

Informal networks in employee selection- A case of the Jordanian banking sector

Social networks and social capital have emerged as concepts of great interest and potential to help understand and explain how social structures impact political, social and business practices at the collective and individual levels. The basic premise is: investment in social relations will yield expected returns. Existing research has largely focused on the West; our knowledge of how social capital plays out in the Middle East is limited. This paper explores the prevalent practice of 'wasta' through the social capital lens, namely bonding and bridging social capital, and investigate HR managers' perceptions of wasta in employment selection in Jordan. Often use of wasta in employment selection is related to favouritism and nepotism and the many negative outcomes of not adhering to merit-based selection. However, through in-depth interview data a more nuanced and multifaceted view of wasta in employment selection is revealed and how these impact HR practice in the organisation.

Keywords: wasta, social networks, social capital, Jordan, employee selection.

1. Introduction

In 1973, the publication of Mark Granovetter's seminal work, 'The strength of weak ties' provoked interest from researchers who utilised the concepts of social capital; roughly defined as the connections that enables trust and respiratory between individuals, and social networks to understand and explain how social structures and networks impact political (Putnam, 1993), societal (Putnam, 1995) and business practices (De Graaf and Flap, 1988) at the collective and individual levels. Building on the concepts introduced in this work, researchers such as Coleman (1988; 1990), Burt (1992; 2005; 2015) and Lin (2001; 2005), explored the dynamics and structures of social networks and how social capital 'flows' in and between these networks. The resulting research highlighted how different types of networks and ties between members of these networks bring varying benefits, but also possible disadvantages, to network members. The findings of this research have been applied in different disciplines from sociology (e.g. Granovetter, 1973, 2005; Coleman, 1988, 1990; Portes, 1998), political sciences (e.g. Putnam 1995; 2000), ethics (e.g. Ayios et al., 2014), and economy, business and human resource management (e.g. Woolcock and Narayan 2000; Carrie and van Buren, 1999; Fernandez et al., 2000). However, very few researchers have explored this from the international business perspective and how a better understanding of social capital networking can lead to improved decision making especially in the field of human resource management. Moreover, the focus of previous studies tended to be in emerging or developed economies. Scant attention has been paid to how these findings may or may not be applicable in a developing country.

This gap in knowledge is particularly evident in the context of the Arab Middle East, where the use of social networks based on tribal and family associations, known as *wasta*, is an inherent aspect of both working and non-working lives (Cunningham and Sarayrah, 1993: 1). *Wasta* is argued to be a widespread practice that has a significant impact on political, social,

and business interactions in the Arab Middle East, particularly Jordan (Loewe et al., 2007; Berger et al., 2014). Within the Jordanian context, one of the most frequently cited uses of *wasta* is individuals utilising their social network to secure a job (Loewe et al., 2007; 2008). This raises issues regarding equality of opportunity and fairness in employee selection.

This study aims to aid in filling this gap by exploring the use of *wasta* in employee selection in banks operating in Jordan using social capital, namely bonding and bridging social capital, as the underpinning theoretical lens. This is done through exploring the perceptions of 17 managers involved in the employee selection process in 14 banks operating in Jordan on the impact of *wasta* on the employee selection process in their organisations. In doing so the paper bridges the gap in our knowledge of how strong *wasta* ties (ties based on family and tribal affiliations) and weak *wasta* ties (ties based on friendships and acquaintances) are used in the context employee selection contributing to our knowledge of social networks and social capital in addition to furthering our understanding the impact of *wasta* of employee selection.

2. Literature review

The primary assumption in the majority of research on social capital theory is that social networks ‘have value’ that can be acquired by the members of such networks (Putnam, 2000: 18-19). This value is attained by providing important assets and resources to these members which tend to improve the productivity of both individuals and groups in similar ways, and their access to other forms of capital such as physical and human capital (ibid). Building on research by Coleman (1998) and Lin (2005) social capital is defined as:

The resources embedded in one’s social network or group, which could be either closed, such as a family, kinship or religious group, or open, such as a friendship, social club or organisation’s employment group, whereby these resources are viewed as ‘credit slips’ that

can only be operationalised by interacting with other actors in or across the members of these groups.

There are several positive outcomes of possessing social capital. On the level of the society these general positive outcomes consist of high political participation and high levels of interpersonal trust between members of society benefiting society as a whole (Putnam, 2000). On an organisational level they include help for individuals in finding jobs and facilitating inter-unit research exchange (Tsai and Ghoshal, 1998) support in product innovation (Rindfleisch and Moorman, 2001), reducing turnover rates (Shaw et al., 2005), support of knowledge transfer (McFadyen and Cannella, 2004) and strengthening of supplier relations (Adler and Kwon, 2002). Finally, on the individual level social capital aids the ability of individuals to attain goals through the help of social connections (Flap, 2002).

Similarly, the negative outcomes of social capital are evident on the level of the society, organisation and individual (Silkose, 2008; van Deth and Zmerli, 2010). On the societal level the individuals' utilisation of their social networks limits individual identities to small groups thus reducing their interest in the wider common good of society (van Deth and Zmerli, 2010). On an organisational level the negative outcomes are embodied in free-riding by non-performers who rely on the network to cover their under-performance (ibid). On an individual level it can result in limiting the development of skills for individuals who rely solely on their social capital to attain their goals (Gittel and Vidal, 1998). These negative outcomes have not been explored to the same level as the in-depth analysis undertaken on the positive outcomes of social capital (Silkose, 2008; van Deth and Zmerli, 2010).

There is a contrast between the prevailing views of researchers on the positive outcomes of social capital, yet *wasta* is generally perceived as a practice characterised by negative outcomes. This has translated into a limited perspective when previous research examined

wasta using a social capital lens. As such research tended to focus on the positive outcomes of using wasta, largely ignoring the negatives associated with its use.

2.2 the social networks perspective in exploring social capital

In exploring how an individual's membership in a social network impact their chances of getting information about the availability of jobs, Granovetter (1973) hypothesised that while members of a close knit social network are more likely to inform each other about any possible vacancies that arise, the information circulated in such networks are more likely to be redundant. This is because members of such networks usually share very similar characteristics and interests and as such have access to the same information. On the other hand, members from different networks, who are linked together with weaker ties, are less likely to share information about vacancies but the information they possess is more likely to be more valuable to the members from the other network. Burt (1992) extends on this argument highlighting the role of information brokers; individuals who are members of one social network but who also have ties with another network and as such link both networks together. This entails that these brokers have access to information in both networks and are able to bridge this information between these networks.

The work of Granovetter and Burt highlights the premise that both strong and weak ties serve different purposes. On one hand strong ties help members of the same group or network to 'get by' by providing them with strong support from members of the same network (Gittel and Vidal, 1998). On the other hand, the weak ties that an individual has with members of another network will help them 'get ahead', as these ties bridge the gap between the two networks and help information go over what Burt calls a 'structural hole'.

Granovetter (2002) argued that two inferences can be drawn from this; the first is that weak ties are, contrary to the prevailing belief, valuable because they are more likely to be the source of novel information where social outcomes such as hearing about job opportunities (Granovetter, 1974). The second inference is that only weak ties can be bridges between two social networks enabling their members to connect with each other and share information about jobs. As such he concluded that weak ties are more likely to be sources of novel information when it comes to finding employment.

A theoretically defined mean to distinguish between the identified different forms of social capital and its expected outcomes is typifying social capital based on the different groups or networks it exists in (Lin, 2001; Gittel and Vidal, 1998; Woolcock and Narayan 2000; Putnam; 2000). The main two types of social capital identified by researchers are bridging and bonding social capital.

2.3 Bridging and bonding social capital

Gittel and Vidal (1998: 8) introduce the concepts of bridging and bonding social capital. Bonding social capital refers to intra-community or intra-group networks that occur most frequently in families, kinship, specific ethnic or other relatively similar groups, bound together by shared identities, interests, or places of residence (ibid). These groups provide their members with material and non-material benefits that allow them to 'get by' in life (El-Said and Harrigan, 2009: 1237). The same networks that bind can also exclude however. They create inward-looking groups and loyalties, which narrows the circle of trust and mutual reciprocity (ibid). Such networks, though important, may lack sufficient information, resources, and wider connections and links which are necessary for development, poverty reduction, and risk pooling (Putnam, 2000).

Bridging social capital, on the other hand, comes about when associations and connections cross social, geographical, and other specific identity lines (Gittel and Vidal, 1998: 8).

Bridging social capital is good for 'getting ahead' in life because it provides a broader reach to those seeking social and economic gains beyond their immediate communities (El-Said and Harrigan, 2009: 1237). Nevertheless, bridging social capital can be negative when 'getting ahead' is attained by utilising immoral or illegal avenues. Such avenues may result in the restriction of access to recourses (e.g. access to jobs and universities) to a limited group and the emergence of powerful, tightly knit groups. Such activity presents risks of corruption, nepotism and cronyism.

Both forms of social capital are important and serve different purposes: bonding social capital for reducing individual vulnerability, bridging social capital for empowerment, social cohesion and political stability (El-Said and Harrigan, 2009: 1237). On an organisational level much of the focus has been on how bridging social capital can have positive impacts on the performance of both organisations (Newell et al, 2006) and individuals (Granovetter, 1973; Burt, 2005) who possess such relations. Burt (2005) discusses how actors who possess bridging relations between groups can attain advantages through these relations due to their access to information from both groups they are connected with. These individuals can act as brokers of information such as the availability of vacancies in certain organisations or qualified employees who can fill those vacancies. There still remains, however, a lack of research on the negative utilisation of bridging social capital by both organisations and individuals, a gap that this research aims to fill.

2.4 Social capital in employee selection

Previous research on social capital in the context of employee selection has focused on two themes: (i) how individuals use their social capital in attaining and sustaining employment (Granovetter, 2005), and (ii) how organisations use social capital as a way to attract and assess possible candidates (e.g. Fernandez et al., 2000). Research on organisations focus on the use

of social capital by HR and recruitment managers to attain two main goals: attracting highly qualified employees, and assessing the 'fit' of potential candidates with the organisation and the job.

Individually brokers of information will not operationalise their ties except when there is a reason or need to, which might include benefits for the broker (Burt, 2001), pressure from group members (Putnam, 2000), or institutional factors such as the lack of formal institutions that enables them to attain a goal (Lin, 2001).

Possessing bridging social capital implies having access to unique information by connecting to other networks. These bridges create opportunities for upward mobility in the labour market (Granovetter, 1995; De Graaf and Flap, 1988). Bonding social capital resulting from strong close ties that are usually a characteristic of closed groups with similar members is arguably useful for getting 'a job'. On the other hand, utilising weak ties through bridging relations can bring in new information about 'good jobs' (Granovetter, 2005). However, Lin's (2000) argument on the inequality of social capital undermines this position, as this depends on the resources that reside in the original group. If a candidate's original group is rich in resources then bonding social capital can bring in information and opportunities for jobs. If the group suffers from scarce access to resources, then bridging ties will be more useful. Lin (2000) found consistent evidence demonstrating that disadvantaged social group members are more likely to use information attained through their social ties in searching for jobs. This tendency is more common in less educated groups (Marx and Leicht, 1992), among blue collar employees (ibid), among labourers and construction workers (Falcon, 1995), and poorer job seekers (Green et al., 1995). As such, this is only helpful for jobs that do not require specific skills or qualifications which are in turn usually low paying jobs.

This tendency does not indicate that better positioned individuals do not use the information attained through their social ties in seeking employment. This must be viewed in combination with the argument that due to the nature of these jobs in the sense of high requirements as to qualifications and specialist skills, they are usually pursued by direct contact with the candidate who goes through formal employment methods, rather than relying solely on social ties (Lin, 2001). In other words, better jobs are offered to candidates provided they have specific skills, qualifications and experiences.

In terms of bonding and bridging social capital, it is important to highlight that the utilisation of bonding social capital will help in attaining employment but that this is capped by the required skills and qualifications. As such bonding social capital will aid disadvantaged groups in getting jobs that allow them to get by. However, bonding social capital will be far more useful for more advantaged groups because it helps them attain very good jobs that allow them to build a career. The proviso that they have the qualifications and skills remains but it can be argued that these advantaged groups have these, or are at least more likely to have these. Bonding social capital, then, can restrict mobility because disadvantaged groups remain disadvantaged and advantaged groups are further advantaged. Thus, social capital is implicated in both the reproduction and challenging inequalities resulting from social structures (Kwon and Adler, 2014). Lin (2001) describes two types of defect in social capital that result from being a member of a particular group; capital defect and return deficit.

Return defect refers to the abovementioned impact of acquiring social capital and the resultant inequalities among social groups. In terms of re-production of social structures and inherent inequalities within society, the social capital of tight-knit networks, embodied in the person reaping rewards from such relations, might aid members of these groups to exclude outsiders and preserve these benefits (Lin, 2001). For example, a personal recommendation of candidates is likely to result in a smaller and more concise set of suitable potential employees for the

organisation, whereas an open call entails much more of a selection process that must be worked through before reaching satisfaction (Kropf and Newbury-Smith, 2015). This may be good for the organisation but not necessarily for the skilled applicant who spent time and effort applying, without knowing that only those with personal ties would in reality be considered (ibid).

Furthermore, Flap (2002) argues that differences between societies in the job search process suggest that institutional conditions influence the degree of impact informal social networks have on the occupational career. This is also reflected in the practice of Guanxi in China; a similar practice to *wasta* in the Arab Middle East. Thus, managers need to fully appreciate the importance of social connections and be aware that these social resources not only help firms gain legitimacy in host-country markets, but also enable them to gain institutional support that protects them from various environmental hazards (Ahlstrom et al., 2008; Xin & Pearce, 1996). Ahlstrom et al. (2008) argue that firms located in different regions with different ownership types face varying degrees of environmental pressure and receive different levels of institutional support from the state. Therefore, the extent to which CEOs and HR managers incorporate and implement social capital criteria in their HRM system should reflect a firm's actual new environmental conditions and the specific positional requirements (ibid).

In summary, the inequality that results from the use of social capital in seeking employment varies depending on the position in question (the higher the position the more people are excluded) and institutional factors (depending on the country the individual and organisation reside in).

2.6 Jordan and its social structure

Jordan is an Arab country located in the Middle East. The population has been estimated at 6,460,000 (The World Bank, 2015). The capital of Jordan is Amman where the majority of the population reside alongside the cities of Zarqa and Irbid.

The country emerged as a result of the post-World War I division and colonisation of the region by Britain and France and was placed under British mandate (Robins, 2004). After the loss of the West Bank during the 1948 Arab–Israeli War an influx of Palestinian refugees resulted in dividing the Jordanian society into two groups; East Bank Jordanians (who lived in Jordan before 1948) and West Bank Jordanians (better known as Palestinian-Jordanians) who immigrated to Jordan as refugees from Palestine after the 1948 and 1967 wars with Israel and became Jordanian citizens.

This social structure also links to the economic activity of these groups as the original East Bank Jordanians, although no longer a majority in Jordan, remain predominant in the country's political and military establishments where they tended to seek employment as a first option (Cunningham and Sarayrah, 1993). Jordanians of Palestinian origin, on the other hand, who comprise an estimated 55-70% of the population, generally tend to gravitate towards working in the private sector due to their exclusion from certain public sector and military positions (Sharp, 2012). The loss of their positions and connections due to the war lead Palestinians to be more business minded than East Bank Jordanians (Cunningham and Sarayrah, 1993). This social structure translates to the ownership of organisations as in Jordan, as many organisations from various sectors are family-owned, where the father is the CEO and owner/manager and the majority of those employed/hired are members of the same family, extended family and tribe (Al-Rasheed, 2008).

In the year 2000 Jordan joined the World Trade Organisation (WTO) resulting in an increase in the number of foreign companies investing in Jordan despite its limited natural resources

(Branine and Analoui, 2006). This has prompted researchers to study HRM practices in the country, and how Jordanian culture, specifically *wasta*, impacts these (Abdalla et al. 1998; Branine and Analoui, 2006; Al-Hasan and James, 2009). The research is largely descriptive and ad hoc, and so there remains a gap in our knowledge on HRM practice in Jordan and the effect of social and cultural factors, specifically *wasta*, on it.

2.6.1 Social networks in Jordan

Informal social-based groups have existed in Jordan, through the practice of *wasta*, even prior to its establishment as a country by the tribes that resided in the land. The form of these social-based networks, however, has changed with the modernisation of society and the shift from tribal and rural lifestyle to the urban city lifestyle that is prevalent in the big cities of Amman, Zarqa and Irbid. With the shift in the type of dominant social capital, the type of *wasta* used has also shifted. Tribes which carry with them a high reparatory bonding social capital made way to a more individualistic city lifestyle that carried a more bridging form of social capital. Arguably this is a reflection of the shift from intermediary *wasta* to an intercessory form of *wasta*.

This shift in the prevalent type of social capital in Jordan has been fuelled by several historical events. El-Said and Harrigan (2009) provide a thorough review of the evolution of bonding and bridging social capital in Jordan from the early stages of the establishment of the country. They indicate that social capital (mostly in the form of bridging social capital) played a positive part in building the social and economic environments in the ‘good’ times (pre 1971). Government policies, economic hardship and poverty, however, lead to an increase in negative bonding social capital in the ‘hard’ times after 1971 (especially post 1989) and stratification between and within the two groups of East Bank Jordanians and Palestinian-Jordanians.

These events have led to the dominance of bonding social capital through intercessory *wasta* in its current form in modern society, as the nature and function of *wasta* itself has changed to reflect a more capitalist-based society. This current form of *wasta* has been argued to have an extensive impact on business interactions. Arguably one of the most observable are employee selection activities throughout the majority of Jordanian organisations.

2.6.2 Wasta in employee selection

Like in other Arab countries, in Jordan the practice of *wasta* is the only way for many people to get employed (Brainine and Analoui, 2006). This widespread practice of *wasta* leads to vacancies being normally filled through connections and jobs commonly offered to family members, relatives and friends with very little consideration of competence and achievements (ibid). *Wasta* plays in the process of employee selection as a means of utilising help, provided by an intermediate, which might not be available to other candidates competing for the same job or promotion (Whiteoak et al., 2006). This intermediate can be a person who is directly connected to the organisation where the candidate wants to work, through ownership or by being an employee there, or knows somebody who is. The intermediate is typically from the same tribe or family but could also be a friend, a business contact or an acquaintance of the candidate or his/her family (Cunningham and Sarayrah, 1993; Loewe, 2007).

Several negative impacts can result from the use of *wasta* in employee selection. These include reduced workplace diversity (Albdour and Altarawneh, 2012), damaging the organisation's image (Weir et al., 2015), inability to perform the job by candidates hired through *wasta* (Makhoul and Harrison, 2004: 25), hardship in attracting and retaining qualified employees who have no family connections within the organisation (Abdalla et al., 1998: 555), and mixing family problems with those of business (ibid: 556).

Wasta, however, can have a positive impact on employee selection for both the candidate seeking employment and the organisation. The organisation can utilise its employee's social network to attain other qualified employees who can 'fit' with the organisation quickly (Fernandez et al., 2000). While a qualified candidate can utilise his/ her social network to be 'seen' by the decision maker in the organisation in a sea of other candidates. These possible positive outcomes of using wasta in employee selection are under researched as the majority of research focused on the negative outcomes of wasta (El-Said and Harrigan, 2009; Berger et al., 2014).

It is argued that in Jordanian organisations, employee recruitment and selection process is largely ad hoc and informal, and in need of rigorous research attention if it is to enhance and support the competitive advantage of the business it represents (Al Fayyad, 2005; Aladwan, 2014). Most employee selection practices have been described by researchers as hardly objective or systematic nor based on merit and ability (Aladwan, 2014). This is due to the fact that the practice of wasta is the only way for many people to get employment (Brainine and Analoui, 2006). This leads to vacancies being normally filled through connections and jobs commonly offered to family members, relatives and friends with very little consideration of competence and achievements (ibid).

Wasta affects the process of employee selection as a means of utilising help provided by an intermediary, and which might not be available to other candidates competing for the same job or promotion (Whiteoak et al., 2006). This intermediary can be a person who is directly connected to the organisation where the candidate wants to work through ownership, by being an employee there, or by knowing an employee there. The intermediary is typically from the same tribe or family (a bonding tie) but could also be a friend, a business contact or an acquaintance of the candidate or his/her family (a bridging tie) (Cunningham and Sarayrah, 1993; Loewe et al., 2007). This can diminish any form of equality by providing advantages to

a group of individuals who may not necessarily have earned them (Tlaiss and Kauser, 2011: 478).

However, that does not mean that the use of *wasta* will automatically guarantee employment even for qualified individuals who might be a perfect fit for the job, as many individuals may use *wasta* in applying for the same job. Cunningham and Sarayra (1993) state that many qualified Jordanians who seek public-sector positions do not obtain jobs, even with the help of *wasta*. Ministries, and other employers, use objective tests to screen out most applicants, and then the *wasta* process begins. The objective tests provide a rationale for eliminating a large pool of applicants who the agency or employer does not wish to consider. However, some who have not passed the test end up being included in the final application stage and may even be selected for the job by virtue of *wasta* (ibid).

Several negative implications can result from the use of *wasta* in employee selection. These include reduced workplace diversity since individuals hired through relative and tribal connections are likely to represent homogeneous groups. Albdour and Altarawneh's (2012) study on the banking sector in Jordan confirms that workplace diversity has a significant correlation with job engagement (Albdour and Altarawneh, 2012: 99). This explains how relying solely on *wasta* in employee selection can have a negative impact on employee job engagement, which can subsequently result in a deterioration in organisational performance. Furthermore, as alluded earlier, *wasta* is perceived in a negative manner by Jordanian society (Weir et al., 2015). Thus, companies that avoid the use of *wasta* and which are perceived to operate ethically by its employees and the community will not only benefit from better employee engagement, but will also be perceived more positively by stakeholders in the wider community (Jensen and Sandström, 2011). Moreover, where *wasta* is the rule in employee selection for certain organisations, people with appropriate qualifications may not be appointed to their positions and those that are appointed may not be able to do the job (Makhoul and

Harrison, 2004: 25). Furthermore, it has been argued that organisations in Jordan which practice nepotism through *wasta* will face hardship in attracting and retaining qualified employees who have no family connections within the organisation (Abdalla et al., 1998: 555). This is attributed to the sense of injustice non-family member employees might feel within these organisations. It is also expected that such firms will conflate family problems with business performance, and find it difficult to fire or demote inadequate or unqualified relatives (ibid: 556).

However, *wasta* can have a positive impact on employee selection for both the candidate and the organisation. For example, as pointed out in the previous section, a personal recommendation of candidates is likely to result in a smaller and more concise set of suitable potential employees, thus saving both time and money for the organization seeking a qualified candidate for a particular vacancy (Kropf and Newbury-Smith, 2015). Furthermore, it can be argued that the use of *wasta* in employee selection can provide the organisation with an employee who can be trusted, as in many cases this individual comes with a ‘guarantee’ from the intermediary (Cunningham and Sarayrah, 1993; Karolak, 2015) and will work very hard in order not to shame this intermediary (Karolak, 2015). Trust is an important aspect in the Arab work environment (Weir et al., 2015) and managers regard having an employee who is trustworthy as vital for the everyday operations of the organisation (Al-Rasheed, 2001). Employees, on the other hand, can also utilise *wasta* as it will allow them to attain employment relevant to their qualification and skills in a country that suffers from a high level of unemployment (Oukil, 2015), which is a useful aspect when viewed from the organisational social capital perspective. Finally, it can be inferred from these positive outcomes that managers can also use *wasta* as a means of securing skilled employees in a country that, for a variety of social and economic reasons, lacks them. However, these positive outcomes of *wasta* in employee selection are under researched since the majority of research has thus far focused

on the negative outcomes of wasta (El-Said and Harrigan, 2009; Berger et al., 2014; Weir et al., 2015).

Further to these identified implications of using wasta in employee selection it is important to recognise the vital role social networks play in the business environment in Jordan, as part of the Arab Middle East (Weir et al., 2015). This leads us to link this view with what critical literature identifies as difficulties in applying different ‘best practice’ employee selection models in practice generally, as these approaches or ‘frameworks’ have been met with accusations of ‘cloning’ or lack of diversity (Raiden and Sempik, 2012) or an overall focus on inputs rather than outputs (Raiden and Sempik, 2012). Although employee selection is considered key for organisations, existing research has usually paid little attention to how it takes place in real-life situations (ibid). This research, however, recognises that wasta plays a vital role in real-life employee selection practice in Jordan. As such, it takes a practical view, researching employee selection practices in organisations operating in the country and how wasta impacts on policies and practices of employee selection. These arguments highlight the rationale for this study in exploring both the positive and negative outcomes of wasta utilisation in employee selection by organisations operating in Jordan and how wasta impacts employee selection policies. There remains a gap in knowledge in terms of understanding how wasta impacts on employee selection policies and practices in these organisations. A primary aim of this research is to address this gap in empirical knowledge.

3. Research methodology and data collection methods

The main aim of this research is concerned with the perceptions of those responsible for employee selection in banks operating in Jordan with respect to the prevalence and effects of wasta when selecting a candidate for a job. This implies that these social actors have an impact on the external world in which they live and interact as they make sense of these interactions

and wasta's different processes. Thus, this research has been approached from an interpretivist approach (Saunders et al. 2012: 137). A qualitative approach has been adopted as a means of accessing rich qualitative data relating to the construction of wasta in employee selection processes. Relatively small sample sizes are considered adequate for such investigations, as the priority is to develop in-depth understanding of participants' lived experiences, rather than generalisation of findings (Creswell, 2009: 13).

17 semi-structured interviews (including four pilot interviews) were conducted with managers involved in the employee selection process from 14 banks operating in Jordan. Semi-structured interviews were undertaken as this method offers some structure, whilst also giving the researcher the opportunity to ask probing questions and taking into account the sensitivities surrounding wasta as a topic of study. In the Jordanian environment wasta has received little empirical research (e.g. Cunningham and Sarayrah, 1993; Loewe et al., 2007, 2008; Branstatier et al, 2015). How wasta is practiced in this context, and how it is experienced, remains a largely unknown phenomenon. As such, this research required a qualitative approach capable of providing an in-depth understanding of the participants' 'life-worlds' – how those experiencing wasta 'live' that very experience (Creswell and Clark, 2007). The small number of interviews was deemed appropriate in seeking in-depth data which is needed to understand a very complex social construct (wasta) from a relatively small sample (Creswell, 2009: 13)

In alignment with the aim of this research a specific type of purposive sampling which is snowballing (chain) sampling was used to identify contact interviewees. This is a popular purposive sampling technique that involves using informants or participants to identify additional cases who may be included in the study (Patton, 2002). Considering the importance of social networks in the form of wasta in Jordan to pursue one's aims, the researcher has used his own social network to identify possible cases to participate in the research study. The

researcher identified human resource managers, recruitment and selection managers, and line managers who are involved in employee selection processes in their respective organisations as cases who are able to provide rich, in-depth information as appropriate to this research project. Tapping into the researcher's social network was an effective way to acquire access individuals. The researcher contacted previous work colleagues, immediate and second line family members, friends, and acquaintances, either to help directly, or contact people in their own social networks to build up the required sample of individuals acting in employee selection positions in banks operating in Jordan. Each interviewee was asked at the end of the interview to provide recommendations on who to interview after. This bypassed the need to use formal methods of contacting the gate keeper in these banks to provide access. Thus, *wasta* was used in order to research *wasta*.

This approach to securing the interviews was deemed both beneficial and necessary due to the complexity of conflicting emotions that *wasta* practitioners have of pride due to being able to bestow *wasta* benefits (Gold and Naufal, 2012), while sometimes being ashamed of using it due to its negative perception in society (Cunningham and Sarayrah, 1993; Weir et al., 2015). Moreover, using *wasta* to reach the interviewees gave them peace of mind and made them open to speaking about *wasta* as they viewed the researcher as being trustworthy, since the researcher was introduced by a mutual intermediary (Karolak, 2015).

Thematic analysis was adopted to interpret data because it allows a link with various concepts appearing in the data and literature, e.g. *wasta* in the literature and how it relates to the interviewees' views. Thematic analysis is a method for identifying, analysing and reporting patterns (themes) within data (Braun and Clarke, 2006: 6). It moves beyond counting the explicit words and phrases and focuses on identifying and describing the main implicit and explicit ideas and coding them into themes for analysis purposes. This allows for easy linkage and comparability between the main themes and the subordinate themes (Namey et al., 2008:

138). Miles & Huberman's (1994) model for thematic analysis process was used – this moves iteratively from theory to data in order to identify relevant themes from the interview.

While 17 interviews will limit the extension of the findings of this studies to a wider context, the focus of this study was on achieving data authenticity; conveying the interviewees' perceptions of the use of *wasta* in the work place, and plausibility of data; ensuring the active role of the reader in making sense on the context (*wasta*) and relating it to their own background and experience (Golden-Biddle and Locke, 1993).

4. Research findings and analysis

Data analysis uncovered six themes that reflect different uses of *wasta* in the employee selection process at the case study organisations: *wasta* as an enabler, *wasta* as social ties, *wasta* as an information carrier, *wasta* as a guide in decision-making, *wasta* as an exchange, and *wasta* as pressure.

4.1 Wasta as an enabler

A key theme that emerged from the majority of interviews was the notion of using *wasta* as an enabler to attain a job by candidates seeking employment. The interview data indicates that *wasta* could act as the key factor why people attained employment according to the interviewees. As such, *wasta* as an enabler to get jobs is to be understood as an individual's social capital (*wasta*) operating as the sole factor in the employee attaining the job, rather than any other factor such as skills and qualifications. An example of this was given by Interviewee C, an HR manager in a regional bank, who indicated that she is sometimes 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’”.

It can be understood from this statement that in a normal situation a candidate will not be considered for the job if they are deemed by the hiring manager as not meeting the job requirements. However, candidates who do not meet the job specifications are able to use their social ties to reach an intermediary who can influence the decision to hire. In this case, this results in them bypassing the formal procedures and securing the job despite the fact that they do not meet the person specification for the role. This was previously highlighted by Cunningham and Sarayrah (1993) who indicate that candidates who perceive that they have little chance in attaining a particular job they applied for seek *wasta* to complement and supplement their qualification in an attempt to secure this job.

This perception of *wasta* as being the only way to get hired has become common practice for candidates seeking employment in the Jordanian banking sector, regardless of their qualification levels or fit with these jobs. This was clearly indicated by interviewee E, an HR manager in a local bank, who, when speaking about how this impacted the ‘structure’ of employees in the bank he works at, explained that:

*“There are at least 5% of employees here who are unable to perform [because they were hired through *wasta*].”*

This statement highlights interviewee E’s perception that the wide use of *wasta* as an enabler to attain jobs by individuals who do not possess the required qualifications and skills has resulted in many employees who are unable to satisfactorily perform their jobs in the bank he works in. The selection of a candidate who does not possess the required skills and qualifications results in a mismatch between the individual occupying the job and the

requirements of the job. This mismatch leads to an inability to perform the requirements of the job by the employee hired through *wasta* (Cunningham and Sarayrah, 1993).

Most of these interviewees, however, highlight that the widespread practice of this forceful use of *wasta* usually extends only to existing vacancies in the organisation they work at. This was confirmed by interviewee O, a talent manager in a local bank, who, when speaking about this use of *wasta* in the bank he works at, said:

“Actually we apply it to the approved vacancies here. There are no cases where we open a new vacancy to fit the new wasta. No, we have our vacancies and wasta come to these vacancies.”

This is in agreement with the findings of the majority of previous researchers who explored the impact of *wasta* on HRM policy and practice (e.g. Loewe et al, 2007; 2008). Interestingly, however, interviewee Q, an HR manager at a regional bank, attributed an even stronger effect to the use of one’s social capital as an enabler to get jobs. She stated that this use of *wasta* is so prevalent and influential in the bank she works at, they even create jobs to employee job seekers who use such *wasta*:

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

This finding highlights that *wasta* could have such a substantial influence that it surpasses any form of written or unwritten policy and leads to the creation of a job specifically for the candidate who has this *wasta* regardless of the organisation’s need for the creation of this job. Nevertheless, it is important to note that several interviewees highlighted their perception that the banking sector is characterised by a certain degree of specialisation. Not all positions are subject to this use of *wasta* as certain minimum skills, abilities and qualifications are required. This is clearly evidenced by the following statement of interviewee C:

“Let me tell you, for example, our general manager forces on us to hire somebody in the corporate division and specifically in the RM [relationship manager] position but sorry, the qualifications do not fit and this person does not know how to do the analysis required in this position, so he cannot tell me to do this. Neither can he tell me to put him in finance or IT because he is not qualified. But he can tell me to put him in certain positions which are the front line positions such as a teller, an admin position, an operator or at the help desk [...] what I mean is that for these certain junior positions there is no problem in doing this”.

It can be deduced from these statements that there is a perception that although this use of *wasta* seems to be widespread, it is limited to certain ‘general’ jobs and does not extend to highly specialised or highly skilled jobs like those in the finance or Information technology (IT) departments. However, the forceful intervention of an intermediate to hire a candidate who lacks the necessary qualifications, skills or fit with the job, was deemed by interviewees as being a practice that would produce several negative outcomes for the organisation. Interviewee L explains:

*“[...] if you get somebody through *wasta* and he is not qualified to work they will definitely have an effect on the bank. Firstly they are gonna [going to] spread negativity around them, people will know that he came through *wasta* and that he does not work and if he is a manager of somebody the people under him will not work but on the contrary. Organisation and every level *wasta* is something that is not [good].”*

The statement highlights the first of the perceived negative outcomes of using *wasta* as an enabler to attain jobs for individuals who are not qualified for it. This is the feeling of inequity by colleagues, managers, and individuals working under the employee hired through *wasta*, as they see this person as being unqualified and unable to do the job. This corresponds to the findings of Mohamed and Hamdy (2008) who, using Attribution Theory to explore the

perceptions of students on employees hired through *wasta*, found that these employees will be perceived negatively by other stakeholders in the organisation (including colleagues). This negative perception impacts on the motivation of these employees (as any accomplishment they do is attributed to them having *wasta*) and the motivation of other employees due to the feelings of unfairness.

Interviewee N explains how this feeling of inequity impacts the organisation, stating that:

“It will affect as well the morale of the qualified individuals. Lost opportunity, it is not only... its double the impact. What I mean is if you accept to hire (an) unqualified candidate for a position you lost due to his poor performance and you lost the opportunity of an excellent candidate that could have performed, so it’s double the cost. And as well the candidate; you lost his morale and willingness to apply to reputed organisations in the country.”

It can be understood from the statement that the interviewee perceives that this feeling of inequity causes the de-motivation of different stakeholders. This then affects productivity and ultimately, will negatively impact on the organisation’s profits, a point which constitutes the second perceived negative outcome. The latter point is confirmed by the findings of Abdalla et al., (1998) who argue that hiring candidates for a job they are not qualified for due to family relations will eventually lead to decreased performance of the organisation and eventually reduced outcomes and profit.

The statement also highlights a third negative perceived outcome of the use of forced *wasta* in hiring unqualified employees, that of the associated opportunity cost where the organisation loses out on qualified candidates who have been overlooked because *wasta* intervened to hire the unqualified candidate.

This issue of opportunity cost loss was highlighted by Interviewee O, who stated:

“It is all negative, that sometimes you kill the trended [potential] candidates when you hire someone wasta you don’t give a luck [chance] to other good candidates”.

Despite the fact that wasta is no longer limited to tribal and family networks (Cunningham and Sarayrah, 1993), which represent bonding social capital which results in strong ties, this point can be linked with the argument that in organisations which focus on employing relatives as a policy, it is expected that the employees’ first interest will be family issues at the expense of the organisation. Such organisations will face hardship in attracting and retaining qualified unrelated employees. This is because such employees might avoid working in these organisations due to fear of nepotism or favouritism by management (Abdalla et al., 1998). It is also expected that such firms will mix family problems with those of business, and will find it difficult to fire or demote poor performing relatives employed in these companies (ibid).

The same interviewee introduced a fourth negative outcome; the impact of hiring an unqualified candidate upon product and service quality:

“It will affect the whole organisation that we don’t deliver a good quality of service that, you know, the human capital service is a major asset of the organisation. If you hire unskilled staff or people that don’t have the knowledge and skills we need [that] will affect the whole organisation, in term of quality, and in terms of service, and in terms of everything.”

Here, the interviewee confirms the view that hiring an unqualified employee who does not possess the skills and knowledge needed for the job will have a substantial negative impact on the whole organisation, highlighting how this affects the organisation’s outputs such as a bank’s products and services.

This claim was echoed by interviewee P, a human resource officer/ line manager, who, when talking about the negative impact of using wasta to force the employment of a job seeker, stated:

“It would affect the organisation performance of course if you get someone on board though a wasta and you believe he is not qualified, so definitely, whether he was in a very junior position mistakes would occur, and yet for the organisation itself he wouldn’t be the best fit for the organisation to move forward”.

The interviewee here supports the view that the negative outcomes of this use of wasta affects the organisation as a whole, even if the position that the wasta candidate was hired to is a junior or general one.

The fact that wasta is used to attain employment is consistent with the majority of previous studies on wasta, namely that this is the main modern day use of wasta (e.g. Cunningham and Sarayrah, 1993; El-Said and Harrigan, 2009; Berger et al., 2014) and that wasta is perceived to be a major determinant in employee selection (Brainine and Analoui, 2006). Existing literature on social capital theory also highlights the importance of using one’s social capital in seeking employment (Fernandez, 2000). As such, the findings in this respect appear to confirm what previous research has found.

However, the findings from this theme are novel in two different respects. Firstly, previous researchers who explored wasta’s impact on employee selection treated all types of wasta as one by only examining the role of the intermediary in linking the job seeker with the organisation. However, data from the interviewees helps us explore in detail the different roles the intermediary can adopt in the wasta process, such as being a powerful actor influencing the decision making process (which was discussed in this section), being a broker of information between the job seeker and the organisation, being a middle man in the exchange process, or

simply providing a recommendation to the organisation (which will be discussed in the following section).

Secondly, while existing social capital literature generally presents social capital usage in seeking employment positively by highlighting its positive impacts on both the organisation (who gets qualified candidates) and job seekers (who receive a job) (Fernandez, 2000). The data presented here suggests that the dominant use of social capital as an enabler to secure jobs is overwhelmingly viewed by interviewees as negatively affecting the feelings of other qualified candidates, colleagues, managers, and employees working under the individual recruited solely on the basis of *wasta*. This also negatively affects organisational performance, diminishing the products/service quality and profit of the organisation.

5.2 Wasta as social ties

The focus of this theme was on the discussions which explored the close inward looking social groups that aid the candidate in attaining employment.

When defining *wasta* many interviewees focused on the intermediate (*wasta*) explaining the possible individuals who can act as a *wasta* for the candidate, for example manager B defined *wasta* as:

“Wasta means having a connection in an important position who can help you in getting what you want [...this wasta could be your relative, a relative of your parents (your mom or dad) or an acquaintance (someone you studied with). Usually the wasta is a relative or to a lesser extent someone who studied or worked with you and who becomes your wasta in achieving your goal”.

This definition suggests that the interviewee perceives that the person mediating for the candidate is usually an individual from a close group that shares the same identity, interest or

place of residence as the candidate. The interviewee here gave an example of a direct relative (relative of father or mother) or an acquaintance (study colleague) where strong ties between group members can be utilised to attain a certain goal such as employment.

Interviewee A, an HR manager in a regional bank, attributed the prevalence of this use of *wasta* to the fact that some banks in Jordan are known to be family businesses where such practices are more accepted and common. Tribal and group based hiring was perceived by this manager to be occurring in many banks that are professed to draw their identity from the origin of their owners (East Bank Jordanians or Palestinian Jordanians), particularly local banks, and this even extends to the religion of the owners (Christian or Muslim). The interviewee believed that that this type of hiring happens based on the geographical place of birth and living.

These banks act as inward-looking social groups where the bonding relation between its members provide them with material and non-material benefits that allow them to “get by” in life (El-Said and Harrigan, 2009: 1237). As members of this group can act as a *wasta* for a candidate seeking employment just because he shares his origin, religion or comes from the same geographical area. The *wasta* here either acts as an intermediate himself to help the candidate attain employment at the organisation or helps the candidate by finding another intermediate who is in a position to help the candidate gain employment.

Two negative results of using *wasta* in employee selection identified in the literature review are confirmed here. The first is the exclusion of candidates who do not share the same characteristics as the group’s members. The second is the negative perception of banks who hire candidates based on their origin, religion or the geographical area by the different stakeholders. This is because information and resources shared between members of closed or dense networks are highly redundant due to the assumed similarity of members of these networks (Lin, 2001). Therefore, following the arguments of Coleman (1988) and Burt (2001),

banks who hire employees on the basis of their social ties will have little flow of new information or resources into the organisation if no external ties are utilised by members of this network. This lack of diversity of new information and resources has a major impact on HRM in these organisations as it can restrict creativity and innovation in practice that can provide a bank with a distinct competitive advantage (Albdour and Altarawneh, 2012).

4.3 Wasta as an information carrier

A third use of wasta was uncovered during the interviews; as a method to transfer information about a job seeking candidate to an organisation, and conversely, about a vacancy in an organisation to the candidate. In this type of wasta, the intermediary acts as a broker of information between the individual seeking employment and the organisation which seeks an employee. Information brokers are members of one group or network who possesses a tie with a member or members of another group, thus allowing them to connect these groups (Burt 2000, 2005).

This type of wasta is evidenced by the following statement from by interviewee C who, when explaining the different types or uses of wasta, stated:

“Look there is many types of wasta and some of them might be good. There is a wasta that opens the door for a person and tells you come checkout this person and sometimes he is very good and I am happy with this wasta. This is a good wasta. But the other type of wasta is when I want to enforce this person”.

This type of wasta was perceived in a positive way by the interviewees as they felt that the use of wasta in this entails that the candidate is referred to the recruitment/ HR manager as a suggestion and goes through the employee selection process like any other candidate. Interviewee C, who is an HR manager in a regional bank, considered wasta here as a referral

of a candidate to the organisation that bridges the gap between these two parties aiding both the organisation in locating a qualified candidate and the candidate in locating an appropriate job that fits their qualifications. It can be argued that *wasta* here embodies the ‘brokerage’ aspect of social capital identified by Burt (2005) where an intermediate acts as a broker of information ‘carrying’ this information over structural holes (relationship voids) between two groups; the individual seeking employment and the organisation seeking an employee. The interviewees here do not perceive *wasta* as an endeavour to influence the decision to hire or to force the candidate on the organisation, but rather as an attempt to provide a link between both parties. this is exemplified by interviewee B who states:

“The wasta that is here is a sort of acceptable wasta to us which is a ‘referral’, where you refer someone that you know is good (qualified) and we will give you money for referring that person. But this person goes through the routine selection process and you are just acting as a recruitment agent in that you brought me the CV and after that it goes through the regular selection process”.

In this case, an intermediate ‘*wasta*’ suggests a possible candidate to the individual(s) responsible for selecting employees, identified in the case study banks as the human resource/recruitment manager. By acting as an intermediary information about the candidate’s credentials and skills are ‘carried’ by the intermediate over the structural holes between the two groups; the candidate and the decision maker(s) in the organisation who are made aware of this candidate and his/her credential and skills. The candidate then goes through the usual selection process as any other candidate and is hired only if deemed to be the most suitable candidate in terms of qualifications and experience.

Several positive outcomes for the use of this type of *wasta* can be identified for both the organisation and the individual seeking employment by the interviewees. For the individual seeking employment it includes an opportunity to become visible by the organisation from a

large number of applicants. For the organisation it includes providing the recruitment/ HR manager with information about qualified candidates which can be particularly beneficial for specialised jobs that need particular skills and characteristics. In addition it brings in ‘new blood’ of employees who may improve the organisation by introducing new skills and points of view. Finally, it may be likely that it provides the organisation with an employee who fits the culture of the organisation.

5.4. Wasta as a guide in decision-making

In this case, wasta was identified as a reason, but not the sole reason, for the decision to hire a candidate. This utility of wasta emerged during a discussion with Interviewee B who feels that wasta operates as a frame through which some managers will also choose a particular type of applicant who they view as part of the in-group of the organisation.

The interviewee attributed this to the lack of laws regulating the process of employee selection in Jordan and its banking sector which might prevent any possible discriminatory practices in this process. This lack of regulation leaves the onus on the HR manager to attempt to ensure that employee selection is based on established criteria rather than on who has access to the strongest wasta?. In this theme wasta is not the only factor based upon which people are hired within the organisation. As such, wasta here, is not viewed as an enabler to get a job but as something in between a method to transfer information and an enabler to get a job.. For example, one interviewee Q, who is an HR manager at a regional bank, states:

“Wasta how far it goes also depends on how the executive management wants it”.

The idea that there is a lack of adherence to equal opportunities principles by those selecting employees in many banks in Jordan was also a recurring theme. The perception amongst many

interviewees was that in some cases *wasta* acts as compensator for the lack of qualifications or experience for some applicants.

This El-Said and Harrigan (2009: 1237) argue in Jordan *wasta* has become more prevalent in employee selection decisions due to a lack of a formal, legal regulatory framework. This is confirmed by many of the interviewees' perception that in their banks business, family, geographical, and religious affiliations are used as criteria in the decision to hire candidates

4.5. Wasta as an exchange

During the different interviews it emerged that a number of interviewees perceived that a candidate could use his/her social capital by attaining an intermediate to help the candidate to be hired by an organisation as part of an exchange process. Here, in return for hiring a candidate, the candidate's intermediate (*wasta*) is expected to provide the individual who makes the decision or the organisation itself with something in return.

The notion of *wasta* as an exchange mechanism was perceived positively by some interviewees, where accepting a request to hire a candidate was seen as something that benefits the candidate (who gets a job) and the organisation (who receives something in exchange for hiring the candidate). In addition it was perceived that it reinforces the connection between the organisation and the intermediate resulting in strengthening of the intermediate's social ties. However, interviewees stressed that the use of this more positive form of *wasta* was conditional upon the candidate under consideration possessing the requisite skills and qualifications for the job. Interviewee H, a recruitment manager at a local bank, exemplifies this:

“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”.

This perception of wasta as a form of reciprocity and indeed exchange aligns with Coleman's (1988) definition of social capital by its function in highlighting that the organisation recognises the value of wasta in the ability of the intermediate to attain a certain resource or achieve their interests.

5.6 Wasta as pressure

The most significant use of wasta was found to be when a candidate utilises his/ her social ties, whether bonding or bridging, to broker a relationship with an intermediary who is capable of exerting pressure on the decision maker to get hired. This theme is of particular importance as it was identified as the most prevalent utility of wasta in the sphere of employee selection

In the case of bonding social capital the intermediate could be someone from the same origin, tribe, family or geographical area of the candidate. In such case the pressure exerted on the decision maker may come from the owner/ manager of the organisation who act as an intermediate for a candidate who shares the same ethnic origin (e.g. East bank Jordanian or Palestinian Jordanian) with the intermediate(s). Some interviewees noted that if the decision maker goes against this practice, he/she will find strong resistance from the different stake holders (owners, managers, and even the community). This is exemplified by interviewee B, who states:

“If, for example, you work at company ‘x’ which is a Christian organisation you will find that most of the employees are likely to be Christian. While if you work at an organisation that is owned by a Palestinian family or individual then again, most likely the majority of the employees of that organisation will be Palestinian). This is what is evident in Jordan and whoever tries to do something opposite to this will find that the board decisions and organisation and country culture to be strongly against him”.

On the other hand, a candidate can utilise his/her bridging social ties by seeking an intermediate who does not form part of the same social group and who does not share the same characteristics, According to Granovetter (2002) these ties are usually weak and can include relations based on business affiliation and friendships. This is exemplified by Interviewee C, who provides evidence of how the use of business relations can help a candidate attain employment:

“For example when someone has an account or a big deposit and you as a bank have to hire me”.

This statement can be understood to exemplify how a candidate can use the fact that he has a large deposit in the bank to pressure the decision maker to hire him by way of influencing the management/ownership, who will act as an internal wasta because they do not want to lose the deposit. As such they will pressure the decision maker to hire the candidate in order to keep the money in the bank.

It was found, however, that similar to other utilities of wasta, the use of wasta as a pressure mechanist to attain employment was only limited to ‘generic’ rather than technical jobs that require specific qualifications and skills.

6 Conclusion

This research set to explore the perceived impact of wasta on the employee selection process by managers working in banks operating in Jordan. When examined through the social capital lens six distinct themes emerge from the use of wasta in employee selection: (i) wasta as an enabler to get jobs, (ii) wasta as social ties/ solidarity, (iii) wasta as a carrier information, (iv) wasta as a guide in decision-making, (v) wasta as an exchange, and (vi) wasta as pressure.

Several findings emerged from the analysis of the perceptions of the interviewees which provides is with insights on how *wasta* impacts on employee selection in banks operating in Jordan. Firstly, the findings indicate that *wasta* can be divided into several types where each type has a different 'process' and which are perceived to have different results whether positive or negative. This adds to our understanding of how *wasta* works in employee selection as previous research has limited all these types into one or two ambiguous concepts. Secondly, although the findings confirm the view that *wasta* is highly prevalent in employee selection in banks operating in Jordan, it further adds to our understanding of the impact *wasta* has on employee selection. As it was found that this depends on the way *wasta* is utilised; if a candidate's *wasta* is accepted regardless of this candidate's qualifications this can result in several negative impacts on the organisation (reduced productivity), the employees (negative feeling and lower morale), and other candidates (loss or employment opportunity). *Wasta*, however, can be positive for the possible candidate (who gets a job), the intermediate (who strengthens his/her social ties), and the organisation (which gets a qualified employee) when the *wasta* is conditioned by the candidate achieving a specific threshold of qualifications and skills needed for the job. Finally, these findings also add to our understanding of social networks through social capital theory, as contrary to the prevalent view that weak ties associated with bridging social capital generally bring 'good' outcomes to individuals and organisations using them while bonding social capital is usually associated with negative impacts. It was found that the use of bridging social capital to facilitate pressure and exchange was viewed to have severe negative effects on the organisation, such as inability to perform by candidates who are hired through these uses of *wasta*. Further study of the different uses of *wasta* in employee selection is needed to extend our knowledge of this practice and inform HRM practice in the Arab Middle East.

References

- Abdalla, H. Maghrabi, A and Raggad, B. (1998). Assessing the perceptions of human resource managers towards nepotism: a cross cultural study. *International Journal of Manpower*, 19 (8), 554-570.
- Ahlstrom, D., Bruton, G.D., and Yeh, K.S. (2008). Private Firms in China: Building Legitimacy in an Emerging Economy. *Journal of World Business*, 43 (4), 385–399.
- Aladwan, k. Bhanugoran, R, and Fish. A, (2014). Managing human resources in Jordanian organizations: challenges and prospects. *International Journal of Islamic and Middle Eastern Finance and Management*, 7 (1), 126 – 138.
- Albdour, A. and Altarawneh, I. (2012). ‘Corporate Social Responsibility and Employee Engagement in Jordan’. *International Journal of Business and Management*, 7 (1), 93-99.
- Alder, P. and Kwon, S. (2002). Social Capital: Prospects for a new concept. *The Academy of Management Review*, 27(1), 17-40.
- Al Fayyad, L. (2005), Recruitment as managerial approach and impact on competitiveness, unpublished thesis, The University of Jordan, Amman.
- Al-Husan, F. and James, P. (2009). Multinationals and the Process of Post-Entry HRM Reform: Evidence from Three Jordanian Case Studies. *European Management Journal*, 27 (2), 142–154.
- Al-Rasheed, A. (2008). ‘Features of traditional Arab management and Organization in the Jordanian business environment’, *Journal of Transitional Management Development*, 6, (1–2), 27–53.
- Ayios, A., Jeurissen, R., Manning, R., and Spence, J. (2014). Social capital: a review from an ethics perspective. *Business Ethics. A European Review*, 23(1), 108-121.
- Berger, R. Silbiger, A. Herstein, R. Barnes, B. (2014). Analyzing business-to-business relationships in an Arab context. *Journal of World Business*, 1-11.
- Branine, M. and Analoui, F. (2006). Human resource management in Jordan. In: Budhwar. P. S. and Mellahi, K. *Managing Human Resources in the Middle East*. Abingdon: Routledge. 145-160.

- Braun, V. and Clarke, V. (2006). Using Thematic Analysis in Psychology. *Qualitative Research in Psychology*, 3 (2), 77-101.
- Burt, R. (1992). *Structural Holes: The Social Structure of Competition*. Cambridge, MA, Harvard University Press.
- Burt, R. (2005). *Brokerage and Closure: An Introduction to Social Capital*. Oxford: Oxford University Press.
- Carrie, L. and van Buren, H (1999). Organizational Social Capital and Employment Practices. *The Academy of Management Review*, 24(3), 538-555.
- Coleman, J. (1988). Social Capital in the Creation of Human Capital. *American Journal of Sociology*, 94, 95-120.
- Coleman, J. (1990). *Foundations of Social Theory*. London: Harvard University Press.
- Creswell, J. (2009) *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. 3rd. London: Sage Publications.
- Creswell, J. and Plano Clark, V. (2007). *Designing and Conducting Mixed Methods Research*. Thousand Oaks, CA: Sage Publications.
- Cunningham, R.B., and Sarayrah, Y.K. (1993). *Wasta: The Hidden Force in Middle Eastern Society*. Praegar: Westport, Connecticut.
- De Graaf, N.D. and Flap, H. (1988). With a Little Help from my Friends: Social Resources as an Explanation of Occupational Status and Income in West Germany, The Netherlands, and the United States. *Social Forces*, 67 (2), 452-472.
- El-Said, Hamed and Harrigan, J. (2009). You reap what you plant: Social networks in the Arab world—the Hashemite Kingdom of Jordan. *World Development*, 37(7), 1235–1249.
- Falcon, L. (1995). Social Networks and Employment for Latinos, Blacks, and Whites. *New England Journal of Public Policy*, 11, 17-28.
- Fernandez, R. Castilla, E. and Moore, P (2000). Social Capital at Work: Networks and Employment at a Phone Center. *American Journal of Sociology*, 105(5). 1288-1356.

- Flap, H. (2002). *No man is an island: The research programme of a social capital theory*. In: Favereau, O. and Lazega, E. *Conventions and Structures in Economic Organization*. Cheltenham: Edward Elgar Publishing. 29-53.
- Gittell, R. and Vidal, A. (1998). *Community organising: Building social capital as a development strategy*. Thousand Oaks CA: Sage.
- Gold, D. and Naufal, G. (2012). Wasta: The Other Invisible Hand. A Case Study of University Students in the Gulf. *Journal of Arabian Studies: Arabia, the Gulf, and the Red Sea*, 2 (1). 59-73.
- Golden- Biddle, K. And Locke, K. (1993). Appealing Work: An Investigation of How Ethnographic Texts Convince. *Organization Science*. 4(4). 595-616.
- Granovetter, M. (1973). The Strength of Weak Ties. *American Journal of Sociology*, 78(6), 1360-1380.
- Granovetter, M. (2005). The Impact of Social Structure on Economic Outcomes. *Journal of Economic Perspectives*, 19 (1), 33–50.
- Green, G., Tigges, L. and Browne, L. (1995). Social Resources, Job Search, and Poverty in Atlanta. *Research in Community Sociology*, 5, 161-82.
- Huberman, A. and Miles, M. (1994). *The Qualitative Researcher's Companion*. Thousand Oaks CA: Sage Publications.
- Jensen, T. and Sandström, J. (2011). Stakeholder Theory and Globalization: The Challenges of Power and Responsibility. *Organization Studies*, 32 (4), 474-485.
- Karolak, M. (2015). Quality-Oriented Education and Workforce Reform: The Impact of Wasta (Case Study of Bahrein). In: Ramady, M.A. (ed.). *The Political Economy of Wasta: Use and Abuse of Social Capital Networking*. London: Springer (2016). 145-159.
- Kropf, A. and Newbury-Smith, T.C. (2015). Wasta as a Form of Social Capital? An Institutional Perspective. In: Ramady, M.A. (ed.). *The Political Economy of Wasta: Use and Abuse of Social Capital Networking*. London: Springer (2016). 3-22.
- Kwon, S. and Adler, P. (2014). Social Capital: Maturation of a Field of Research. *Academy of Management Review*, 39 (4), 412–422.

- Lin, N. (2001). *Social Capital: A Theory of Social Structure and Action*. Cambridge University Press. New York.
- Lin, N. (2005). *A network Theory in Social Capital*. In: Castiglione, D. Deth, J and Wolleb, G. *Handbook of Social Capital*. Oxford University Press, 1-25.
- Loewe, M. Blume, J. Schönleber, V. Seibert , S. Speer, J. Voss, C. (2007). The Impact of Favouritism on the Business Climate: A Study on Wata in Jordan. *German Development Institute (DIE)*. 30, 1-211.
- Loewe, M, and Blume, J., & Speer, J. (2008). How Favouritism Affects the Business Climate: Empirical Evidence from Jordan. *Middle East Journal*, 62(2), 259-276.
- Loury, G. (1992). The economics of discrimination: getting to the core of the problem. *Harvard Journal of African American Public Policy*, 100.
- Makhoul, J. and Harrison, L. (2004). INTERCESSORY WASTA AND VILLAGE DEVELOPMENT IN LEBANON. *Arab Studies Quarterly*, 26(3), 25-41.
- Marx, J. and Leicht, K. (1992). Formality of Recruitment to 229 Jobs: Variations by Race, Sex and Job Characteristics. *Sociology and Social Research*, 76 (4), 190-96.
- McFadyen, M. A., and Cannella, A. A., Jr, (2004). Social Capital and Knowledge Creation: Diminishing Returns of the Number and Strength of Exchange Relationships. *Academy of Management Journal*, 47, 735-746.
- Namey, E., Guest, G., Thairu, L. and Johnson, L. (2008). Data Reduction Techniques for Large Qualitative Data Sets. In: Guest, G. and Macqueen, K. (eds.). *Handbook for Team-Based Qualitative Research*. New York: AltaMira Press (2008). 137-163.
- Oukil, M.S. (2015). Wasta and Development in Arab and Muslim Countries. In: Ramadi, M.A. (ed.). *The Political Economy of Wasta: Use and Abuse of Social Capital Networking*. London: Springer (2016). 131-144.
- Patton, M. Q. (2002). *Qualitative Evaluation and Research Methods*. 3rd ed. Thousand Oaks, CA: Sage Publications.
- Portes, A. (1998). Social Capital: Its Origins and Applications in Modern Sociology. *Annual Review of Sociology*, 24, 1-24.

Putnam, R. (1993). *Making democracy work, Civic traditions in modern Italy*. Princeton: Princeton University Press.

Putnam, R. (1995). Bowling Alone: America's Declining Social Capital. *Journal of Democracy*, 6(1), 65-78.

Putnam, R. (2000). *Bowling alone*. New York: Simon and Schuster.

Raiden, A. and Sempik, A. (2012). Illusions of Equity, Procedural Justice and Consistency: A Critique of People Resourcing 'Best Practice' in Construction Organisations. In: Loosemore, M. and Dainty, A. *Human resource management in construction – critical perspectives*. 2nd ed. Abingdon: Routledge (2012). 226-251.

Rindfleisch, A. and Moorman, C. (2001). The acquisition and utilization of information in new product alliances: A strength-of-ties perspective. *Journal of Marketing*, 65 (2), 1-18.

Sharp, J. (2012). Jordan: Background and U.S. relations. Congressional Research Service: CRS Report for Congress.

Shaw, J.D., Duffy, M.K., Johnson, J.L., AND Lockhart, D.E. (2005). Turnover, social capital losses, and performance. *Academy of Management Journal*, 48(4), 594–606.

Silkoset, R. (2008). The Dark Side of Social Capital. *Paper submitter to Mopan Conference*. BI Norwegian School of Management, 1-3.

The World Bank (2015). *Jordan* [online]. Available at: <http://data.worldbank.org/country/jordan> <http://www.unhcr.org/pages/49e486566.html> [Last accessed: 15 June 2015].

Tlaiss, H and Kauser, S. (2011). The importance of Wasta in the Career Success of Middle Eastern Managers. *Journal of European Industrial Training*, 35 (5), 467 – 486.

Tsai, W. and Ghoshal, S. (1998). Social Capital and Value Creation: The Role of Intrafirm Networks. *The Academy of Management Journal*, 41(4), 464-476.

Van Deth, J. and Zmerli, S. (2010). Introduction: Civicness, Equality, and Democracy – A “Dark Side” of Social Capital?. *American Behavioral Scientist*, 53(5), 631-639.

Weir, D., Sultan, N. and Van De Bunt, S. (2015). Wasta: A Scourge or a Useful Management and Business Practice? In: Ramady, M.A. (ed.). *The Political Economy of Wasta: Use and Abuse of Social Capital Networking*. London: Springer (2016). 23-32.

Whiteoak, J. Crawford, N. and Mapstone, R. (2006). Impact of Gender and Generational Differences in Work Values and Attitudes in an Arab Culture. *Thunderbird International Business Review*, 48(1), 77-91.

Woolcock, M. and Narayan, D. (2000). Social Capital: Implications for Development Theory, Research, and Policy. *World Bank Research Observer*, 15(2), 225-249.

Xin, K. and Pearce, J. (1996). Guanxi: Good Connections as Substitutes for Institutional Support. *Academy of Management Journal*, 39 (6), 1641-1658.