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THE BENEFITS OF WASTA NETWORK: THE ARAB MIDDLE EAST REGION

Competitive Paper

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ABSTRACT

In the Arab world social networks are referred to as Wasta, which is an ancient and widespread phenomenon, and a social capital resource that is used to influence the distribution of advantages and resources. However, despite of its importance to the management of inter-organisational relationships, the focus has been often on the dark and negative side. This study draws on social capital and industrial network theories to explore the benefits of Wasta networks and its role in enhancing the management of inter-organisational relationships with key customers in emerging economies in the Arab Middle East region. It is based on an extensive qualitative enquiry that utilises 68 in-depth semi-structured interviews conducted in Jordan with endogenous and Western firms. It concludes that Wasta is a pre-requisite for the successful management of key accounts and for enhancing the business relationships in the Arab countries.

Introduction

Wasta is a central concept in the value system of Arab nations that has strong implications for interpersonal and inter-organisational dynamics and relationships in the Arab world. Wasta is 'an old but widespread phenomenon and a significant form of social capital (SC) in the Arab World' (EL-Said & Harrigan, 2009, p. 1235). In modern language, Wasta means a connection, networking, relations, power, or 'the influence a person has through personal and family networks' (Neal, 2010, p. 253). In general, Wasta is defined as the 'use of connections for personal gains' (Yahiaoui & Zoubir, 2006), and refers to two functions: mediation and intercession. *Intermediary wasta* involves resolving inter-personal or inter-groups conflict, and historically has been considered to have an honourable role in binding tribes, families and communities for peace and well-being. *Intercessory wasta* involves personal intervention of influential people on behalf of a particular person to obtain an advantage for that person (Cunningham & Sarayrah, 1994).

Wasta reflects the tribal mentality of Arab nations that gives priority to family and kin over organisational objectives (Branine & Analoui, 2006), and deploys social networks to influence the distribution of advantages and resources (Mohamed & Hamdy, 2008). Although originally based upon family loyalty, Wasta relationships have expanded to encompass the broader community and friends and acquaintances (Hutchings and Weir, 2006a). This is because Arabs not only have an obligation to their family but also an obligation to save and maintain face for their family and their extended network.

Wasta has existed in Arab societies and it is still prevalent in these societies. Wasta is primarily maintained due to weak institutional structures in the Arab World and because it is intrinsically tied to trust and social structures and family connections and networks, which form the basis of any business relationship in the Arab world (ALHussan & AL-Husan, 2013; Mohamed & Mohamad, 2011; Hutchings & Weir, 2006b). However, despite of Wasta's widespread use in the Middle East and its significance in business relationships and decisions, much of the discussion of Wasta the current scant literature focuses on the dark

side of Wasta and characterizes the practice as favouritism, nepotism or corruption (Velez-Cale et al. 2015; Mohamed & Hamdy, 2008), and neglects the benefits that could be attained for businesses and for increasing their competitive advantage. The aim of this paper is twofold: to explore the bright side and to identify the benefits of Wasta within the context of firms operating in Jordan; and to understand the role of Wasta and how key account managers capitalise on their Wasta networks to enhance advantages of the relationship management with the key accounts. The paper is divided into five main sections. In the first section, a brief review is provided on the debate concerning social capital theory. The second goes on to consider key account management and industrial network theory and how KAM is operationalised through the IMP's A-R-A framework. The third section outlines the research methods utilised. The fourth section reports the key findings obtained from the interviews. Finally, a concluding section draws together the key points emerging from the study and considers their implications for the existing debate relating to the management of key accounts.

Theoretical Background

Social Capital theory
The core of the theory of social capital (SC) is that social networks provide important assets and resources to their members and tend to contribute in improving individual and collective/group productivity in similar ways to physical capital and human capital (Putnam, 2000, pp. 18, 19). Social capital is characterised by being 'intangible' (Coleman, 1998), 'truly social' (Grootaert & Van Bastelaer, 2002, p. 70), and 'relational' (Narayan, 1999, p. 20), as it is an asset that must be shared with others and it inheres in the structure of peoples' relationships. Thus, Portes (1998) maintains that 'to possess social capital, a person must be related to others, and it is those others, not himself, who are the actual source of his or her advantage' (1998, p. 7).

The existence of networks and connections is therefore crucial for the creation of social capital. Hence, Nahapiet and Ghoshal(1998), for example, define social capital as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit" (Nahapiet & Ghoshal, 1998, p. 243). Kostova and Roth (2003), for their part, note that overall, scholars have broadly conceptualized social capital as the benefits that social actors derive from their social structures. Within this conceptualization the literature offers multiple definitions, operationalizations, and perspectives that reflect the work of sociologists, economists, and organization theorists (e.g. Bourdieu, 1986; Burt, 1997; Coleman, 1990; Fukuyama, 1995; Leana & Van Buren, 1999; Nahapiet & Ghoshal, 1998). However, although the definition of social capital is contentious, the different definitions are seen as complementary rather than contradictory, and it is argued that Woolcock's (1998) definition encompasses most of the literature when he defines it as the norms and networks that facilitate collective action (Woolcock, 1998). It is also argued that there is now a large consensus that social capital refers to 'the norms and values that govern interpersonal relations, as well as the formal and informal institutions in which they are embedded' (Narayan, 1999). Thus social capital is not simply the sum of institutions that underpin society, but also the glue that holds them together.

Hence, a distinction needs to be made among the different components, levels, and types of social capital. According to Nahapiet and Ghoshal (1998), social capital comprises three dimensions: structural, cognitive and relational. Structural social capital refers to institutions, and stems from the structural configurations, diversity, centrality and boundary-spanning

roles of network participants (i.e., the structure of the relationship); whereas cognitive social capital refers to collective norms and values. Finally, the relational dimension refers to the personal relationships people have developed over time through their interactions, and the level and distribution of trust, obligation and reciprocity. Social capital also has micro and macro levels: micro-level social capital refers to interpersonal trust and civic engagement, whereas macro-level social capital refers to confidence in public institutions, such as the rule of law, effectiveness and accountability of government, and quality of public services provide environments that either facilitate or hinder the development of social capital at the micro level (Narayan, 1999).

The literature also distinguishes three types of social capital: **Bonding social capital** refers to kinship and other intra-group networks bound together by shared identities, interests and beliefs about what constitutes accepted behaviour and who trust ne another to abide by the same norms- i.e. by strong ties. Hence, bonding capital is an informal institution that provides members with important material and non-material benefits and governs their behaviour. **Bridging social capital**, on the other hand, refers to those networks or formal associations linking individuals and groups who did not previously know each other with the goal of establishing new social ties to provide new information, access additional social networks, and fill the "structural holes" in the system of networks in the community (Burt, 1992). Finally, **linking social capital** refers to the links people have with higher levels of decision-making and resource allocation, or the ties between people in communities and their local organizations (Woolcock, 1998).

Overall, as emphasised in the literature and definitions of social capital, social networks and associations/bonds, trust, reciprocity, obligations are essential for the creation of social capital (EL-Said & Harrigan, 2009; Portes, 1998).

Wasta and Social Capital

Wasta is considered to be a 'significant form of social capital in the Arab World' (El-Said & Harringan, 2009: 1235). More specifically, and as Rice (2003) argues, the strong group loyalty and cohesiveness (Ali, 1993) is a potential source of beneficial "social capital"—the resources derived from the network of relationships in a workgroup or organization (Napahiet & Ghoshal, 1998), and in the Arab world these social networks are referred to as "Wasta" (Tlaiss & Kauser, 2011). Like its cultural equivalent, *guanxi* in China, Wasta uses social networks to influence the distribution of advantages and resources (Mohamed & Hamdi, 2008).

Hence, to understand how Wasta functions in the Arab world, it is essential to note the following facts. First, '*Wasta* is rooted in family loyalty and tribal dispute resolution' (Cunningham & Sarayrah, 1993, p. 33). Secondly, the family represents the primary *wasta* channel and the basis for obtaining benefits from the socio-political system in the Arab World (Cunningham & Sarayrah, 1994). Consequently, Hutchings and Weir (2006a, p. 143) argue that '*Wasta*' involves a social network of interpersonal connections rooted in family and kinship ties and implicating the exercise of power, influence and information-sharing through social and politico-business networks. It is intrinsic to the operation of many valuable social processes, central to the transmission of knowledge and the creation of opportunity'.

Norms of reciprocity play an important role in Wasta because these social networks foster values and attitudes that nourish and sustain certain rules of conduct based on "mutual trust and obligation", which lead to reciprocity, and increase the volume and value of interacting

among individuals and groups (El-Said & Harrigan, 2009, p. 1236). This reciprocity also extends beyond family and kinship ties to non-kinship ties, such as friends and acquaintances, in which people are expected to assist each other as if they are fulfilling obligations to their family members or tribe (Hutching & Weir, 2006; El-Said & Harrigan, 2009). Thus, as Coleman (1990) suggests, the rules of reciprocity in Wasta establish a structural constraint that curtails self-seeking opportunism and preserves social capital within the existing network structure.

It must be noted, however, that direct reciprocity is not a requirement for Wasta. Instead, reciprocity comes in the form of an implicit obligation to provide aid when requested by other members of a specific social network, and in many circumstances, the recipient of a wasta/favour does not even have to reciprocate to the donor himself. Especially in the context of family networks, he is rather expected to give back what he has received by showing solidarity to any other relative in need, which is a form of 'generalized reciprocity. Wasta is referred to as social capital (SC) and is seen as an important asset in societies, because it is based on such a generalised reciprocity that fosters trust and mutual assistance, and hence involves exchanges of social obligations and determines one's face in society. Wasta is also considered an informal institution that specifies the norms and shapes the behaviour of people in Arab societies and business relationships (Loewe, et al. 2008; Barnett, et al., 2013).

Cunningham and Sarayrah (1994) argue that reciprocity is the basis for social relations in the Arab World and therefore individuals use their position to take care of relatives and friends so that the favour will be reciprocated. Furthermore, this favourite treatment is also seen as expression of loyalty to the family and tribe. Thus, in the Arab World a manager who gives special treatment to a relative in terms of a business deal or employment is considered to be fulfilling an obligation to family or immediate community, or doing business with someone who can be trusted, while in the West this is 'considered nepotism and favouritism' (Abu-Saad, 1998; Hollensen, 2007, p. 225). For example, in his study of Jordanian managers, Al-Rasheed (2001; 1993) found that it was 'relatives' and friends' efforts, and not the market mechanism', which proved the decisive factor. Indeed, the point that Weir highlighted in relation to these findings was that 'tribalism and the utilization of networks of relatives and friends is described by managers in Arab context as equally as legitimate as the operation of the economic calculus based on rational decisions about relative rates of return' (Weir, 2000, p. 70).

The literature also reveals that *Wasta* and the network of relationships are significant because often they allow the establishment of relations of support and cooperation with partners such as banks, suppliers and customers and provide guarantees to business owners and managers of long-term commitment and the good operation of their firm (Zghal, 1998 cited in Yahaoui & Zoubier, 2006). This seems to be in contrast with Western relationship marketing which is 'driven by legality and rules', impersonal involvement in networking and commercial goals (Wang, 2007, p. 82). Consequently, it is argued that to establish business relationships effectively in the Arab world, it is important to recognise 'how to move within relevant power networks' (Metcalfe, 2007, p. 94), and appreciate the 'interpersonal networks and connections that pervade all aspects of business and social life' (Hutchings & Weir, 2006b, p. 273).

Wasta can act as bonding and bridging social capital. Traditionally, through Wasta, local citizens not only bonded together along social and geographic dimensions (same tribe, clan, region, or people of the same background), but also simultaneously bridged across others. Members of certain clan, tribe, or region resorted to Wasta to intermarry from other clans and

tribes, solve disputes, and to build alliances and social and economic networks with other, more differentiated groups. Wasta thus helped people to cope with the harsh conditions of the desert environment and scarce resources. It also substituted for the lack of a formal welfare system, thus playing an important informal social safety net role (Cunningham & Sarayrah, 1993).

The affiliation-oriented nature of Arab culture values personal, family, group and clan ties. These ties and social networks become the Wasta - the influence through networks rooted in the family, clan and tribe, which is a special form of social capital that provide the individual with access to opportunities and solves his/her problems. Typically, individuals in Arabic society define themselves in relation to an interdependent network of relationships, attach great value to family and other in-group relationships, find satisfaction through their relationships, feel great commitment to their in-groups and develop a sense of belonging. The affiliation orientation also supports the continuing dominance of primary group relations - those characterised by intimate, personal, informal, non-contractual, comprehensive and extensive contacts and relations, and lead to high degree of socialisation that takes place before and during business negotiations (Barakat, 1993; Yasin, et al., 1989).

These distinctive societal cultural features are supported by research evidence in Arab societies. For example, Solberg (2002) in an analysis of industrial buyer behaviour in Arab countries found the following. First, building trust with business partners takes a longer time than is customary in the West. Secondly, networking and using partners equipped with Wasta power plays a much greater role for Arab buyers than in the West. In Arab countries the position of the business partner or agent and his network with prominent families are crucial for success. Thirdly, Wasta (which may be likened to the "old boys' network" relationship in the West) is powerful and the role of the family is pervasive despite societal changes.

Key Account Management and Industrial Network Approach

Evidence indicates that many companies have moved away from the traditional marketing strategies towards relational-orientated marketing strategies. Suppliers have experienced the improved customer-supplier relationships that increases key customer retention and loyalty, allowing them to compete more effectively. This shift towards relationship marketing brought with it a new management philosophy, namely key account management (KAM). KAM is one of the most significant marketing trends that have evolved over the last few decades. It is a strategy used by selling organizations to serve high-potential, multi-location accounts with complex needs requiring individual attention through a carefully established relationship management programmes (Abratt & Kelly 2002).

KAM as currently portrayed in the relationship marketing literature, is a significant approach to creating value, by implementing specific processes targeting most/strategic customers (Wengler et al., 2006), that require a coordinated effort across product divisions, sales regions and functional groups at different levels (Workman et al., 2003). Hence, KAM is often represented as managing both internal and external networks (Holt & McDonald, 2000) at both the intra-organisational and inter-organisational levels, respectively (Hutt & Walker, 2006). A network is a set of actors or social entities that are connected by a set of ties and relationships (Hutt & Walker, 2006).

Accordingly, the networks approach to relationship marketing can be seen as most relevant and useful in understanding the KAM approach for two main reasons. First, industrial network approach exceeds the analysis of dyads (as in the interaction approach) to networks (Axelsson & Easton, 1992), since 'dyadic relationships are embedded in a larger set of

exchange relations called a network' (Håkansson et al., 2009). Secondly, this study is based on the Arab World, which is founded on a clan network society that nurtures networked business relationships that form the substance of its competitive resources through Wasta networks. Consequently, applying social capital and the networks approach in this analysis seemed to be most appropriate for understanding and analysing KAM in the Arab context (ALHussan, 2012).

Within the Industrial Network Approach, a number of studies on KAM have mainly analysed KAM using the Industrial Network Approach and have adopted its A-R-A conceptual framework to operationalise KAM (e.g. Homburg et al., 2002; Hutt & Walker, 2006 Workman et al., 2003). The A-R-A model stands for Activity links, Resource ties, and Actor bonds ties (Araujo & Easton, 1996; Axelsson & Easton, 1992; Ford, 1997; Håkansson & Johanson, 1992; Håkansson & Snehota, 1995; Veludo, 2009). Activities (A) - describe what is done in the network; Resource ties (R) - connect elements of companies together through the actors who control and bring the resources together. Actors (R) - are those who perform activities and/or control resources and who contribute to business relationships, including key account managers, senior managers and sales teams.

It must be noted that in studying the ties that link the actors in a network, the marketing literature has primarily focused on the nature of the relational bond that connects two or more social actors (e.g. tie strength) as well as the structural characteristics (e.g. density, centrality) that capture an actor's position in a network. The network perspective, then, focuses on the relationships among actors and on the patterns and implications of these relationships (Wasserman & Faust, 1994; Hutt & Walker, 2006). This is particularly essential for the role of the key account manager who acts as the boundary spanner between these relationships (internal and external) and utilises his social capital resource to navigate and manage the strong and weak ties within the network and portfolio of ties to acquire diverse information and business opportunities.   This is essential for building long-term ongoing inter-organisational relationships (Little & Marandi, 2003) based on trust, commitment and cooperation. Furthermore, available evidence suggests that network size, network range, and network diversity are among the relational properties that may influence account manager performance. By building a strong network of relationships both within the firm as well as within the customer organization, high-performing account managers, compared with their peers, are better able to diagnose customer requirements, mobilize internal experts, and choreograph the activities that are required to out-maneuver rivals and create the desired customer solution (Hutt & Walker 2006).

Methodology
A qualitative research design was adopted given the context of investigation of social capital and Wasta in the Arab Middle Eastern business is under-research and not well understood in Western management literature. A qualitative research was seen to be most suitable to develop a rich contextual understanding of the phenomenon under investigation (Miles & Huberman, 1994). The research followed inductive research design, and was designed to allow themes and nuances to emerge from the research data (Glaser, 1992) by utilising theoretical replication logic (Yin, 2003), where a new context can be compared against the existing theoretical frameworks from different contexts. The information under investigation was gathered from 68 semi-structured, in-depth interviews. The interviews were conducted in Western and Arab owned companies in financial services, IT, telecommunications and heavy

industry in Jordan. The respondents were directly involved with key accounts and in the development of relationships with key customers and included senior managers, key account managers, key account directors and sales managers. Thus, multiple respondents from different levels and roles were drawn from the companies to corroborate data, to ensure comparability, and to obtain a sufficient depth and diversity of information. Where possible all interviews were either verbatim style transcribed or detailed notes were taken. The transcripts were read and reread line-by-line to analyse the data.

This method leads to a better understanding and becoming more familiar with the data which in turn helped in arranging the data into relevant categories. The verbatim transcript data were coded into thematic categories (Guest et al., 2012). However, the initial codes and categories were expanded and collapsed inductively to account for the other categories and sub-categories that emerged from the data analysis. The resulting codes were used to assess existing theory and to generate theories regarding the research questions (Forstenlechner & Mellahi, 2011). To make sure that the categories were reliable, in other words would another researcher perceive the same categories, uncoded transcript was given to an external researcher and asked to recognize categories. A comparison of categories was made and were discussed until an agreement has been reached (Taylor-Powell & Renner, 2003; Spiggle 1994).

Findings

The results indicate that as Wasta is an important network resource and the account manager who possesses such a resource can achieve in a number of benefits as discussed below:

Figure 1

Benefits of Wasta

Benefits of Wasta

a.   ***Creating Trust:*** The results indicate that Wasta connections and personal social networks through family and friends that key account managers have play a pivotal role in establishing trust.   The interviews show that the first strategy that key account managers utilise is their Wasta and family connections to gain access and to establish trust with key customers. These people in the KAMgrs network can assist directly by personally contacting the key customer, recommend and obtain access for the key account manager. This ensures cooperation, and provides the key account manager with leverage in negotiations and opens doors of trust and opportunities with the key customer, since the KAMgr has been referred to him/her by someone known to him. This shows how Wasta relations and connections, similar to Guanxi, can be created through 'interpersonal transfers of trust and relational ties' as described by Peng and Luo, (2000).

Indeed, the family (clan/tribe) and kinship ties were identified by the respondents as the most important source of Wasta and most powerful social resource that they draw on to achieve their objectives. This has identified by the corporate relationship manager W-HS who stated:

'...in Jordan we always highlight the importance of family because you will find members of your family in the government, others have their own business, so we are all in a way know each other and linked together. Once you need help or a favour they surely will not hesitate to do that for you.' (50, W-HS)

 This confirms the importance of the family that is deeply rooted in Islamic values and tribal traditions and social system, which cultivate value systems that favour family

members and durable kinship ties over all other social ties. Even when mentioning that you come from a certain family or have ties with a certain family may open doors for the person. This is demonstrated by the following quote:

'...The family names have a significant role in our business as it opens a lot of doors and helps in things like, for example, you meet a customer asks me about my family name, if he recognises the name he will ask me about someone form my family he knows and I will say this is my uncle/cousin, he will reply back; that this person is my friend or my wife's cousin etc. Thus, the customer is willing to build relationship with you, even inviting you to dinner/lunch etc. in addition, the family names tells you how to deal with the customer and indicates their status and how wealthy they are'. (22, W-OT)

Hence, as explained by the participants, the tribe and family approach and Wasta help significantly in establishing and creating trust and in maintaining the relationship. The government sector, in particular, is controlled by native Jordanians who come from known tribes and families who are often related to each other through blood and marriage and therefore they are loyal to each other. Thus, to be successful usually an account manager from these native Jordanian families will be appointed to manage the account as this is the only way to gain the trust and cooperation of the clients. Indeed, once the account manager mentions his family name he will be treated favourably and differently.

b.   Access to Decision Makers

As mentioned above, Wasta acts as the medium to reach the key-decision makers in the purchasing company, and in the Arab world it is significant to have Wasta to access decision makers, particularly when there is no prior acquaintance between the key account manager and the purchasing company. This makes it very difficult to approach the key-customer with what may be termed as 'a common practice in the West' – that is, to phone up the company and book an appointment, and as stated by him *'... this does not work in our country - it is simply a waste of time'.* Accordingly, the account manager at A-ZT added that:

'Personally speaking when a telesales person calls me to book an appointment or wants to sell me something I hang up immediately. I even tell the salesperson I am not interested, hence do not waste your time with me because I do not like this way of selling and the way the salesperson speaks to me. The regular way would be finding someone who can set up a meeting for me with him (the key person, purchasing manager, GM, IT manager whoever the decision maker is). Usually the best way is to find a Wasta to get in that company because he will be my reference and give me the opportunity to discuss my business proposition with the key person'. (10, W-ZT)

The above demonstrated that access to decision-makers and to the right people is so important in the Arab world particularly due to its centralised decision making which is represented by the one man at the top of the hierarchy.

c.   Business Facilitator: The findings indicate that one of Wasta's benefits is to facilitate business. At the intra-organisational level, and in order to increase customer satisfaction and to keep the key-customer closer to the supplier company, the key account manager, the sales manager or even the Chief Executive Officer (CEO) sometimes may intervene on behalf of the key-customer to expedite the processing of his request, and hence, acting as an '*Internal Wasta*' for the key-account. Doing so, makes the key account feel that he is important for the firm and would make him reluctant to switch to another provider

because of the privilege that he receives through the Wasta connections that he has in the supplier company. The sales manager of the government and education sector at W-OT emphasised that:

'Wasta does go into our work, such as a customer can call you for a particular matter and asks you to expedite the process on the line set up, although this is not in my line of work and it is the customer service that deals with such matters, but because he knows me and I know the technical people he calls me so that I can expedite the process for him. This way he feels that he is important and that he can reach top-level people in the organisation, and plus gets his work done. Hence this will make him think twice before switching to another company because there he might not have Wasta to take care of his business when he needs it'. (24, W-OT).

Moreover, some customers can act as Wasta (intermediaries) for other customers, particularly new customers to the organisation who are not familiar with the company's system of doing business and procedures. Hence when a senior customer acts as the Wasta for the new customer to expedite his work, and the KAMgs and supplier company respond positively to that Wasta, they make both parties satisfied. The senior customer feels that he is important for the organisation and that his requests are considered and delivered and that he has not lost face with the new customer who has asked him to be his Wasta. The new customer, in turn, feels that he has been appreciated and that his work is done in the shortest possible time. To reflect more on this matter, the corporate relationship manager at W-HSstated:

'...a customer called me the other day on behalf of another customer to ask me personally to be in charge of his account and to see to his needs as though I was looking after his own. So since he acted as the Wasta for the new customer, I have to be very cautious not to let him down, because if I do that then this means I acted disrespectfully and hence lost both key-customers'. (50, W-HS)

The above quote also shows how **saving face** and **reciprocity** entail a strong social obligation to do favours for another person, by providing, for example, a scarce resource, or a service, is important for managing the relationship effectively. There is a strong moral obligation to reciprocate favours that have been obtained, and as such key-customers can, in turn, also act as '*External/Intermediary Wasta*' for key account manages and the supplier company. The network connections that the key-account customers possess can facilitate the work of the account manager in other organisations and gain him access in that or those firms. The supplier company has provided a type of privilege or unexpected service for the key-customer, the key account feels obliged to return the favour to the supplier company/account manager and can act as the external Wasta for the supplier, and in this way the relationship process is also prolonged between supplier and the key customer.

The above demonstrates that Wasta promotes cooperative long-term relationships between the buyer and seller. Through internal Wasta the account manager can strengthen the relationship with the key customer by fulfilling his role as the 'customer's advocate' (Bailey & Jensen, 2006), and also showing that the firm can provide a high quality and speedy service to the key customer which helps in maintaining or increasing customer's satisfaction and commitment. External Wasta, on the other hand, contributes to creating businesses opportunities and growth.

d. ***Providing Information & Intellectual Capital:*** the findings indicate that Wasta can be used to obtain private and confidential information and knowledge through interpersonal

exchanges and interactions – thus Wasta can be seen as a source of intellectual capital (Nahapiet & Ghoshal, 1998; Reiche et al., 2009).

Thus, respondents explained that through their personal relations and Wasta connections they can get access to sensitive and highly important information on such issues as market trends, business opportunities and government policies. Providing 'timely information' to the account managers, for example, can give them a good direction on how to plan their future projects with key customers and how to benefit from this information. This has been outlined by the corporate relationship manager at W-SG:

'...We have to always know what is going on in the market and try to find new business opportunities because this is one of our primary job tasks to follow up or find new leads. With having good Wasta connections with certain people in the market we can know when such opportunities will be available and try to benefit from them, like hearing when there will be change in government policies soon on a particular commodity or investment law, so we might share this information with our important customers to develop our business further'. (34, W-SG)

The above shows that Wasta is a significant tool for information acquisition and sharing which can have positive implications on the supplier company. By having a Wasta the account manager or the supplier company can have a competitive edge in the market as they become aware of the opportunities before the competitors, and hence can be ahead of competitors in terms of planning and formulating the necessary strategies to sustain themselves in the market.

e.   Problem solver and Risk & Cost Minimiser

The results indicate that Wasta can act as a business problem solver as it can remove the uncertainty or the ambiguity in the relationship process that can be a cause of frustration for the vendor firm, because it can save time and cost invested in the relationship. For example, the amount of time spent on preparing a business proposal and validating it can take an ample of time which can affect the firm's business process and the time when to offer the service/product to the market, as stated by the corporate market manager at W-OT *'to draft a contract for a customer and to validate it can take up to a month and this affects our time to market the service'.* (23, W-OT). Thus, the risk of having to go through the hurdles of administrative work and then discovering that what has been done is not in accordance with the key decision-makers' expectations or needs, can only result in incurring cost and loss of the business deal to competition. This can be minimised by having the right Wasta which will result in lower costs and higher probability in securing the deal. This has been outlined by the senior sales manager at A-ST:

'...Knowing someone in the customer's company or having a Wasta in that company can be a blessing for the account manager. From my experience sometimes you go into an X company to meet who is supposed to be decision-maker and you spent huge time negotiating and talking to that person and at the end you find out that he is not the right person to talk to, although his title is indicating that. So if I have the Wasta in that company I would know immediately where to go and how to reach the key-person and how to prepare the proposal and this way I have a better chance of getting the deal and not wasting time and effort'. (41, A-ST)

The findings also show that Wasta can be utilised to acquire physical resources, such as production material, for the company, particularly when the company is not resource rich or

when there are restrictions that can only be overcome by Wasta. For example, a company like W-LA which has quotas on cement production imposed by the government, faces difficulty in some cases in providing some merchants with extra cement quantities; hence the territory manager depends on using his Wasta connections to find the necessary quantities of the cement for the customer from other merchants. This has been highlighted by one of the territory managers at W-LA. Who noted:

'…We have periods that we call high-season for cement consumption. The VIP customer can purchase 1000 tons daily in that season, which can deprive the other customers from their cement quantities. Sometimes a customer may need an extra load of cement that we do not have, so we use our Wasta relationships with the customers to find him that extra load, which can be difficult in that season but with Wasta we can accommodate the situation'. (4, W-LA)

The above shows that without the availability of the Wasta connections it would be difficult to manage and compete in the market, and sustain competitive advantage.

f.   Access to Business Opportunities: From the findings it seems Wasta has a direct contribution in winning business. Apparently this is due to the fact that Wasta acts as the medium to reach the key-decision makers in the purchasing company has a in a way an influence over their decision making process, since they are usually attached to Wasta mediators emotionally or blood ties, hence it can provide a leverage in winning business. Overall, the findings show that Wasta can create business opportunities by acting as a hedge against competitors. The strong network of personal relationships, loyalties, reciprocity and exchange of favours that Wasta creates plays a significant role in impeding other competitors from acquiring or penetrating the customer base that the supplier has established. In fact, a key account manager or a senior executive with strong Wasta connections with the customer's company can make it impossible for other competitors to approach that particular key-account. This has been highlighted by the account manager at A-ZT:

'...we do go into some tenders, and these tenders are important for us. However, the specifications that these tenders that we have are not exactly in-line with the products that we have, hence we try to use some Wasta here, to dictate the specifications in the tender to suit me to be able to compete. For example, if the tender is asking for X products and what I have isY product then I can use my Wasta, to be more flexible in with that condition in the tender or add an additional specification that my company only has it, because otherwise if I am going to wait for the perfect tender it will never come'. (11, A-ZT)

Another key account manager in another sector explained how Wasta worked in his line of business and provided an example of an incident when he attended a meeting with his CEO, in which the key customer discarded the competitor's offer for the sake of the Wasta who acted as a mediator and referred the CEO to the supplier company. Thus, the account observed that:

'...I was in a meeting with my CEO with a key-customer company, and because of the relationship they have, the customer opened his desk's drawer and picked the other competitor's offer and put it in the drawer, and assured my CEO that the deal will be going to our company as we have been referred to him by an important Wasta person.' (18, W-OT)

The above shows how the nature of Wasta affects the relationship among buyers and sellers and how Wasta network which makes it extremely difficult for any outsider to penetrate this closed network even if they bring benefits to that particular group/network.

Discussion and Conclusion

The study demonstrates the important role that Wasta interpersonal connections and networks play in the Arab world and the benefits it secures for managing inter- and intra-organisational relationships and how it is used to enhance firm's relational benefits. Wasta is an important resource for key account manager that firms need to invest in to support the role of key account managers and business competitiveness. Overall, Wasta is essential to utilise in Arab countries to manage organisational interdependence and to mitigate institutional advantages, structural weaknesses and other environmental threats. Wasta is closely linked to social capital and it is used as a deliberate strategy for developing business opportunities in the Arab world.

More specifically, the findings confirm that similar to other emerging economies there is an 'institutional void' (Khanna & Palepu, 1997) in Arab countries represented by weaker formal institutional constraints, that result in a stronger role played by informal institutional constraints such as those embodied in the interpersonal ties across organisational boundaries nurtured by managers such as '*Wasta*' connections and networks in the Arab world (Hutchings & Weir, 2006a), *Guanxi* in China, *Blat* in Russia (Peng & Luo, 2000), and *Ubuntu* in Africa (Sulamayo, 2010), and familial/tribal and religious institutions. Indeed, this study for the first time shows that Wasta has benefits for the key account managers, and how it acts as a hidden force that affects all aspects of life in the Arab world and how it influences key account management relationships. Thus, Wasta acted to help firms to overcome the uncertainties, bureaucracy and lack of formal institutional support, and ensuring compliance with social and cultural norms.

Secondly, the findings also confirm that Wasta was used in its two forms of "Bonding" social capital and "Bridging" social capital. Wasta as bonding social capital was used when the key account managers internal/personal network ties, that are represented by his/her clan/family and friends network, acted as their concentric circle and closure group (Oh et al, 2004; Coleman, 1988; Leonard, 2004), which they and the group members belonging to that network can only benefit from the opportunities and benefits created in that network. This also demonstrates the "personal type" of Wasta that is achieved through the personal connections of the account manager. For example, the key-customer can be from the account manager's family/clan hence he/she is connected by the blood tie to the account manager. The supplier company may not have direct relationship with key customer, thus the account manager becomes the Wasta between the supplier company and the key customer.

At same time, Wasta was used as 'bridging social capital' (El-Said & Harringan, 2009; Leonard, 2004), since firms were developing it, through key account managers' relations and other managerial ties, to also broker structural holes and alter the existing network structure (Burt, 1992; Walker et al., 1997; Oh et al., 2004). Hence, when the account manager's Wasta is not sufficient, he/she borrows Wasta to reach the decision maker in the purchasing company. The account manager in this case uses bridging social capital to be connected with an intermediary outside of his network through the help of his existing connections who aid in the finding of that intermediary who can influence the decision making process in the purchasing company. For example A and B have Wasta relationship, however, C is not connected to A, but it is connected to B. Thus, A asks B to link him with C. Because B trusts A, and believes that he will not make him lose face he will support and link A with C. This also reflects the "intermediary type" of Wasta. It also illustrates the crucial role account managers can play in management the firm's network of relationships.

Thirdly, the findings suggest that Wasta 'social networks of interpersonal connections which are rooted in family and kinship ties' (Hutchings & Weir, 2006a, p. 143) is another important relational antecedent that is used by firms to generate relationship-sustaining factors of trust, satisfaction and commitment. The findings also indicate that Wasta interpersonal networks, and as an informal institution (El-Said & Harringan, 2009) continue to play a significant part in business activities and in the daily life of Arabs, similar to the Chinese practice of guanxi (Hutchings & Weir, 2006a; Rabaai, 2009). The evidence also supports the view that regulating, reducing or 'taming' Wasta is difficult and not easy because it stems from the intrinsic social structures and family connections (Hutchings & Weir, 2006b: 281; El-Said & McDonald, 2002; Al-Ramahi, 2008), as was revealed by the respondents when an attempt was made to curb Wasta. Like guanxi, Wasta is also considered as social capital and is based on personal trust stemming from personal relationships and connections/ties, and therefore firms with strong social capital can be assumed to be trustworthy or at least they have developed a trusting relationship with several other firms.

Finally, the research highlights how a network of relationships like the 'Wasta' can be a source of competitive advantage and "social capital" to those who possess it, within the context of business relationships, an issue that has not been dealt with in the literature before.

Managerial Implications

This research highlights that Wasta networks can be seen as a pre-requisite to establishing successful, long-term committed relationships in the Arab world, and it can be deployed as a deliberate strategy to improve market access and growth. Hence this study makes a valuable contribution to practice because with globalisation and increased foreign direct investments in the Arab Middle East region, it is significant for foreign managers and MNCs to learn how to capitalise on Wasta networks from the personal to the corporate level, as social capital in the Arab world can be accessed from the individual's broader network. Key account managers activities may be affected by individual international managers' ability to comprehend cultural forms of networking and adjust their business practices accordingly.
 Hence, Western managers need to incorporate social and hierarchical network connections into their personal selling processes and key account management strategies. Western managers need to understand that relationships in the Arab world exceed any business interaction and therefore resources must be invested to develop these relationships before business is conducted. Such resources include time allowed for the development of personal and social relationships. Hence, developing and sustaining social capital requires integrating social and business relationships.

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