The influence of Wasta on knowledge sharing in Kuwait

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Metadata Record: [https://dspace.lboro.ac.uk/2134/26516](https://dspace.lboro.ac.uk/2134/26516)

Version: Published

Publisher: Academic Conferences and Publishing International Limited (ACPI)

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The Influence of Wasta on Knowledge Sharing in Kuwait

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Abstract: This paper examines the role of wasta within Arab Societies. Wasta is a set of personal networks based on family or connections in which power and influence is used to achieve objectives. As wasta evolved, it became deeply rooted in Arab societies. For instance, wasta became a tool which people used to get recruited in any position, regardless of their qualification. It is considered as a family obligation, a technique for doing businesses and a practice in which knowledge is shared, transferred and created. In any case, the outcomes identified with wasta in businesses are considerable as it not only impacts organizational performance but also employees’ performance as well. To date, there has been little research on the influence of wasta within organizations in terms of knowledge sharing and innovation. Consequently, the question that is addressed is: Does Wasta influence knowledge sharing in Kuwait, which in turn impacts organizational performance? Accordingly, mixed methods research design was utilized to examine the specified subject. The justification behind this approach is that both qualitative and quantitative strategies supplement each other by giving a more in-depth and complete picture of the topic. The paper will provide a conceptual framework of what wasta is, how it is being executed and ways in which it is impacting knowledge sharing in organizations. The paper is intended to deliver insights for organizations about how the practice of wasta is impacting their performance, either positively or negatively. The initial findings revealed that wasta negatively impacts knowledge sharing in the sense that those who are within the wasta circle can access, circulate and provide new information that was once unavailable to them. However, such practices also have a negative impact in that employees who are not within such circle will be reluctant to share knowledge due to knowing that wasta users have an advantage over them and hence, they do not want to lose their competitive advantage.

Keywords: connections, knowledge sharing, Kuwait, networking, organizational performance, wasta

1. 1. Introduction

The term “WASTA” is a widely used Arabic expression relating to a social custom that is practiced in the Arab Region. Attempting to characterize such an expression is very difficult, as there are different meanings of wasta in past studies. Cunningham and Sarayrah (1993) suggested, the term wasta originates from the term waseet, which alludes to a middleman. The primary thought behind middlemen is to act as intercessors for two people. It “involves the intervention of a central character or protagonist in favour of a certain individual with the aim of gaining an advantage for that individual, such as obtaining a job, gaining admission to university, or securing promotion” (Tlaiss and Kauser, 2011: 470). Generally, wasta was used as a source of intermediation between families to tackle disputes, help and support others who are in need without hurting anybody in the assisting process. However, today, most Arabs utilize wasta to get desired or undeserved preferential treatments due to the phenomenon that most organizations became wasta-based rather than merit-based (Adi, 2014). In summary, wasta is a custom rooted in tribal society that has become adapted for business, where the practice has greater potential for misuse.

The modern manifestation of wasta is thought to be a crucial strategy and plays a critical part in significant and vital decisions in Arab businesses (Whiteoak et al., 2006). As Cunningham and Sarayrah (1993) determined, the limits of wasta influence does not end at a particular area of human communication; rather, it stretches out to each segment in the nation from governments, academics and health administrations to business areas. Wasta is also known to play a key part in the professional development and achievement of individuals, as it adjusts with the informality of relations that occur in Arab organisations (Metcalfe, 2006). In reality, the absence of wasta can be “deadly” to the accomplishment of employees in the Middle East similarly that the lack of networking can delay the development of employees in Western nations (Tlaiss and Kauser, 2011). Another part that the influence of wasta has been linked with is recruitment. A previous research undertaken in Lebanon by Ezzedeen and Sweircz (2001) discovered that 65% of employees were employed for genuine occupations through wasta in the second biggest telecom organization in the city.

Wasta has been a hidden power until recent years. It is more than just a connection. It is the utilization of social networks to secure individual points of interest. People construct networks between each other to acquire and trade assets that were once unattainable to them, since “connections are vehicles for resources and reward...
exchange, which in turn create and strengthen power” (Heaphy and Dutton, 2003: 269). All in all, the pursuit for wasta, as indicated by Pawelka and Boeckh (2004), does not stop at material benefit but instead it is also “the search for scholarships, licenses, a parliamentary seat, or other advantages and privileges that might enhance the well-being or social status of a person seeking it” (40). To date, there is a lack of critical studies inspecting the outcomes of wasta on its impact on employees’ behaviour, particularly in Kuwait where wasta is practiced widely. Previous studies of wasta or related concepts have generally been limited in their scope and have not considered the exact idea of seeing how wasta impacts knowledge sharing and innovation.

2. Organizational performance

Since the purpose of this research is to explore the consequences of wasta in terms of knowledge sharing and innovation, the definition of firm performance should be defined within the context of this research. Seeing that every organizational objective is to improve its performance and efficiency, the success and failure of achieving such target depends vigorously on employees’ aptitude, commitment, motivation and engagement in firm activities (Sadouai et al., 2012). Hence, a well performing firm is one that for the most part deploys its techniques effectively and accomplishes its targets effectively by using available resources (Otley, 1999). Below we further discuss how a firm’s performance could be influenced by different components, such as knowledge sharing and innovation.

2.1 Understanding knowledge sharing

Knowledge sharing in organizations is a crucial survival strategy and source of competitive advantage. (Yusof et al., 2012). As indicated by Toffler (1990), knowledge is the basic power in the information age. Knowledge sharing is a standout amongst the most vital key capacities in knowledge management, as it changes information into an important organizational resource (Islam et al., 2013). Knowledge management is the method in which workers’ exchange knowledge inside the entire organization (Spender and Grant, 1996), so it can be used to achieve organizational objectives (Nonaka, 1994). As indicated by Nonaka and Takeuchi (1995), who were the first to distinguish the significance of employees in creating knowledge, organizations cannot create knowledge without people, and unless individual’s knowledge is imparted to others, their knowledge is probably going to have restricted effect on the effectiveness of organizations. Hence, there are numerous studies that address the significance of knowledge sharing in making new knowledge, accomplishing objectives and enhancing advancement abilities (see Bartol and Srivastava, 2002). Various researchers and scholastics suggest that since knowledge sharing is vital, people will share all the required information. However, what is seen by many organizations is to some degree not quite the same as what has been expressed, as information is personal. Employees’ eagerness to share information between each other relies upon the advantages implanted inside the organization’s social relations and structures (Von Krogh, 2003), often as a result of interpersonal influence.

2.2 Social capital

A related concept to wasta is social capital. Social capital is accepted to assume a vital part in impacting a firm’s performance. Putnam (1995) identified social capital as a resource coming out of civic responsibility as it can build community alliances by helping people establish a sense of connection through membership and shared work on civic projects. Social capital is (1) a source of data, (2) a proficient source of extension, (3) works as a supporter and (4) a technique for reducing risks. These variables impact a firm’s performance as far as enhancing the firm’s ability and add to its development when utilised legitimately. The theory behind including social capital in this exploration is because wasta is generally understood to be one kind of social capital and, henceforth, by knowing how social capital effects knowledge sharing and innovation, it gave clear directions on how to finish the examination and to check whether equivalent outcomes would be made when directed in Kuwait with regards to wasta.

2.2.1 The relationship between social capital and knowledge sharing

Before addressing the connection between social capital and knowledge sharing, it is helpful to characterize social capital within the context of knowledge. Heywood (2004) characterized social capital as “… a question of who gets their way, how often they get their way and over what issues they get their way” (Heywood, 2004: 124). An individual’s network is imperative for the productivity of information exchange. People depend heavily on interpersonal connections when they require access to certain data or information (Granovetter, 1973; Burt, 1992). The most widely recognized components found in studies of informal connections are network structure and the quality of individual linkages or ties. Nahapiet and Ghoshal (1998) expressed on the above statement
that social capital can give, get and circle information effectively, rapidly and less costly than formal procedures because of its interconnected structure. Moreover, shared interests, communications and standards can also be one of the purposes behind the adequacy of exchanging knowledge inside the organization and, thus, expands an organization’s intellectual capacity. Furthermore, the content of interpersonal ties impacts the knowledge sharing procedure in the sense that: “individual’s networks related to his/her formal position are important to transfer task advice and workflow output/input, whereas his/her informal network and friendships are more important to transfer other information and social support such as job satisfaction and political intelligence” (Zhou et al., 2010: 450). One imperative key component of social capital that guarantees such informal networks is trust. Trust is thought to be the interceding link amongst networks and knowledge sharing. A review done by Levin and Cross (2004), suggested that trust mediates the connection between tie quality and knowledge sharing, which is also supported by Lin (2007).

3. Purpose of the research

This study aims to advance our understanding of the relationship between organizational performance with the presence and impact of wasta. A gap in the literature has been identified, providing the rationale for this study. Hence, the proposed research question for this study is: Does Wasta influence knowledge sharing in Kuwait, which in turn impacts organizational performance? Therefore, the hypothesis that have been created for this study is as follows:

\[ H1: \text{Wasta negatively influences knowledge sharing in organizations.} \]

4. Methodology

To fill the gap about understanding the influence of wasta on knowledge sharing in Kuwait, numerical data from the quantitative analysis and detailed information from the qualitative investigation consisting of only Kuwaiti employees across all sectors in Kuwait was seen the most suitable for this research. To understand attitudes, opinions, and experiences of employees and managers (Burrell and Morgan, 1979), an interpretive phenomenological approach was used for the interviews (qualitative). The approach attempts to investigate subjective experience and is concerned with an individual’s opinion of the question, instead of creating an objective statement of the question itself (Smith and Osborn, 2007). In other words, the approach aims to provide information on how a selected individual, in a certain context, explains a given phenomenon. Data collection involved twenty-four face-to-face semi-structured interviews with employees and managers in Kuwait. The purposive strategy chose cases that were most applicable to and appropriate for the exploration issue. In support of such an approach, Merriam (2002) stated that in subjective research, the sample is deliberately chosen to give the richest data about the phenomena being studied. In this exploration, deciding the quantity of interviews relied upon the analyst, who chose to stop gathering data after reaching data saturation and repetition. This point was reached after 24 semi-structured interviews. The interview data were analyzed using thematic coding analysis, as recommended by Creswell and Plano-Clark (2007), via Nvivo software.

Regarding the quantitative data collection and analysis, snowball and simple random sampling was used for questionnaires. The goal behind using such method was to reach a wide range of people as possible to obtain a reasonable and reliable sample. Simple random sampling was chosen because everyone of interest in the target population has an equal chance of being selected and participating in the questionnaire. Hence, it could eliminate any possible chance of sampling bias (McLeod, 2014). As a result, with the help of snowball sampling, by sending the questionnaire to known contacts, it could increase the number of participants and response rate of the survey as well as taking into consideration the formation of possible bias. In this exploration, determining the sample size (N) for this research relied upon a multiple regression power analysis. Hence, it was recommended that the total sample size should be N= 303. Thus, anything equal to 303 or above is sufficient in answering the objective of the study. Data collection was terminated after reaching 339 valid responses. The questionnaire data were analyzed using SPSS software.
5. Findings

5.1 Quantitative findings

5.1.1 Correlation analysis

Results of the correlation analysis are shown in Table 1. There was a weak negative correlation between knowledge sharing with sector (r=-0.158**, p<0.01), working experience (r=-0.122*, p<0.05) and wasta (r=-0.117*, p<0.05). Due to wasta, some employees might feel reluctant to share knowledge or help other employees, regardless of their sector and experience, knowing that their hard work will not be appreciated and those with wasta might get preferential treatments and climb the ladder faster than others. Besides, if they did share their knowledge, it will be with those who they trust or try and achieve organizational goals. Therefore, it is safe to say that wasta negatively influences knowledge sharing and thus, supports H1.

Table 1: Knowledge sharing correlation analysis

<table>
<thead>
<tr>
<th>Knowledge Sharing</th>
<th>Gender</th>
<th>Age</th>
<th>Education</th>
<th>Job Position</th>
<th>Sector</th>
<th>Working Experience</th>
<th>Wasta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.060</td>
<td>-.094</td>
<td>.014</td>
<td>-.004</td>
<td>-.158**</td>
<td>-.122*</td>
<td>-.117*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.293</td>
<td>.099</td>
<td>.805</td>
<td>.950</td>
<td>.007</td>
<td>.038</td>
<td>.042</td>
</tr>
<tr>
<td>N</td>
<td>311</td>
<td>311</td>
<td>311</td>
<td>311</td>
<td>286</td>
<td>291</td>
<td>303</td>
</tr>
</tbody>
</table>

5.1.2 Multiple regression analysis

Multiple regression analysis was used to predict knowledge sharing based on wasta. The results of the regression indicated that two predictors explained 4% of the total variance (R²=.019, F (4, 286) = 2.58, p<0.05). It was found that knowledge sharing statistically significantly predicted working experience (beta= -0.586, p<0.05) and wasta (beta= -0.126, p<0.05), as shown in Table 2.

Table 2: Knowledge sharing multiple regression analysis

<table>
<thead>
<tr>
<th>Predictors</th>
<th>B</th>
<th>Std. Error</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>15.912</td>
<td>1.446</td>
<td>11.001</td>
<td>.000</td>
</tr>
<tr>
<td>Gender</td>
<td>.323</td>
<td>.485</td>
<td>.667</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>-.002</td>
<td>.175</td>
<td>-.099</td>
<td></td>
</tr>
<tr>
<td>Working Experience</td>
<td>-.586</td>
<td>.273</td>
<td>-.131</td>
<td>-.2.146</td>
</tr>
<tr>
<td>Wasta</td>
<td>-.126</td>
<td>.053</td>
<td>-2.391</td>
<td>.017</td>
</tr>
<tr>
<td>R²</td>
<td>.019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-statistics</td>
<td>2.58*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of observation</td>
<td>286</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Significance level *p<0.05

The multiple regression analysis supports the correlation analysis in the sense that knowledge sharing is negatively associated with working experience and wasta, which further supports H1. This is because, even though those within the wasta circle might get access to unattainable information easily, other employees might be unwilling to share knowledge or even help them due to the fear of losing their position or unique value in the organization. The more experienced an employee, then less willing he/she will be in sharing knowledge.

5.2 Qualitative findings

The findings demonstrated that wasta is generally adversely connected to sharing knowledge inside organizations, which in turn impacts organizational performance. Many employees utilize their wasta to get to certain data that was once hard for them to reach. For instance, many applicants tend to use wasta during the recruitment procedure, the interview or the selection test stage, to better upgrade their possibility of getting recruited by knowing the inquiries in advance. By doing so, this will impact the chance of hiring a more qualified person for the job with better output and could be more capable of achieving organizational goals.

"I believe that wasta can affect knowledge sharing in several ways. For instance, if a person wants to apply for a job, whether they are qualified or unqualified for it, his/her wasta circle within the
organisation can access and share detailed information about the process, such as giving away interview questions or a version of the exam, in order for them to come prepared, do well and get the job” (Licensing Department Employee).

Moreover, interviewees also highlighted that wasta affected business-related data through accessing classified data that is not available for general society and sharing it with ours. It has been acknowledged that each wasta circle can provide, access and exchange data among each other and with different circles in return for favours or other data. By doing so, this will harm the performance of the organization, if classified information was circulated outside the organization.

“Wasta exists in Kuwait, which is something we can’t deny. It plays a huge role in recruiting employees in positions that they do not deserve in addition to playing a key role in other organisational processes such as knowledge sharing. We have reached a period in which people can access classified information because of wasta, which is wrong and is negatively affecting the organisation and the society in addition to discriminating between employees based on their connections. Each connection group can access, obtain and sharing different knowledge amongst each other that they are unwilling to share with outsiders” (Account Manager).

Despite accessing business related data, wasta additionally has the ability to invade one’s privacy by accessing private data about certain employees that is not business related. For an example, accessing confidential family data, bank data, and so on. This will impact employees’ performance because they will feel mistreated, betrayed and offended by their organisation, which in turn impacts organizational performance when the level of output of the mistreated employee decreases.

“there are a lot of people who are harmed because of wasta in terms of knowledge sharing, especially in ministries. People who are within the wasta circle can access private information, such as private employees background in terms of who they are related to, how much is in their credit cards, for marriage purposes, etc., that has nothing to with work. It is like they are invading employees’ privacy just to perform favours to others” (Accountant).

However, despite the fact that wasta users have the power in getting information, they don’t have the ability to drive their colleagues, who might lack wasta, to share their knowledge or expertise with them. Numerous employees ended up plainly hesitant in sharing knowledge due to the fear of losing their competitive edge, since they have realized that wasta users have a superior chance in progressing faster than them due to their connections. By not sharing knowledge, organizations will lack of innovation, development and might witness low level of productivity.

“With regards to knowledge sharing, there are many employees, especially in my organisation, who do not share knowledge or expertise amongst others because they are afraid that the person with connections can use it and advance before him/her, since they consider knowledge as a competitive advantage. Hence, employees do not share knowledge so that they do not compete with those who have wasta in the future for a position because they know that the wasta person could get it easily. So why make the wasta person more knowledgeable when I can keep it to myself and protect my competitive advantage? If the person has wasta, I have knowledge” (Manager).

6. Discussion

During the quantitative analyses, it was found that wasta negatively influences knowledge sharing, which is also supported by the qualitative analysis. The quantitative analyses tested that wasta is associated to knowledge sharing through correlation and regression analysis. The correlation analysis revealed that there is a weak negative correlation between knowledge sharing and wasta. This is further supported by the regression analysis indicating that wasta made a negative statistically significant contribution. During the qualitative analysis, numerous interviewees addressed the issue of how wasta can be utilized to get unattainable data that may help during the recruitment procedure, for example, getting entrance tests, to improve an individual’s possibility of getting hired. Both Granovetter (1973) and Burt (1992) uncovered that in certain cultural contexts people depend to a great extent on interpersonal connections when they need to get to certain data or information. Podolny and Baron (1997) illuminated this statement by suggesting that individuals’ informal networks are more crucial in data exchange than formal networks. Nahapiet and Ghoshal (1998) additionally supported that suggestion by noting that informal networks can access and circulate data proficiently, quickly and more easily than formal systems because of their fluid structure and the power of interpersonal connections. By circulating information about recruitment procedures, organizations have a lower chance in recruiting the best-suited
individual for the job. Therefore, by hiring an individual due to wasta, that individual might lack the experience, knowledge and proficiency needed in performing well and increasing organizational performance.

The findings additionally uncovered that wasta is utilized occasionally to access private business related and employees’ information that is not implied for the general population to know. This, therefore, could fuel concerns about trust amongst workers and organizations because wasta has the potential to invade one’s security and privacy. By doing so, it could impact employees’ performance, which in turn affects organizational performance. Since wasta has a negative impact on knowledge sharing, it is acknowledged that decision making in Kuwait became predictable, in the sense that nearly all decision making is carried out publicly through wasta. Such practice is unethical, as it harms people during the process by making it unfair and biased for those who lack wasta (Tlaiss & Kauser, 2011). Even though wasta users have the ability to access certain data through their wasta circle, they don’t have the ability to pressurise individuals who are not inside their sphere of influence to disclose information to them. As expressed by Cohens (1998), individuals will do what presents to them the most advantage. Ipe (2003) stated various factors that affects knowledge sharing, which are the way of learning, employees’ inspiration to share knowledge, chances to share, and the hierarchical culture in which knowledge sharing is empowered. Subsequently, numerous interviewees uncovered that some employees are unwilling to share their insight because of the anxiety of losing their competitive edge. Pfeffer and Veiga’s (1999) study supports this declaration by suggesting that people fear to share significant information because of the fear of losing control. Thus, if knowledge is not shared, the cognitive resources available within organizations would remain underutilized, which in turn could impact the chance of better enhancing the performance of an organization.

In conclusion, knowledge sharing is very crucial for the success of an organization. It enables organizations to develop skills, proficiencies and maintain their competitive edge. The degree to which an organization can develop new products, services, ideas and procedures better than their competitors all depends on knowledge sharing (Almahamid et al., 2010). Therefore, it has been concluded that wasta influences the act of knowledge sharing, although adversely for the most part, as it can help in accessing unattainable and otherwise confidential information that can impact organizational performance, which therefore supports H1.

7. Contribution to knowledge

Wasta plays a critical part in day to day organisational life in Kuwait. This aspect of knowledge sharing in Arab societies has not received adequate consideration from researchers, especially in Kuwait. This paper endeavours to close this gap by studying and introducing new knowledge with regards to how and in what ways wasta influences knowledge sharing in organizations in Kuwait. By undertaking mixed methods research, we have been able to explore the nuanced nature of individual perceptions, and add richness and depth to our understanding of wasta as a social and interpersonal phenomenon in a Kuwaiti (Arab) business context. An important practical implication reflects that the theoretical framework of the influence of wasta on organizational performance in terms of knowledge sharing is particularly beneficial for the business environment in terms of understanding how wasta influences performance. As demonstrated, the influence of wasta is mostly negatively associated with knowledge sharing and performance. Thus, the task of managers should be to identify the relevant negative factors within organizations and manage them by enhancing or eliminating them. As a result, this study can be used by organizations as a strategic support tool to aware people in power of the key elements that empower or obstruct organisational performance in Arab societies.

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Abrar Al-Enzi, Andrew Rothwell and Louise Cooke


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