional bias which in the Saudi context is embedded in nepotism or so called *Wasta*.

**2. Wasta in Saudi Arabia**

Certain national cultures have been shown to significantly shape behaviour (individual and organizational) in particular contexts and this is likely to be the case of collectivistic societies, such as Saudi Arabia. Families in Arab collectivist societies ([House et al., 2004](#_ENREF_24)) are regarded as being centrally important and the main unit and the back-bone of society ([Barakat, 1993](#_ENREF_12), [Hutchings and Weir, 2006](#_ENREF_25)). Traditional Saudi Arabian values mandate mutual solidarity and support among extended family member ([Abdalla and Al‐Homoud, 2001](#_ENREF_2), [Ali and Al-Shakis, 1985](#_ENREF_8), [Bjerke and Al-Meer, 1993](#_ENREF_15)). Family stands at the heart of the society and individuals have huge trust in their family members in Saudi Arabia ([Barakat, 1993](#_ENREF_12), [Kabasakal and Bodur, 2002](#_ENREF_28)). In these societies, self is defined in relation to family members ([Kabasakal and Bodur, 2002](#_ENREF_28)) and self-interest is subordinate to the interests of the family. In addition to the family, other in-group relationships, such as to friends and tribal members, also bear a great significance in the Arabic cluster ([Rice, 2004](#_ENREF_41)). These values and norms encourage nepotism in Arab societies in order to fulfill the individual’s responsibilities toward his or her family. The tribal systems require a strong commitment, from all individuals to their tribes, thereby allowing and encouraging nepotism if it concerns relatives ([Abdalla et al., 1998](#_ENREF_1)).

Nepotism is very widespread in Saudi Arabia, where it is usually referred to by the Arabic word ‘*wasta*’ ([Idris, 2007](#_ENREF_26)). *Wasta*, which roughly translates as connections, clout, influence or favouritism, comes from an Arabic root (w-s-T) conveying the idea of “middle”, and a *wasta* is someone who acts as a go-between. The same word, as an abstract noun, refers to the use of intermediaries ([Cunningham and Sarayrah, 1994](#_ENREF_20)). In the limited literature around *wasta*, *wasta* is defined as the intervention of a patron in favour of an individual to obtain benefits and/or resources from a third party. It refers to the process whereby one can achieve goals through links with key person in positions of high status. These links are personal and most often derive from family relationships or close friendships ([Cunningham and Sarayrah, 1993](#_ENREF_19), [Cunningham and Sarayrah, 1994](#_ENREF_20), [Hutchings and Weir, 2006](#_ENREF_25)).

In Saudi Arabia, *Wasta* is a way of life, it is a salient practice and the hidden force in decision making. It could be involved in obtaining a job, gaining admission to a university, or securing promotion ([Hutchings and Weir, 2006](#_ENREF_25), [Weir, 2003](#_ENREF_45)). Therefore, individuals with substantial wealth or with influential occupational roles in either private or public institutions use *wasta* connections extensively in order to get things done ([Cunningham and Sarayrah, 1993](#_ENREF_19)).Like many social customs, *wasta* is a double-edged sword; occasional intercessory wasta softens the rigidities of bureaucracy, enhances system legitimacy, and strengthens family and friendship bonds. On the other hand, the dark features of *wasta* allow those with family or finical power to benefit disproportionately and override the rule of law. It also creates a mind-set of dependency and destroys the will to achieve. The higher one’s status in the family, social order, or occupation; scale, the better one’s chances of achieving objectives through *wasta* ([Cunningham and Sarayrah, 1993](#_ENREF_19)).

*Wasta* in the workplace is one of the key determinants of the recruitment of an individual and thus of career success. Its plays a critical role in hiring and promotion decisions in Saudi Arabian organizations, therefore, job security and advancement are generally based on *Wasta* rather than technical competence or management performance ([Rice, 2004](#_ENREF_41)). Before applying to a position, applicants may seek out a *wasta* to improve their chances of being hired. A person with poor qualifications but a strong *wasta* will be favored over a person who is more qualified but does not have a *wasta* ([Abdalla et al., 1998](#_ENREF_1), [Al-Saggaf and Williamson, 2006](#_ENREF_6)). Thus, *Wasta* spread gave birth to thousands of unqualified and unproductive employees who do nothing but wait for their salaries at the end of the month ([Abdalla et al., 1998](#_ENREF_1)). Leveraging *wasta* fosters the progress of a group of people who have reached their positions through befriending influential people – a hindrance for those who struggle to get things done by the rules ([Cunningham and Sarayrah, 1994](#_ENREF_20)). In a sense, this destroys any form of equality by providing undue advantages to groups or individuals who may not necessarily merit them.

In this paper we explore Wasta as a mechanism for intentional bias and exclusion in the organizational setting. We do this by presenting a case study of a company from Saudi Arabia. Our focus is on unravelling the impact of Wasta on HRM practices with a particular focus on the management of the repatriation process of Saudi employees upon their completion of international assignments.

**3. Research design**

Deriving from an interpretative approach, which seeks to understand the meaning of different social and occupational groups ([Johnson and Duberley, 2000](#_ENREF_27)), in this paper we adopt a qualitative case study approach. We used the following data collection techniques: interviews, observations, examination of organisational documents and researcher field dairy. This article draws on 40 semi-structured in-depth interviews with repatriate Saudi employees in order to capture perceptions and experiences of repatriates in the Saudi Arabian context, and 7 interviews with human resource manager to understand the organisation’s repatriation process, HR policies and practices.

The interviews lasted between 40 and 60 minutes and were recorded and transcribed by the author. Interviews that had been conducted in Arabic were later translated into English. Some parts of the English transcriptions were then translated back to Arabic, and then back to English to ensure that the meaning after translation has not changed. The interviews were analysed using Nvivo software. The data was subject to thematic analysis based on the interview schedule as a starting point. Then the data was coded into free codes emerging from the data.

Supplementary data were obtained by the researcher who spent a period of non-participant observation in the organisation. Periods of observation totaled one month. Occasionally, the researcher was invited to lunches and social meetings with the informants. In this respect, observation represented a significant source of data gathering for this study. Data collected from this source were documented in researcher dairy.

Furthermore, we gathered documents that are relevant to the organisation HR policies and repatriation process in addition to annual reports, mission statements, reports for shareholders, transcripts of chief executives’ speeches, press releases, advertisements, and public relations material.

**4. The case study**

In this article we present a case study of the national oil company of Saudi Arabia. The company is headquartered in Dhahran, Saudi Arabia, with subsidiaries and affiliates located in Saudi Arabia, China, Japan, India, the Netherlands, the Republic of Korea, Singapore, the United Arab Emirates, the United Kingdom and the United States.

Between 1933 and 1980 the company was owned by four American oil companies. In 1973, the Saudi Arabian government acquired a 25% stake in company. It increased its shareholding to 60% by 1974, and finally took full control of the company in 1980, by acquiring a 100% per cent stake in the company. Although the company is wholly-owned by Saudi Arabia, it tried to keep the American management style. The company claims to maintain Western standards of professionalism and meritocracy—in marked distinction from most Saudi government offices and private businesses. The company's independence has also kept it relatively free from the corruption, red tape and inwardness that have hindered development in the rest of the country.

The company has functioned as a state within a state, operating under its own set of laws and standards and maintaining a remarkable level of freedom from the fundamentalist Islamic clergy that dominates the rest of Saudi society. The differences between this company and the rest of Saudi Arabia run deep. The corporation has its own print and broadcast media, as well as its own intelligence services and security force. In the company, women work alongside men and hold senior positions in key divisions like petroleum engineering; 1,000 Saudi women number among its ranks.

The company currently employs about 55,000 individuals. Nearly 90%, or some 48,000, are Saudi nationals, equivalent to just 0.24% of the Saudi population. From the very beginning, the company has supported the development and transfer of knowledge within the company and within the Kingdom. Throughout their history, they have been developing world-class learning programmes to equip their employees with the knowledge and skills they need to succeed. The company makes massive investments in training and development in excess of US$ 10,000 per employee annually, sometimes beginning before employment and extending across an employee’s career. For example, sponsoring employees to pursue university degrees is common practice. The focus is on leading Saudi universities and top-tier education institutions in the United States, Europe, China, the Far East and Australia.

Out-of-company assignments are another key tool used to develop leadership and technical skills in the company. The company collaborates with its alliance partners throughout the world to place Saudi employees in their firms, exposing them to world-class practices and more diverse technology. In addition to sending Saudis on international assignments, the company relies on seasoned professionals from around the world to come to the Kingdom and help in knowledge transfer on the latest technologies and management practices. About 12% of its workforce is non-Saudi, bringing experience in critical oil and gas skills, project management, construction, healthcare, finance, IT and HR.

**5. Results**

In this section we presents the results of our research. We grouped them according the HR practices and functions related to the management of international assignment and they way they are affected by *wasta*.

**5.1 Employee selection and promotion opportunities**

Selection forms one of the key Human Resources functions since it is responsible for choosing a suitable candidate for a particular job whilst ensuring the HR and organisational policies such as equal opportunities policy are met. In our research the selection process emerged as two separate functions i.e. external recruitment and selection of candidates to join the company and the internal selection of suitable employees to be sent for an international assignment.

*Wasta* plays fairly insignificant role in granting access to the organisation. Therefore, most employees get their jobs on merit rather than connections.

“I don’t think getting a job at [this company] involved any Wasta, but once you are in the company you need Wasta, once you are in to be honest if you have Wasta you are better off. If you are supported by someone high up you escalate within the organisation.”

(Analyst, 24 years old, expatriate in the UK for 4 years)

However, *wasta’s* importance increases during one’s employment in the company. It determines the promotion process, access to in-groups and managerial levels as well as selection for prestigious assignments such as the international training abroad. This assignment represents one of the initiatives introduced by the Saudi government and its main objective is to train Saudi employees in order to reduce the reliance on expatriate managers.

“The selection criteria according to the company policies are: GPA comes first, the performance category comes next, and years of services come third. We can say that the fourth selection criterion is Wasta, because some people didn’t meet the three criteria and have been sent on an international assignment. As HR, I can’t do anything about it, because we are simply dictated what to do. For example, there is a candidate, who is good, but he joined the company from the UK, he graduated in February 2012. I made the nominations in April 2012. How can I put his name forward? He has been with the company for less than 2 months. Apparently, he shows very good signs of being a competent person, however, I can’t nominate him so soon. Then I was told, you have to nominate him; his father is a manager. (…) What is more, the policy of the organisation indicates that for anyone who doesn’t meet the criteria, the nomination is taken automatically out of the policy and you have to justify it – how can you justify it?!”

(Training and professional development advisor, 17 years’ experience)

There were opinions however, that contradicted the above opinion and indicated that *wasta* plays a secondary role in one’s chance to be selected for an international assignment.

“The wasta can happen if he meets the criteria, this is the first thing. The second thing is because it comes from the department it goes to us, what we do is we filter. So for example, your department submits your name, and X is a better candidate, what we do is we put a list of eligible candidates and we rank them by GPA and appraisal, so we see where X is and where Y is, and then we ask why they submitted X not Y, this is our job. So we try to make sure that there is no favouritism and it is done in the correct way. “

(Supervisor of PEID training, 43 years old, 8 years’ experience)

Let us now consider the way in which candidates reach the position where they fulfil the primary criteria for the international assignment.

“[The company’s] rules about promotion are not clear. There are no clear rules about when you are entitled to promotion, some people think it is after three years others believe it’s after four years. There is no transparency, they like to keep the rules ambiguous. Promotion goes back to the manager, which is one of [the organisation’s] biggest problems. The person who controls your career is your direct manager. What if he doesn’t like you? One of our problems as Saudis is we don’t separate our personal feelings from our job, there is no fairness.”

(Petroleum Engineer, 30 years old, expatriate to the USA for 2 years on an Educational assignment)

In addition, the company uses a forced distribution evaluation approach in their performance appraisals. This means that there is a limited number of ‘good’ scores that can be allocated to the employees.

“ This year you get an ‘M’, next year even if you do a better job or if you don’t do anything wrong they will not give you ‘M’, they will give you an ‘E’. (…) Because they gave you an ‘M’ last year, they will not give you ‘M’ this year. (…) It doesn’t matter what you do, there are other factors like Wasta..”

(Exploration system analyst, 30 years old, expatriate in Canada for 2 years on an Educational assignment)

**5.2 Employee loyalty and turnover rate**

Wasta has tremendous impact on employee loyalty, motivation and turnover rate.

“Wasta (nepotism) is profound in Saudi Arabia because of the close relations between people, and how the community fits together. We are more of a mixture of capitalism and socialism so people think about how to please relatives and others, they have obligations.”

(Senior Economist, 37 years old, PhD holder, expatriate in the USA/ France / UK for 8 years)

Wasta permeates the fabric of social and cultural life in the Arab world. And this becomes more visible for those who spent some time away and can now contract the Audi culture with different cultures they experienced.

“Wasta is in everything, since I came back I noticed that we need Wasta in every situation, maybe because Wasta is not found abroad, I started to feel that Wasta plays a major role in everything .”

(Geologist, 30 years old, expatriate to Canada for 2 years on an Educational assignment)

The expatriate managers returning to Saudi Arabia go through a very clear reverse culture shock phase where some aspects of their home culture are now not only visible and obvious but no longer acceptable.

“ Returning home after living abroad made me start to notice negative things clearly, like Wasta, respect for human rights, I can say that we don’t have any respect for human rights whatsoever. People who are in management positions are not prepared to be leaders, they might be good in technical positions, but they are not good managers. They have this perception that managers or team leaders are all about giving orders or controlling employees, they don’t understand that we should all work together. Or he might be diplomatic and say something to your face and do something else, or even apply something else completely different from what he said or promised.”

(Geologist, 30 years old, expatriate to Canada for 2 years on an Educational assignment)

Those employees who notice and cannot accept *wasta* and other forms of discrimination suffer from high levels of workplace dissatisfaction, loss of motivation and loyalty towards the organisation.

“There are many parts of the company where we know that you don’t get promoted by merit, you get promoted by who you are, or how you are related to others, or to whoever is in charge of promotion. That sort of thing is extremely de-motivational, personally I know some people who quit the company mostly because they either can’t handle the thick layers of bureaucracy, or they feel that they have to do things that they wouldn’t necessary do on their own merit, such as pleasing your boss instead of having the true interest of the company at heart.“

(Geologist, 33 years old, expatriate in the UK for 2 years)

Most of the repatriates were frustrated to the point where they actually had thought about leaving the company because they felt their experience was not being valued by their managers and the company. *Wasta* was perceived by the majority of the respondents as more important than qualifications and work experience. Several of them highlighted the way in which the significance of *wasta* and its role in career development and progression within the organisation was now uppermost in repatriates’ minds. Repatriates repeatedly pointed to the fact that “who you know is more important” than what you actually know in order to excel in the organisation. 90% of those interviewed stated that they were thinking about leaving their company. The official statistic of the organization shows that employees who go on international assignment are about 41% more likely to voluntarily separate on return than their peers who do not go on these assignments (see table 1).

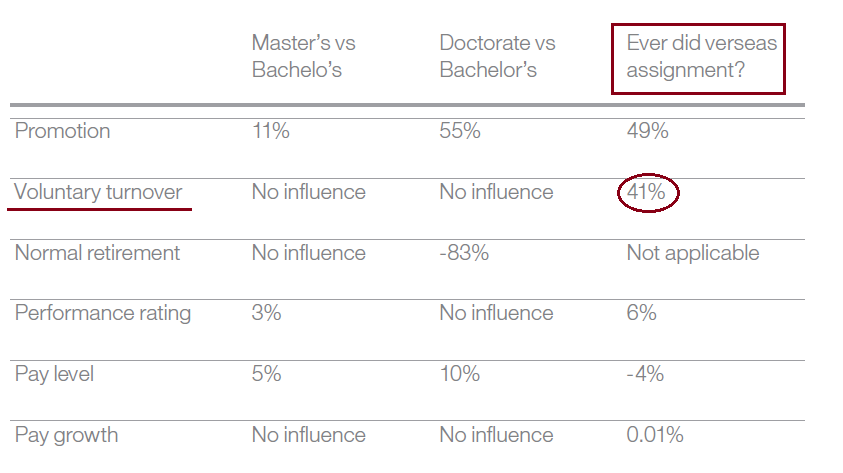
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Table1. Turnover rate in the researched organisation

The company makes massive investments into international training and education, though this type of mobility comes with a relatively higher risk of talent loss. Especially that some repatriates were offered posts whilst working abroad by the host company. For example, a 30 years old production engineer, who was expatriated to the USA for 18 months on a work assignment, stated:

“When I was in the States before I returned my direct manager told me that he knew that they had a contract with my company and they shouldn’t give me an offer, but if I went back and worked for a month or so and then quit the company, they had a great position for me wherever I went in the States. I know I am not exceptional, but I am like everybody else who went on the assignment and got a job offer. We are talented. I was approached three times with job offers there.”

Another repatriate indicated that competitors in the same industry had offered him better positions:

“When I came back from my PhD I got an offer of twice my salary, some of the offers were a 250% increase. I was loyal to the company because they invested in my education. Now, I think I am currently moving out of OilCo. I am assigned or on loan to the government, but I think it is opening different doors for me, a different career path. So I am still engaging with that.”

Although employee turnover means a loss of organisation’s human capital and firm investments in it, the HR managers consider the employee turnover to be a normal part of the business cycle.

“Skilled and well-prepared human resources may leave a company to join another. I personally see it as a healthy act, because we are here to serve the nation and the industrial sector, and participate in the exchange of personnel and expertise to the benefit of the country’s development.”

Also, the CEO states in his official statement that employees turnover may be regarded as a healthy human resources metabolism that revitalizes the organization. He also indicated that the company will continue providing training and development opportunities for its employees, and “if it loses one of them, it guarantees finding an immediate talented and creative replacement.” The CEO.

**6. Discussion**

The empirical data presented in this paper supports the finding that *wasta* is a prevalent force behind recruitment and selection in the Arab world. This finding confirms previous studies on these HR functions in the Middle East (Hutchings and Weir, 2006b; Neal, 2010; Cunningham et al., 1994; Tlaiss and Kauser, 2011; Keles et al., 2011). Whilst the negative impact of *wasta* on recruitment and selection is now fairly well supported by the empirical evidence, there is still little discussion of the future of *wasta* as well as the impact it will have on the business and economy of the Arab region. According to the opinion poll carried out by he Arab Archives Institute, 87 per cent of respondents favoured the eradication of *wasta* due to its negative connotations and perceived link to corruption. However, at the same time, 90 per cent of the respondents stated they would use *wasta* in the future in their careers (Sawalha, 2002 in Hutchings and Weir, 2006b). Given the high unemployment in Saudi Arabia the desire of an individual to use all possible avenues to obtain a job is understandable. Since *wasta* not only permeates the Arab culture but also dominates the business environment and shapes its power dynamic, Arab professionals may be justified in their belief that *wasta* is there to stay and there will not be an alternative towards one’s professional development in the near future.

*Wasta* is central to the creation of opportunity and as such is directly linked to increasing one’s personal position and gains: qualities associated with nepotism, cronyism and corruption. *Wasta* is closely linked to family ties which form a central role in the Arab culture. Saudi Arabia is a family-based society where one’s extended family is considered to be the key personal obligation and reference point. *Wasta* can also be viewed as a combination of internal and external networks (Tlaiss and Kauser, 2010). Since *wasta* reflects the mechanisms of social and cultural shifts as well as power relations in the society, the more prestigious the position of a family in the society, the more influential occupations its members are likely to hold. In other words, the power relations in the society are closely reflected in its organisational setting (Tlaiss and Kauser, 2010). *Wasta* can be therefore seen as a driving force behind the maintenance of the status quo in power relations in the society and a contributor to the growing inequalities between privileged and unprivileged groups. In addition to eradicating equality in the society, *wasta* is sabotaging the governmental plans to populate the business organisations with newly trained, qualified and skilful Arab professionals. In the environment where career progression and managerial job attainment is granted on one’s personal network rather than merit, the level of competence amongst Arab professionals remains inadequate to the requirements of jobs they occupy. This is of growing concern for the performance of these organisations continuously rely on foreign expatriate managements for managerial competencies and expertise. As a result, the vicious cycle of foreign managers dominating managerial levels in Saudi Arabia and failed attempts of the government at *Saudization* of businesses is firmly powered by the mechanism of *wasta*.

*Wasta’s* negative impact on employee morale, motivation and job satisfaction has been explored in several studies already (Tlaiss and Kauser, 2010; Keles, 2011). Since *wasta* grants privileges and positions of power to individuals on the basis of personal connections rather than merit and capabilities, it creates great levels if inequality and resentment on the part of those who lack *wasta*. Therefore, the demotivating effect of *wasta* on unprivileged groups is understandable. However, no studies explored the impact of *wasta* on employee retention and this paper begins to fill this gap by presenting the empirical data from our case study organisation. We conclude that *wasta* has an impact on employees’ willingness to leave the organisation and is directly correlated with the organisation’s turnover rate.

Our data highlights that following repatriation the vast majority of Saudi employees either consider leaving the organisation or already left the organisation. This high turnover intention was strongly influenced by what interviewees perceived as the negative influence of *wasta* on career advancement. Arguably, whether a certain level of turnover is desirable to organizations or not may depend on the quality of workers who leave the organisation. Nevertheless, those repatriates are high potential employees that have gained international experience and skills which form the basis for developing competitive advantage. Thus, the turnover leads to the outflow of human capital, which in turn leads to a decrease of the organisation’s stock of human capital.

*Wasta* remains poorly researched and our limited understanding of the mechanisms of *wasta* in the business world calls for more empirical studies on this subject. This is particularly crucial in the current Arab business context where the presence of expatriate managers from the West and multinational companies is at its peak. The expatriate managers need to develop better understanding on how to operate in the Saudi environment and incorporate culturally sensitive practices, one of them being *wasta*, into their professional lives. The Arab world remains of great importance to the Western world due to its economic significance (Hutchings and Weir, 2006b). Therefore, more studies investigating *wasta’s* impact on business relations and Arab economy are needed. In addition, past attempts to tame *wasta* through tightened HR policies and transfer of Western practices have failed. However, some scholars have already recognised that *wasta* as a way of doing business and its emphasis on ‘soft’ side of management, has certain characteristics which may be beneficial for those operating in a global networked society (Hutchings and Weir, 2006b). Therefore, the new Arab ‘paradigm’ should receive as much attention from the scholars as it was devoted to, for example, the Japanese way of doing business in the 1950s. Whilst our findings shed light predominantly on the impact *wasta* has on employee recruitment, promotion and loyalty it also contributes new data showing how *wasta* plays a role in employee retention be it their willingness to leave or remain in the organisation. The recognition of the correlation between *wasta* and employee retention forms an important step in unpacking *wasta* and its role in the contemporary Arab business world.

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