The role of wasta in repatriates’ perceptions of a breach to the psychological contract

Citation for published version:

Digital Object Identifier (DOI):
10.1080/09585192.2015.1088561

Link:
Link to publication record in Edinburgh Research Explorer

Document Version:
Peer reviewed version

Published In:
International Journal of Human Resource Management

General rights
Copyright for the publications made accessible via the Edinburgh Research Explorer is retained by the author(s) and / or other copyright owners and it is a condition of accessing these publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy
The University of Edinburgh has made every reasonable effort to ensure that Edinburgh Research Explorer content complies with UK legislation. If you believe that the public display of this file breaches copyright please contact openaccess@ed.ac.uk providing details, and we will remove access to the work immediately and investigate your claim.
The role of wasta in repatriates’ perceptions of a breach to the psychological contract: A Saudi Arabian Case Study

Dr. Maryam Aldossari
Lecturer in International HRM
University of Edinburgh Business School (room 2.07)
29 Buccleuch Place | Edinburgh | EH8 9JS | UK
University of Edinburgh Business School
Tel: +44 (0)131 650 2796
Email: Maryam.Aldossari@ed.ac.uk *

Professor Maxine Robertson
Professor of Innovation and Organisation
School of Business and Management
Queen Mary University of London
Mile End Road
London E1 4NS
Phone: +44 (0)20 7882 2696
Email: m.robertson@qmul.ac.uk

* Corresponding author
The role of wasta in repatriates’ perceptions of a breach to the psychological contract:

A Saudi Arabian Case Study

ABSTRACT

This study examines the influence of a national cultural dimension, specifically a strong orientation towards collectivism/reliance on network relationships, referred to as ‘wasta’, on the way in which psychological contracts form and change in a Saudi organization. Specifically, it focuses upon how the psychological contract is perceived to have been breached by repatriates because of the role that wasta plays in shaping formal and informal HR practices pre- and post-assignment. The analysis demonstrates that prior to international assignment, wasta was taken for granted and only implicitly acknowledged as influencing selection criteria for assignments and individuals’ expectations and obligations associated with their psychological contract. Once repatriated, wasta was foregrounded and perceived as highly problematic in terms of career advancement. This shaped repatriates’ perceptions that their psychological contract had been breached, influencing their intentions to leave. These findings suggest that the psychological contract can be viewed as highly context-specific, as well as a person-centred phenomenon. We consider the implications of our research in terms of the influence of national cultural characteristics on individual’s perceptions of breaches to the psychological contract and highlight the possible implications generally for Saudi Arabia, which is aiming to be less reliant on foreign labour.

Keywords: international assignment, repatriation, psychological contract, national culture
Introduction

Today, international experience is considered to be an asset, and more typically as a requirement, for employees in global organizations. International assignments are the primary vehicle through which employees learn about and apply global strategies (Stroh et al., 2000). Management often assume that it is unproblematic when repatriates return to the home organisation (Paik et al., 2002). However, research has shown that turnover rates among repatriates range from 20 to 50% within the first year of return (Lee & Liu, 2007; Stahl et al., 2009a). The organisational costs of repatriates turnover are therefore massive, both financially and strategically (Stroh et al., 2000). High-turnover rates suggest the need for a critical investigation of repatriate-organization relationships across contexts.

Saudi organisations invest heavily in sending their employees overseas, not only to compete in global markets, but also to try to meet the demand of the Saudi employment market for qualified, skilled workers (MEP, 2010). Only 10 to 15% of employees in the private sector are Saudi nationals (UNDP, 2010). This is because there is a mismatch between the educational and technical qualifications of Saudi workers and the skill requirements of private Saudi organizations (Prokop, 2003). Therefore, underemployment in Saudi Arabia is recognised by the government as a critical social and economic problem. In response, the government is focused on creating job opportunities for its citizens. A policy referred to as the Saudisation (localization) program (Madhi & Barrientos, 2003) has been introduced specifically to develop a trained and qualified local labour force (Mellahi, 2007). One aspect of this is that political pressure has been placed on private organisations to develop their Saudi ‘human capital’, particularly their young Saudi employees by providing opportunities for them in terms of international education and training (Looney, 2004).
This research explores these workers (repatriates’) perceptions of their psychological contract when they return to Saudi Arabia. Exploring the effects of international assignments and the repatriation process on repatriates’ psychological contract in a Saudi Arabian context is novel, both because of the importance of international assignments for the country and because of the significant cultural differences that exist, compared to Western contexts. These differences may play a role in shaping the way in which psychological contracts form and may also have effects when repatriates return home having been exposed to Western cultures. Therefore, our aim is to identify aspects of the expatriation and repatriation process that are shaped by the Saudi national culture, which influence the way psychological contracts form and potentially change when repatriates return. There is sparse empirical research from Saudi Arabia, particularly that which specifically considers the repatriation phenomenon. Here we present findings regarding the influence of wasta – a form of nepotism that pervades all aspects of Saudi Arabian life - on the formation of the psychological contract in a large, Saudi multi-national, which formed part of a two-case comparative study. We go on to consider how wasta was perceived following repatriation, which led to most of our study participants believing that their psychological contract had been breached. We consider the implications of this in relation to professional employee turnover in the firm itself and the practical implementation of the Saudisation policy more generally.

The psychological contract and repatriation

The psychological contract is related to employee's beliefs about the exchange obligations that exist between employees and their organisation and is defined as “the understandings people have, whether written or unwritten, regarding the commitments made between themselves and their organisation” (Rousseau, 1990:391). Unlike formal contracts, the psychological contract is perceptual and one party’s interpretation of the terms and conditions
of the obligations within their contract may not be shared by others (Dabos & Rousseau, 2004; Kickul et al., 2004a). Parties are inevitably going to possess, to some extent, different beliefs about what each owes the other (Rousseau & Greller, 1994). When employees perceive that their psychological contract is fulfilled, research suggests that they experience greater job satisfaction, intend to stay with the organisation and trust management (Robinson, 1996; Turnley & Feldman, 1999, 2000). If employees perceive that the organisation has failed to fulfil one or more obligations, a breach is considered to have occurred. This can lead to employees experiencing feelings of betrayal of trust and unfairness, which previous research suggests can reduce their intention to remain in the organisation (Ho et al., 2004; Lee et al., 2011).

Employees derive the terms of their psychological contracts in three ways:-

(1) Mutual obligations are specifically articulated by others, for instance, during recruitment. Once hired, employees are then likely to be influenced by their colleagues and superiors, who may have different opinions about the obligations that exist between employees and the organisation.

(2) Employees observe how their co-workers and superiors behave and are treated by the organisation, and these observations provide social indications that influence employees’ expectations and obligations.

(3) The organisation provides structural signals largely grounded in human resource (HR) processes, e.g., compensation systems and benefits, performance reviews and organisational literature, which play roles in shaping employees’ perceptions of mutual obligations (Rousseau, 1990).

Typically, the psychological contract will be reinforced by repeated interactions over time, and there is likely to be convergence between employer and employee regarding their mutual understanding of the nature of this informal contract (Rousseau, 1990; Stiles et al., 1997).
However, research has demonstrated that in the case of repatriates, following extended periods of time in another country, previous understanding of mutual expectations and obligations are often questioned. For example, it is not uncommon for repatriates to have particularly high expectations in terms of career prospects on their return (Stahl & Caligiuri, 2005). Repatriates typically compare their expectations of the rewards and recognition the organisation provides/offers for taking on the assignment to the sacrifices and contributions they have made during the assignment (Andreason & Kinneer, 2005). The greater they perceive fairness, the greater the possibility that they will stay with the organisation upon repatriation (Rousseau, 2001). This highlights the way in which psychological contracts are consciously reviewed by repatriates upon their return.

**Wasta and the psychological contract in Saudi Arabia**

Previous research has investigated the process through which psychological contracts are formed and changed (Metz *et al.*, 2012; Tomprou *et al.*, 2012); their content (De Cuyper *et al.*, 2011; Parzefall, 2008); managing psychological contracts (Grant, 1999; Raeder *et al.*, 2012; Scheel *et al.*, 2013); and perceived violations or breaches of the psychological contract and the implications of this (Bao *et al.*, 2011; Chao *et al.*, 2011; Kickul *et al.*, 2004b; McDermott *et al.*, 2012; Rayton & Yalabik, 2014). Some research has suggested that national culture, systems and institutions substantially influence how the psychological contract forms and is shaped (Hui *et al.*, 2004; Kickul *et al.*, 2004b; Restubog *et al.*, 2007; Rousseau & Schalk, 2000; Westwood *et al.*, 2001). This research highlights that psychological contracts have characteristics that are both *unique* and *generalizable* across countries and they are therefore both an individual and culturally subjective phenomenon. However, previous research has been largely limited to Western countries and has not specifically addressed the
implications of this in Arab cultures, which have some particularly strong cultural characteristics known to affect the employment relationship (Mellahi, 2007).

The aim of this paper is to explore how the promises and obligations that comprise the psychological contract are conveyed and interpreted in this cultural context within the context of expatriation and repatriation. We argue that the psychological contract is construed differently in the Saudi Arabian employment context, compared to Western contexts. This is because, the strength and distinctiveness of the country’s culture has been shown to significantly shape behaviour at an individual and organizational level (i.e., organizational culture) (Mellahi, 2007). These deeply held values/norms are reflected in patterns of life, styles of living, ground occupancy systems, occupational pursuits, inheritance and succession rules (Idris, 2007). Thus, here we argue that Saudi national cultural characteristics have a significant influence, shaping both organisational culture and facets of the psychological contract.

The Global Leadership and Organisational Behaviour Effectiveness (GLOBE) cultural framework developed by House et al., (2004) was drawn upon in order to define Saudi national culture. The Arab cluster share some characteristics that score particularly highly (including group and family collectivism and power distance) and particularly low (future orientation and gender egalitarianism) (House et al., 2004). We focus here on what an emphasis on group and family collectivism means in practice with reference to wasta - an institutional form of nepotism. In Arab societies, families are considered the back-bone and centre of the society (Barakat, 1993). Traditional Saudi Arabian values mandate mutual solidarity and support among extended family members (Abdalla & Al-Homoud, 2001). In these societies, therefore, self is defined in relation to family members (Kabasakal & Bodur, 2002) and self-interest is subordinate to the interests of the family. In addition, other in-group
relationships, such as friends and tribal members, also have great significance (Rice, 2004). These values therefore promote wasta in organizations and society more generally, so that individuals are able to fulfill what society dictates to be their family and tribal responsibilities (Abdalla et al., 1998).

Wasta broadly translates as connections, influence or favouritism and comes from an Arabic root (w-s-T) conveying the idea of “middle”. A wasta is therefore someone who acts as a go-between. The same word, as an abstract noun, refers to the use of intermediaries (Cunningham & Sarayrah, 1994). There is very limited literature on the influence of wasta but it has been defined as the involvement of a supporter in favour of an individual to achieve benefits and/or resources from a third party. It refers to the process whereby individual goals are achieved often through personal links with people in high status positions, derived from family relationships or close friendships (Cunningham & Sarayrah, 1993; Hutchings & Weir, 2006).

Wasta is a way of life, its salience is taken for granted, typical of any strongly shared national cultural characteristic and it significantly influences organisational decision making. It is implicated in many key activities that enhance careers, such as university entrance, obtaining a job or securing promotion (Hutchings & Weir, 2006). Individuals with substantial wealth and/or with influential occupational roles in either private or public institutions use wasta connections extensively in order to get things done (Cunningham & Sarayrah, 1993). It clearly has some positive organizational benefits similar to the role that informal networking can play in Western organizations, as it can be helpful in overcoming problems generated by bureaucracy, and more generally in terms of organizational efficiency. Wasta also enhances system legitimacy and strengthens family and friendship bonds. Nevertheless, it also enables those with family or financial power to benefit disproportionately. Wasta is also thought to generate a mind-set of dependency. The higher an individual’s status in the family, social
order or occupation; the better chance that individual will have in achieving their own objectives through wasṭa (Cunningham & Sarayrah, 1993).

Wasta plays a significant role in career success. It plays a critical role in hiring and promotion decisions in Saudi Arabia, therefore, job security and advancement are generally based on wasṭa rather than technical competence or management performance (Rice, 2004). An individual with a strong wasṭa, even if he or she has poor qualifications, will be favoured over an individual who is more qualified but does not have appropriate wasṭa (Abdalla et al., 1998; Al-Saggaf & Williamson, 2006). Some commentators have suggested that the widespread application of wasṭa has generated a workforce where a great proportion are unqualified and unproductive (Abdalla et al., 1998). Metcalfe (2006) has highlighted that training and development opportunities, in addition to managerial recruitment and promotion, largely result from individual relationships and family networks, rather than ability. However, the way in which wasṭa might specifically shape HR practices has not been explored, particularly in Saudi organizations that operate globally and which purport to have adopted a strategic approach to HRM.

The dominance of wasṭa in Saudi Arabian culture results in an informality of work relations, which are typically underpinned by strong family connections rather than formal HR systems (Metcalfe, 2006; Tlaiss & Kauser, 2011). Wasta must therefore play some role in shaping the way in which psychological contracts are formed. Whilst there has been some limited research on the effects of wasṭa within the workplace, to our knowledge, no study has yet specifically focused upon the role wasṭa might play in shaping the expectations and obligations that constitute the psychological contract, which we address here.

**Methodology**
Deriving from an interpretative approach, which seeks to understand the meaning of different social and occupational groups, a qualitative case study approach was used in this study (Johnson & Duberley, 2000). Qualitative methodologies capture the unfiltered perspective of individuals (Rousseau & Tijoriwala, 1998) and allow a detailed analysis of the “how” and “why” of phenomena, focusing on gleaning participants’ attitudes, opinions and “lived meanings” (Denzin & Lincoln, 2005). In order to understand employees’ perceptions of their psychological contract, a qualitative approach was therefore considered to be the most appropriate method to understand repatriates perspectives with respect to their repatriation experiences in light of their international assignment.

The data were gathered by one of the authors using multiple methods, including: interviews, non-participant observation and documentary analysis of internal documents. The findings derive from a comparative study1 investigating the influence of national and organisational culture on formal and informal HR practices and the way in which psychological contracts form and (potentially) change following international assignments in two large Saudi organisations. The findings reported here draw upon 40 semi-structured interviews with repatriates (26 repatriates of who had undertaken an educational assignment and 14 who had undertaken an international assignment), together with 7 interviews with human resource managers and an interview with the CEO. The average age of respondents was 33 years. Ninety-five percent of participants were male and 5% female. International assignments ranged from 18 months to 6 years. Only those employees who had been repatriated within the previous 12 months were invited to be interviewed, so that their perceptions of their

---

1 In the second organization participants also recognised that wasa influenced selection for international assignment. However another strong national cultural value which has been identified in Arab countries (i.e. adherence to rules and regulations (House et al, 2004), influenced HR practices with respect to career development following repatriation. This difference was strongly associated with each leader’s influence on the both the development of organizational culture and HR practices in both organizations (for a complete analysis see Author, 2015).
expectations and obligations both pre- and post-international assignment would be relatively easy to articulate, as events and feelings would be recent, thus avoiding (as far as possible) post hoc rationalisation and bias.

Despite the wide variation between Middle East countries in their openness to academic research, personal connections play a major role in gaining access to organisations in these countries (Zahra, 2011). Therefore, ironically, wassta was important in enabling access (i.e., the researcher’s standing in the local community and family connections facilitated access and the problem of dealing with official gatekeepers was avoided). As Easterby-Smith and Malina (1999) emphasise, in practice official gatekeepers often only enable limited access, selecting individuals and parts of the organization that they wish to showcase. In this research, local connections enabled almost unfettered access across a one month period without intermediation by gatekeepers.

Furthermore, the researcher had the advantage of having appropriate cultural, linguistic and social skills that meant that during observational research, she went largely un-noticed. These skills also provided a degree of analytical insight not available to Western researchers. For the duration of the fieldwork, the researcher was, therefore, simultaneously an insider and an outsider. Insider status was conferred by the fact that the researcher is Saudi Arabian and had lived most of her life in Saudi Arabia, until leaving to pursue an academic career in the United Kingdom. Having lived outside Saudi Arabia for a length of time, she was able to frame her research as an ‘outsider’, particularly around cultural issues, in such a way as to mitigate the problem of ignoring that which is too familiar, a problem indigenous researchers often face (Bartunek & Louis, 1996). A combination of youth, gender and status as a graduate student also helped to create the (cultural) impression that the researcher was benign, which helped to alleviate interviewees’ anxieties about discussing sensitive issues, such as possible breaches to their psychological contract.
A list of 104 repatriates, who had been repatriated within the last 12 months, was provided. In order to ensure a representative sample, the researcher selected 60 to invite for interview with different backgrounds (different tribes) and experiences (expatriated to different countries and different assignments), of which 40 chose to participate. In order to ensure anonymity and confidentiality, information about the research was circulated in a way that invited participants to contact the researcher directly. Interviewees were provided with a written information sheet about the study and consent was obtained. Interviews were conducted between April and May 2012 and lasted between 40 and 60 minutes. Interviews were recorded and transcribed. Interviews that had been conducted in Arabic were translated into English. Parts of the English transcriptions were then translated back to Arabic, and then back to English by an independent third party to ensure that the meaning after translation had not been changed.

Interview themes were designed to elicit what interviewees considered to be mutual expectations and obligations in terms of their psychological contract, including views on what employees considered to be reasonable to expect following repatriation and how their expectations may have evolved on their return. Interview questions were clustered around four themes:

- repatriates expectations before going on an international assignment;
- work experiences whilst on assignment;
- the organisational support they received when repatriated;
- career expectations and outcomes upon their return.

HR managers’ interviews were focused upon gaining an understanding of the organisation’s culture and history, and explaining the organisation’s approach to selection for assignment, the repatriation process and formal HR policies for both. During the interview, the researcher was open to any new unexpected phenomena. Following the first five interviews (2 with
employees who had been on a work assignment and 3 who had embarked on an educational assignment), a recurring theme emerged: the role of *wasta* in selection for international assignment and for promotion. Accordingly, following discussion between the authors, further questions were incorporated for subsequent interviews that directly or indirectly focused on the role of *wasta* (e.g., have you ever felt that you were advantaged or disadvantaged in the selection process and if so, how? What do you think about the position/role that you were offered on your return? Were you promoted upon your return?).

Access was also provided to numerous company documents pertaining to the organization’s internationalization strategy and HR policies, which was supplemented with background material (annual reports, mission statements, reports for shareholders, and transcripts of chief executives’ speeches, press releases, advertisements, and public relations material). These documents provide an important source of secondary data about the formal international assignment policies.

Data analysis was inductive (Eisenhardt, 1989; Yin, 1992). The authors independently categorized the data according to the interview themes using Nvivo software and attached an interpretive memo was attached to each data segment (Miles & Huberman, 1994). Where there was disagreement, these memos were drawn upon to reach consensus. Then, by triangulating this data with other data sources (field observation notes, interviews and published materials) we established that in SaudiCo, *wasta* was the dominant cultural characteristic in terms of its role in shaping perceptions around expectations and of breaches to the psychological contract upon repatriation. We then engaged in a second round of data coding, clustering data segments around: the role of *wasta* in shaping psychological contrast pre-assignment; the role of *wasta* in shaping repatriates’ perceptions post-assignment; and the role of *wasta* in repatriates’ perception of the breach of psychological contract. In this second round, relevant documentary data were also interrogated and coded around formal policies.
pertaining to international assignments and repatriation and compared to interviewees’ beliefs and expectations about these processes and likely outcomes following repatriation. In combination, the analysis provided a comprehensive understanding of the way in which washta shaped both HR practices and repatriates perceptions of their psychological contract upon their return. Next we provide a brief overview of the case study firm.

SaudiCo

SaudiCo operates subsidiaries throughout the world. SaudiCo was originally US-owned but the Saudi government took control of it in 1980. Nevertheless, many Western management practices have prevailed, for example, women are allowed to drive within the organisation’s compound/headquarters. Hence, this particular organization is considered to be progressive by Saudi standards in terms of its management practices. After SaudiCo’s transition, King Abdullah encouraged senior management to develop formal policies in order to ‘internationalise’ its local workforce so that it could be less reliant on foreign workers, thus supporting the countries’ Saudization programme.

Throughout SaudiCo history there has been an emphasis on developing what are referred to as ‘world-class’ learning programmes. The company makes investments in training and development in excess of $10,000 per employee annually, extending across employees’ careers. Employees are encouraged to pursue university degrees at leading Saudi universities and top-tier education institutions around the world. International assignments are also used to develop leadership and technical skills. The company collaborates with alliance partners to place Saudi employees in their firms, exposing them to global practices and diverse technologies, which they are expected to utilise and leverage upon their return. In comparison to other organizations, the company has been successful in developing a workforce in which the majority (88%) are Saudi nationals. However, company documentation highlighted that employees who went on international assignment were 41% more likely to voluntarily leave
upon their return, compared to their peers who did not go on assignments. This suggests that aspects of either (or both) the international assignment and the repatriation process significantly influenced employees’ perceptions of their psychological contract, as this is considered key to explaining intentions to leave. In the following section we focus specifically upon the role of wasṭa in influencing understandings of the psychological contract both pre- and post-assignment as a major explanatory factor for this high repatriate turnover rate.

Analysis

Expectations pre-assignment and the role of wasṭa in the selection for international assignment

The motivation of employees to undertake an assignment was two-fold: 1) the novelty of living in a different country; and 2) more importantly, employees implicitly believed that an international assignment would assist their career progression. The majority of interviewees assumed that undertaking an international assignment would be rewarded with promotion, believing that the company “owed them for their overseas service”. This finding thus concurs with existing literature in some respects.

During interviews, it became evident how expatriates’ expectations around career advancement were formed, through a combination of stated company policies that suggested only those with ‘high potential’ would be sent on international assignments and meetings with HR managers. As one HR manager stated:

“During the past year, our company has launched their Accelerated Transformation Programme, to unlock the company’s full human potential. In order to do that, the company is trying to develop their human capital, in order to compete with other
international companies. How are they doing that? By sending high potential employees to work with different services companies around the world for a period of time.”

Recruiting, developing and retaining talent were claimed to be key strategies but notably, policy documents were very vague regarding how careers would be practically managed after assignments. The CEO also stated:

“Talent thrives only in an environment that rewards excellence, effort and achievement. Throughout its history, the company has maintained a corporate culture which encourages individuals and teams to excel; where advancement is based on merit, skill and work ethic; and where employees have the opportunity to go as far as their expertise and drive will take them.”

These statements were not, however, supported by formal human resource policies, which were very vague. Nevertheless, practices such as selection for international assignment send strong messages to employees regarding what they can expect from the organisation. Such messages influence the kinds of relational expectations employees develop and are the channels that employees use to understand the terms of their employment. HR managers also indirectly indicated that those who had been selected had been identifies as high potential:

“Employees who are selected are the cream of the cream, they were chosen from 300 employees in one department to be sent abroad, they must be special.”

Supervisors and co-workers also generated expectations about what would occur post assignment (c.f. Rousseau, 1989). Many repatriates indicated that their expectations were based on their assumptions about the experiences of co-workers:
“When I started working in the department it was a new department for research, so they were aiming to have plans for everyone to make it different. There were only two Saudis in the department, so they were encouraging people to do a Masters and PhD. I saw that people who went for a Masters got a grade, and when they went for a PhD they got another grade, so my expectations were based on what I had seen.”

However, many employees stated that they did not have a clear understanding of organisational policies. None were given access to formal policy documentation, but neither did they request access and, therefore, their expectations were based largely upon what they had gleaned by talking to their peers, observations and assumptions:

“I wasn’t familiar with the policy as most of the policies are not clear. I heard rumours here and there, that once you came back from an international assignment you would get promoted and moved to a different department, this is what raised my expectations and gave me hope.”

However, of the 40 repatriates interviewed, 22 readily acknowledged that they believed that selection for international assignment was also closely linked to wasa, in some cases their own wasa. Typical responses included:

“In the selection process, the priority is for the employees who have wasa, they nominate people who are well-connected first, and then if there is an extra slot they pass it to the rest...Once you are in the company you need wasa, to be honest, if you have wasa you are better off. If you are supported by someone high up you rise within the organisation.”

“Usually the [formal] criteria applied to everyone, which is good, but in my case I had good justification and they took it into consideration. Usually you need three years of
working experience, but my case was a special case. My wife was sponsored by the company to do her undergraduate degree, that’s why they approved me to go [on a working assignment] before I met the required three year’s working experience. In term of the educational assignment there are no exceptions, the criteria applies to everyone. However, in term of the working assignment wasta is the main selection criteria.”

Wasta was described as the ‘magical lubricant’ that helped to deal with bureaucracy and aided career progression within SaudiCo.

Notably, a number of HR managers also acknowledged and discussed the way in which wasta was leveraged in order to be nominated for international assignments and promotion.

One HR manager stated:

“The selection criteria according to the company policies are: GPA comes first, the performance category comes next, and years of services come third. We can say that the fourth selection criterion is wasta, because some people didn’t meet the three criteria and have been sent on an international assignment. As HR, I can’t do anything about it, because we are simply dictated what to do. For example, there is a candidate, who is good, but he joined the company from the UK, he graduated in February 2012, I made the nominations in April 2012 how can I put his name forward? ……. I can’t nominate him too soon. Then I was told, you have to nominate him, his father is a manager. Although this guy is really good why don’t we give him one year to work in the organisation?”

These apparent contradictions tended to be largely ignored by HR managers in interviews. On the one hand, this HR manager states that he could not nominate the employee and thinks he should work at least a year in SaudiCo but then states that he has been told to nominate him and has clearly done so. This is a classic case of ‘doublethink’ (Orwell, 1949) (i.e.,
simultaneously accepting two mutually contradictory beliefs as correct and not generating cognitive dissonance). This highlights the way in which wasta was taken-for-granted, being as it is an integral part of Arabic culture. As one repatriate stated:

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

These findings, therefore, suggest that repatriates had high expectations that following their international assignment they would progress in the organization. However, it is important to note that these expectations were largely grounded in assumptions that they had made, rather than any explicit promises made by management or formal HR policies. These career advancement expectations were reinforced by the culturally symbolic manifestation of the ‘value’ placed on international assignments in CEO and HR policy statements. Psychological contract theory highlights that promises are not limited to verbal or written obligations but also perceived by implication made in the course of everyday interactions (Robinson & Morrison, 1995; Rousseau, 1989; Shore & Tetrick, 1994). They therefore develop not only with reference to an explicit contract, but also any construction arising from interpretations concerning employee and employer behaviour, which is clearly evident here. Moreover, the data revealed the way in which there was ambiguity around policies and practices, reflected in repatriates’ inconsistent and contradictory understandings of repatriation policies and practices. Nevertheless, the findings also highlight that employees recognised that wasta is an integral aspect of working life.

Repatriates’ expectations post-assignment and the influence of wasta on career progression
It was evident that many repatriates had had high expectations around opportunities to return to more challenging and varied job roles, higher pay, etc. on their return from either an educational or work assignment. However, their repatriation experiences were often perceived as a challenging transition as they were faced with unanticipated situations and a gap between their expectations and reality. Repatriates were largely very dissatisfied with the way the organisation managed their return and had a number of concerns including: salary; lack of professional development opportunities; unchallenging tasks; and inadequate performance recognition. Their disillusionment was very apparent as highlighted below:

“They train people just to prove that they have a great training programme. The image is great, but they didn’t make sure that whatever we learned would be applicable to whatever we are going to do in the future. They don’t care, they care only about whether: (1) they have successfully sent the right number of trainees, (2) everything went fine, and everybody came home and learned something. The objectives are limited to this.”

“I did my PhD in geophysics, I came back to the same department, same team, same everything. I expected that I would be able to move a little bit after the PhD. The work I am doing now doesn’t need a PhD degree, they should move me to a more advanced department were I can apply my knowledge.”

On this basis, repatriates found returning very difficult:

“Coming back was really challenging. It’s like when you come back from Disneyland, for a few days you only talk about Disneyland, we have seen this and that, and you come back with a certain level of excitement. The real challenge is that you have come back to your real life; you have come back to earth. What you have
seen, you have to forget and turn another page. Whatever you have seen there it will take so many years for it to be reflected here in Saudi Arabia..”

During international assignment all of the repatriates interviewed felt that they had largely assimilated into overseas cultures and in so doing many had started to reflect upon SaudiCo’s practices, leading to difficulties around readjustment on their return. For many repatriates organisational norms around working practices, which were heavily influenced by wasṭa (amongst other strong national cultural values), had begun to be questioned:

“After my international assignment experience, I have now something to compare it to. I started feeling that the hierarchy of the system is hindering our development.”

“You come back with a lot of ideas, but when you come back there are a lot of constraints. For me those constraints are artificial, it's the way they are used to doing business. I learned in the USA not to accept things without questioning it. I am not going to be guided without being convinced.”

“Returning home after living abroad made me start to notice negative things clearly, like wasṭa.”

Repatriates discussed what they saw as profound differences in the way in which employees were appraised and promoted at SaudiCo compared to what they had witnessed taking place in international organizations, which led them to question SaudiCo’s policies and practices:

“Everything was clear and open there [in the US]; you knew exactly what you were doing and what was expected from you. You knew the promotion policies and appraisal systems clearly. Here, although they have objectives and aims that you should meet in order to get promoted, in the end the promotion and the appraisal depends on your manager’s impression of you.”
The majority reflected negatively on the lack of explicit criteria in HR policies, recognising that the policies were only loosely defined, and there was no transparency when their expectations were not met, as one repatriate noted:

"I didn’t get promoted when I came back. I shared my concerns with my manager about the promotion, and I was given the usual answer: "It’s something coming from up". Who is that “up”? No one knows. Your manager nominates you; who approves it, is someone else. I don’t think it’s fair."

Loosely defined policies around the promotional criteria and processes were a reflection of the way in which wasata was manifest and predominated in SaudiCo. Wasta was perceived by the majority of the respondents as more important than qualifications and work experience:

"There are many parts of the company where we know that you don’t get promoted by merit, you get promoted by who you are, or how you are related to others, or to whoever is in charge of promotion. That sort of thing is extremely de-motivating."

Interviews highlighted the way in which the significance of wasata and its role in career development and progression within the organisation was uppermost in repatriates’ minds. Repatriates repeatedly pointed to the fact that “who you know is more important than what you actually know” in order to progress. However, clearly wasata was not something new and had always influenced practices in SaudiCo, an inescapable aspect of life. Yet, international assignments appeared to have brought its influence to the fore and had strongly influenced their perceptions and their future career aspirations. Many repatriates’ spoke out against what they considered to be the need for managerial patronage and the role that wasata played in securing employment and promotion in SaudiCo. Yet when discussing this aspect of working life, its role, even in some cases in their selection for assignment had simply not been reflected upon prior to international assignment:
“Wasta is in everything. Since I came back I noticed that we need wasta in every situation, maybe because wasta is not found abroad, I started to feel that wasta plays a major role in everything.”

Only three repatriates believed that their international experiences would assist them in terms of career advancement. Compounding these feelings were also perceptions of inequity. Repatriates had been completely unaware of the specific risks that were associated with overseas assignments, including returning to find that paradoxically colleagues who had never been on an assignment had been promoted to positions above them.

It was clear that many had valuable skills and some repatriates were offered posts whilst working abroad by the host company or having gained a PhD were now valuable in the global market:

“When I came back from my PhD I got an offer of twice my salary, some of the offers were a 250% increase”.

Thirty-six repatriates were frustrated to the point where they were actually considering leaving the company because they felt their international experience was not valued. There was, however, a bounded sense of obligation for many, hence their reason for still being with the company 12 months on:

“I don’t see my future in this company. I will work here for three years to pay my debt then if they send me on a further international working assignment as they promised I will work until I finish the assignment then I will leave.”

HR managers did appear to be aware of the problem but felt unable to address it practically, commenting:
“Unfortunately many expats leave the company upon return because it is so hard to offer them a good job that suits their needs and matches their new abilities. Very frequently, it is just not possible to find something for them.’

These findings suggest that the majority of repatriates perceived that management had breached their psychological contract by not adequately fulfilling their obligations. They also believed that the widespread use of wasata in SaudiCo had profound, negative effects on career advancement, which we discuss next.

Discussion

Wasta clearly shaped organisational practices and norms and influenced the development of the psychological contract between employers and employees, prior and post international assignment. Figure 1 offers a schematic representation of these dynamics.

Prior to international assignment, repatriates took wasata for granted and only implicitly acknowledged that it could influence the selection criteria for assignments. However, employees had not reflected upon which route (formal via specific HR criteria or informal via wasata) they or others had taken. Therefore, prior to international assignment, wasata was back-grounded. Nevertheless, wasata implicitly influenced expectations and shaped obligations, particularly for those where wasata had played a role in their selection. In so doing, this strong national cultural norm was reinforced within SaudiCo, as a ‘way of life’, shaping working and HR practices, which were taken-for-granted.
The other important role that the predominance of wasta played is that explicit promise-making seldom took place and the criteria for promotion were not stated in HR policy documents. The formal criteria for selection to go on international assignment were articulated but, as we have shown, these could be ignored. The implicit ‘promises’ repatriates felt had been made were, therefore, largely based on their own understands/assumptions of organisational practices and management rhetoric around their ‘potential’, both of which fuelled their expectations. Thus, repatriates’ understandings of reciprocal obligations were extremely underspecified, leading to ambiguity, which was recognised as such when repatriates returned with international experiences gained in Western organizations.

Thus, following repatriation, wasta was perceived as problematic, perceptually fore-grounded and no longer taken-for-granted. When discussing their lack of career advancement and opportunities upon their return, repatriates acknowledged that wasta was far more important than the qualifications and the skills they had developed whilst on international assignment, in securing a new role and/or promotion.

Upon return, they had therefore started to reflect negatively upon, and question the role of wasta in shaping the HR practices and informal norms in the organization. From their perspective they had expanded their skills and international networks in ways not possible had they remained in Saudi Arabia. However, on their return they found that many of those who had not undertaken overseas assignments had been promoted solely because of their wasta. This sense of injustice and inequity significantly contributed to their perceptions that their psychological contract had been breached and influenced their intention to leave. Somewhat ironically, and something that they had never considered prior to assignment, persuaded as they had been by management rhetoric, they had also started to realise that many of their organizational network connections were not as strong as they had been
because of their absence and that their own wasta had diminished or was at least compromised. Hence, the role of network connections in influencing career progression, which had always been taken-for-granted, was now highly problematic.

Osland (2000) illustrated that an overseas assignment is a transformational experience. As a consequence, repatriates often question many of the taken-for-granted aspects of their life (e.g., behaviours, norms, values and assumptions). Actively reflecting upon the influence of wasta on HR practices in this study significantly contributed to feelings of incongruence between the expectations they had had prior- and post-assignment and the inequity that can be generated by wasta in Eastern organizational contexts. Moreover, a more conscious (rather than implicit) awareness of the prevalence of wasta in securing career advancement in SaudiCo is likely to have served to exacerbate the extent to which interviewees perceived a breach of their psychological contract.

Previous studies (Black et al., 1992; Kidder, 1992; Kogut & Harbir, 1988; Triandis, 1989) have shown that repatriation is substantially more difficult when there are cultural variations between the home- and host-country environments. Sussman (2001) also points out that successful adaptation to the host culture, is a predictor of a significant change in an individual’s cultural values, and this may result in a more difficult repatriation period. Triandis (1989) illustrates the difficulties associated with shifting from loose culture (with limited restricting norms), to tight culture (where a social system of behaviour is rigorously defined). For example, Sussman (1986) reported that Japanese repatriates, who returned from assignment in Western countries, experienced repatriation distress. Repatriates described the need to readjusting their behaviours to behave in an acceptable Japanese manner. Likewise, Kidder (1992) examined the challenges experienced by returning Japanese students. Similar results have also been reported in comparable collectivist contexts, including Hong Kong (Westwood et al., 2001), Taiwan (Lin & Wei, 2005) and Spain (Vidal et al., 2007).
findings clearly support and extend these findings. In this qualitative study, we have focused upon repatriates’ dis-assimilation with their home culture upon their return, within the context of a transition from a Western culture back to an Eastern culture. Here, the findings are more nuanced and suggest that repatriates’ dis-assimilation with a specific aspect of their home (organizational) culture leads to a difficult repatriation period. Importantly, this research has highlighted that whilst the psychological contract is an individual level construct, perceptions (of a breach) can be commonly shared, notably by 90% of those interviewed in this study. Our findings, therefore, support the notion that perceived breaches of the psychological contract may be taken as a plausible explanation for a high-turnover rate of repatriates and that contracts evolve over time (Chien & Lin, 2013; Eugenia Sánchez Vidal et al., 2007; Haslberger & Brewster, 2009; Lee et al., 2011; Stahl et al., 2009b; Suutari & Brewster, 2003).

Specifically, our research has revealed how the influence of wasta can contribute directly to shaping formal HR practices so that no explicit criteria are mentioned for promotion, as well as indirectly through the prevalence of informal practices around decisions concerning selection for assignment and promotion. Thus, wasta’s influence contributes to the formation and subsequent changing dynamics of the psychological contract following repatriation. Although previous studies have labelled wasta generally as a form of Eastern ‘nepotism’ and largely view it as a negative business practice (Ali, 2008; Cunningham & Sarayrah, 1993; Hutchings & Weir, 2006; Metcalfe, 2006; Tlaiss & Kauser, 2011), research has not directly examined the influence of wasta in shaping the expectations and obligations that constitute the psychological contract.

Prior research has demonstrated that psychological contract breach has various negative consequences (Conway & Briner, 2002; Kickul et al., 2004a; Robinson, 1996; Robinson & Rousseau, 1994) and our findings clearly support this key idea. Many repatriates in SaudiCo
were actively considering moving to other organizations outside Saudi Arabia to advance their careers because of the predominance of wasta in the organization. SaudiCo was considered to be, or had been considered to be (at least with respect to the repatriates interviewed), very progressive (as we have shown), so the repatriates alternative choices within the country appeared to be very limited. Given the scale of the international programme at SaudiCo, coupled with the fact that repatriate turnover was 40% higher than the average within the company, this internal international management development programme did not appear to be supporting the macro level Saudization programme, instigated by the government. An interesting and timely question, therefore, concerns whether repatriates become more committed to their own career development after an international experience, even in societies where family responsibilities, in principal, should be given more priority (see: Lazarova & Caligiuri, 2001). This is likely to be highly detrimental culturally in societies that place considerable emphasis on collectivism and also economically and structurally where there is a formal state policy, as is the case in Saudi Arabia, which aims to develop its national workforce and reduce its dependency on expatriate workers.

**Conclusion**

Based on our findings, it appears that the psychological contract can be construed very differently in the Saudi Arabian context, compared to more familiar Western contexts, such as the UK or the USA, because of the different national cultural values that exist, which serve to shape expectations and obligations at an organizational level. Our research has highlighted two key features of the psychological contract in SaudiCo. The first feature is that wasta can be a critical but *implicit* component of Saudi employment relationships, consistent with the strong cultural norm of collectivism. This was found in both case study firms in terms of selection for international assignments but played out particularly negatively in terms of
career development in SaudiCo (see Author, 2015 for a detailed analytical comparison). Therefore, its influence on HR practices cannot be underestimated, despite there being no acknowledgement (unsurprisingly) of its influence in formal HR policies. The other important aspect of our findings is that reciprocal obligations associated with wasat appear to be fuzzy and evolve over time. HR managers in SaudiCo did not perceive any incongruity between promoting the idea that only high performers were sent on international assignments (which was not factually correct) but then not being able to fulfill repatriates expectations upon their return and provide roles suited to their newly acquired expertise. In all probability, they assumed that repatriates would continue to implicitly recognize that wasat predominates in terms of career progression, over-riding more objective criteria. What they perceived to be implicitly understood, however, was found not to be the case. Previous research has suggested that cultural values do indeed influence the promise-obligation exchange in contracts; Sparrow (1998) and Rousseau and Schalk (2000) have explored how the psychological contract is construed differently in different national contexts. By focusing upon a Saudi Arabian context, this study contributes to and extends research in this area of international HRM.

In SaudiCo, repatriates appeared to shift towards a more individualistic approach to their career development, in opposition to the dominant cultural importance placed on collectivism and family. Our findings, therefore, not only highlight the importance of studying the dynamics of the formation and maintenance of the psychological contract within the Saudi Arabian context but, more importantly, also indicate the need to evaluate and understand the construct in the specific national context in which it is being studied more generally. This limits the possibility of generalizing conclusions from individual studies because of the very different cultural values and norms that can exist even within a country (Clark et al., 1999). Future research could further explore to what extent wasat plays a major role in influencing
formal and informal HR practices in other Saudi organizations and Arab organizations more generally.

In addition this research was arguably a highly innovative approach to the study of the repatriation process of international employees. First, because it combined the psychological contract and repatriation literature by identifying aspects of the expatriation and repatriation process that are shaped by facets of national culture. Although we have acknowledged that wasa played less of a role in the second case study firm, distinctive national cultural values did shape the repatriation processes in both organizations (see Author, 2015). Second, this research also introduces novelty by examining the antecedents of the repatriates’ turnover intention with a particular focus on highly qualified, Saudi professionals.

Finally, it is important to highlight that whilst repatriates in SaudiCo had started to perceive wasa as negative in terms of career advancement, they are faced with a classic ‘double bind’ and it is therefore likely that they would continue to rely upon wasa to some extent when seeking alternative employment if they planned to remain in Saudi, because it such a fundamental cultural aspect of working life. Although a high proportion of repatriates may wish to escape from wasa’s influence upon their return, their capacity to do so is likely to be severely limited whilst they remain in Saudi Arabia.
REFERENCES


