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ORIGINAL ARTICLE

Managing upward and downward through informal networks in Jordan: The contested terrain of performance management

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Abstract

This study explores how local managers, in practicing Human Resource management (HRM), may pursue their own interests that are out of line with the agendas of headquarters in multinational companies (MNCs). It is widely acknowledged that informal networks have an impact on HRM practices in emerging markets. While these networks are often regarded as beneficial for organizations in compensating for institutional shortfalls, they may also lead to corruption, nepotism, or other ethical transgressions. Indigenous scholarship on informal networks in emerging markets has highlighted how their impact occurs through a dynamic process; powerful placeholders deploy informal networks to entrench existing power and authority relations when managing people. Qualitative data were gathered through 43 in-depth interviews and documentary evidence from MNCs operating in Jordan. MNCs are subject to both home and host country effects; we highlight how, in practicing HRM, country of domicile managers deploy the cultural scripts of wasta informal network to secure and enhance their own relative authority. HRM practices are repurposed by actors who secure and consolidate their power through wasta. They dispense patronage to insiders and marginalize outsiders; the latter includes not only more vulnerable local employees but also expatriates. This phenomenon becomes particularly evident during the performance appraisal process, which may serve as a basis for the differential treatment and rewards of employees. Consequently, this further dilutes the capacity of MNCs to implement—as adverse to espousing—centrally decided approaches to HRM.

KEYWORDS
employee voice, expatriates, host country effects, informal networks, institutional logics, Middle East, MNCs, performance appraisals

1 | INTRODUCTION

The field of international Human Resource management (HRM) in multinational companies (MNCs) in non-Western contexts centers on the impact of contextual dynamics (e.g., Harbi et al., 2017; Horak & Yang, 2019; Yahiaoui et al., 2021). The latter impacts how efficient and effective the development and implementation of HRM practices are in subsidiaries. Institutional theory has long been used to examine

HRM in MNCs (Alanezi et al., 2020; Brewster et al., 2016; Wood et al., 2020); other studies explore the effects of national cultures as an antecedent, apolitical, construct to the replication of global HRM practices in non-Western contexts (Saqib et al., 2022). These two perspectives are not necessarily incompatible, culture being itself an informal yet deeply embedded institution; indeed, it represents one of Scott's (2003) institutional pillars. It is widely held that formal institutions in non-Western contexts are underdeveloped or less effective; the resultant voids are populated by implicit and less tangible informal institutions, and associated networks of support (Horak & Paik, 2022; North, 1990). Although some studies have reflected on informal networks in HRM, the extant research has accorded particular attention to informal networks in countries such as China and South Korea (Horak & Paik, 2022; Zhang & Lin, 2016). However, complementing work on *guanxi* and other social networks in Asia, there is also a burgeoning literature on HRM and *wasta* in the Middle East (e.g., Aldossari & Robertson, 2016; Alsarhan et al., 2021; Darwish et al., 2016; Harbi et al., 2017; Yahiaoui et al., 2021). For example, in looking at the Arab Middle East, the existing research has highlighted actors' dependence on informal networks and ties to resolve coordination problems (e.g., Alsarhan et al., 2021; Haak-Saheem & Darwish, 2021; Mellahi et al., 2011). In addition, informal networks may deeply interpenetrate HRM practices; inter alia, they influence employee recruitment and selection (Darwish et al., 2016), evaluation and rewards (Harbi et al., 2017), and employees' well-being (Alsarhan et al., 2021).

In this study, we explore how actors within MNCs can remold or moderate global HRM policies and practices to secure their own authority and power over local subordinates and expatriates alike. We do this by looking at how organizational actors leverage internal and external informal networks within MNCs operating in an Arab Middle Eastern emerging market. Much of the existing literature which examines the impact of a country of domicile effects on HR practice emphasizes structural pressures, such as the need to accommodate institutional pressures and/or adhere to country-wide cultural norms (Brewster et al., 2008; Mayrhofer et al., 2019). In contrast, this article explores how localization may reflect the decisions made by country-of-domicile managers, who opt to pursue their own agendas, even if only as a defensive response against challenges posed by headquarters (HQs) and/or expatriates to their informal status and authority. We explore this process by investigating the role of informal networks and how their interdependent, if unbalanced, power relations manifest in core HRM processes. We particularly focus on performance appraisal (PA), which is tightly linked with incentives, rewards, sanctions, and career progression opportunities. Such networks may indeed be culturally embedded, but they involve agents who make active choices informed not only by local conventions but also by their perceptions as to their relative power and status.

We draw on the institutional logics framework, given the role accorded to culture and actors' agency in such analysis (Thornton et al., 2012). We seek to understand how local managers may pursue their own agendas, which are at odds with those of HQs. To do so, we explore how internal and external informal networks of support enable local actors to capture HRM processes, thereby both remolding and undermining the system. *Wasta* is a specific bond between individuals who occupy positions within interconnected informal networks. It is defined as "the practice of receiving preferential treatment from relatives, friends, or other acquaintances who are in positions of power or authority, to achieve gains such as getting a job or promotion" (Alsarhan et al., 2021, p. 131). *Wasta* is also considered an informal institution (or embedded cultural norm) that is deeply infused in Middle Eastern HRM practices (Haak-Saheem & Darwish, 2021; Yahiaoui et al., 2021). In this article, we follow Saqib et al.'s (2022) conceptualization of cultural norms as internalized scripts and as a frame of reference for action that can help actors interpret situations and act accordingly.

As the definition suggests, *wasta* embodies mutual obligations, reciprocity among informal network members, and power for informal network nodes. Prior work has taken the influence of *wasta* at face value and presented it as a taken-for-granted, static, distal variable that shapes HRM practices into recognizable (locally adapted) models (see Alsarhan et al., 2021; Harbi et al., 2017; Yahiaoui et al., 2021). The concept of *wasta* is contested in extant research; critics have asserted that this may lead to nepotism and corruption (Lackner, 2016). Other scholars have highlighted both the beneficial and communitarian aspects of informal networks, as well as the risks that such networks may be captured by local powerholders as a means of entrenching patriarchal styles of management (Adham, 2022; Hearn & Filatotchev, 2019). However, the latter scholarship sees such networks as a tool for controlling subordinates rather than a tool that might also be deployed for managing upward. Significantly, our understanding of what becomes of HRM practices owing to actors' internalizations and enactments of the local cultural script of *wasta* in MNCs operating in the Arab Middle East remains nascent.

In exploring these tensions, we raise the following question: *how do local managers impose their own agendas through HRM practices in MNCs?* We seek to understand this in a Middle Eastern emerging market context, where informal *wasta* networks represent an important source of local managerial power and influence. To answer our core research question, we conducted an exploratory inductive examination by relying primarily on interviews with nonmanagerial employees in MNC branches operating in an Arab Middle Eastern emerging market. By according particular attention to PA, we explore the dynamics of informal networks inside MNCs. We found that informal network actors occupy powerful network nodes through which they can extend favors that improve organizational performance informally without the intervention of formal HRM practices. In losing their core value, HRM practices were transformed into a social currency, hijacked by network actors in exchange for the added value they informally provide. Crucially, we found that maintaining the status quo of the hijacked practices requires informal network actors to further invoke the power-packed *wasta* cultural script. Invoking the latter is leveraged to manufacture voice-facilitating mechanisms for the ingroup and silence for the outgroup, but in doing so, to also cement their authority vis-à-vis expatriates, and, potentially, weaken the pull of HQs.

This study builds on international HRM research that explores the manifestation and management of informality in MNCs (Horak et al., 2020). We draw on the concept of institutional logics, which represents the process by which actors produce, perpetuate, and reproduce society reflecting institutional realities. Hence, we consider that each institution has a central logic guiding underlying organizing principles (Friedland & Alford, 1991) and helps provide actors with identity and motives (cf. Thornton & Ocasio, 2008). Individuals and organizations may seek to adjust or manipulate these for their own advantages (ibid). In other words, institutional logics provide the link between structure and agency (Thornton & Ocasio, 2008). The study seeks to provide a deeper socially constructed understanding of the role of HRM and informal networking in the social production of compliance and systemic discrimination. By doing so, we shed further light on the contested terrain around informal networks, particularly in large MNCs where local managers lack unfettered authority. Our study is based on an Arab Middle Eastern emerging market, that is Jordan. Our work further contributes to the growing body of knowledge that aims to imbue HRM research with more contextualized and employee-focused insights (Delbridge et al., 2011; Saqib et al., 2022). This article proceeds by critically reviewing neo-institutionalist approaches in international HRM research and sociology. We focus on actors' power and self-interest as well as the communitarian and corruptive features of informal networks. We then present our research design and methods, before discussing the main findings and drawing out the implications for theory and practice.

2 | LITERATURE REVIEW

2.1 | HRM within neo-institutional approaches

Institutional theory has served as a unifying framework to examine the adoption of HRM practices or their standalone activities in MNCs (e.g., PA). This stems from its strength in examining and analyzing how actors (organizations and employees) interact with their surrounding institutional context (e.g., Gooderham et al., 2019; Yahiaoui et al., 2021). However, there are many different sub-schools of institutional thought (Schotter et al., 2021); we have focused on organizational institutionalism, given the importance assigned to culture and networks in its analysis (Paauwe & Boselie, 2003). Such approaches recognize that local cultures drive variations in formal and informal HRM practices in different contexts (Saqib et al., 2022). However, being subject to isomorphism, MNCs are drawn toward greater homogeneity in global or local homogeneous institutional fields (Brewster et al., 2008). In other words, isomorphism promotes more predictable and standardized organizational practices, not only between HQs and subsidiaries but also between country of domicile organizations (see DiMaggio & Powell, 1983).

Institutional norms are carried through routines, artifacts, and symbolic and relational systems (Scott, 2013). MNCs use these carriers to transmit their home country's institutional environment into host country subsidiaries. They do so by structuring constraining and enabling behavioral scripts and structures such as rules, protocols, standard operating procedures (SOPs), and authority. HRM scholars presume that these scripts will "have direct and intended consequences [for HRM practices] regardless of context" (Mayrhofer et al., 2019: 357). This view regards individuals as relatively passive actors and that, institutional arrangements, including the soft institution of culture, mold actors' conduct. Significantly, such scripts in HRM research, particularly culturally related ones, have frequently been conceptualized as immutable, "normative, immaterial and apolitical" (Saqib et al., 2022: 467) for organizational actors. Indeed, the application of neo-institutional approaches in HRM has frequently downplayed actors' material interests and self-seeking behaviors (Lewis et al., 2019; Saqib et al., 2022). Consequently, the issue of organizational power dynamics and politics in how these scripts are enacted and brought into the organizational reality is relatively neglected (Saqib et al., 2022).

Markedly, the broader HRM scholarship has demonstrated that actors are indeed bringing and incorporating their self-seeking behaviors into espoused HRM core activities, for example, favoritism (Harbi et al., 2017); rating bias (Spence & Keeping, 2011); and abusive supervision (Oh & Farh, 2017). More recently, evidence has surfaced that demonstrates that individual actors could do this by invoking national cultural scripts and transforming HRM practices beyond recognizable patterns (see Saqib et al., 2022). Therefore, it could be argued that MNCs face not only cross-cultural complexity at the organizational level. They also encounter individual-level politicking that drives the wedge further between actual (local) and espoused (global) HRM practices. However, considering this complexity, our understanding of the evolution of HRM practices at the individual level within the confines of local cultural scripts and actors' material interests remains limited. Thus, there is worth in scrutinizing this from an alternative vantage point. One that views actors as bricoleurs who can transform or appropriate practices by creatively (dis)integrating institutional elements in their everyday conduct.

2.2 | The logic of HRM in MNCs in non-Western contexts: Institutional heterogeneity

We have drawn on the institutional logics framework to interrogate the embedded institutional complexity facing MNCs in emerging markets. Friedland and Alford (1991) emphasize not only the homogenizing effects of institutions but also heterogeneity in their effects. This heterogeneity arises from the simultaneous existence of multiple contending logics associated with key institutions in any given social domain (e.g., family, community, religion, corporate, and the state, among others). Such plurality allows actors to pair between complementary cultural symbols and material practices of these logics to navigate institutional pressures and contradictions (Thornton et al., 2012). Within this framework, institutional entrepreneurs, including self-interested ones, represent powerful actors who possess social skills that can enable them to exploit contradictions between existing logics, modify them, or create new ones, ultimately leading to

institutional change (DiMaggio, 1988). They may use what has been referred to as a cultural toolkit approach to promote their preferred (combination of) logic(s) by excluding, pairing, or compartmentalizing the norms of each logic (Swidler, 1986; Thornton et al., 2012). To this end, the institutional logics perspective accords greater importance to social actors' agency. It emphasizes their role in reproducing the institutional reality, maintaining its relatively stable and durable features in their everyday work, but also in driving systemic change (Pache & Santos, 2013).

Large (multinational) companies are likely to exhibit a greater degree of formalization in people management processes (Darwish et al., 2024; Wood et al., 2020). However, we argue that while the core practices of global HRM in MNCs reflect embedded bureaucratic structures, yet they may also incorporate structures for employee representation. Hence, MNCs work to formalize rules, performance steps, performance measurement, and authority structure in the interests of economy and scale (Alvehus, 2018; Bévort & Poulfelt, 2015), but simultaneously, the operationalization of higher value-added HRM may encompass employee participation and voice expression (Kwon et al., 2016). However, employee voice and participation may run into countervailing pressures (such as *wasta*, Al Jawali et al., 2022) in many emerging market contexts, shoring up hierarchy and patriarchy (Wood, 2010). This highlights the potential clash between modern HRM approaches and entrenched informal structures and power dynamics. Efforts to modernize HRM practices in emerging market contexts could be seen as threatening or challenging to the status quo (Kwon et al., 2016; Morrison, 2014), and, accordingly, be thwarted.

There is an extensive body of literature on HRM in the Middle East (Afiouni et al., 2014; Budhwar et al., 2019; Darwish, Al Waqfi, et al., 2023; Haak-Saheem et al., 2017; Haak-Saheem & Darwish, 2021; Singh et al., 2012). Inter alia, this literature highlights the challenges of managing people where there is an excessive reliance on expatriate labor, managing pressures for indigenization, and what defines major differences in HR practice on sectoral lines (ibid.). The literature also highlights important differences between petrostates and those with more modest natural resource endowments, and how firms manage political pressures in settings of autocracy or instability (ibid.). The literature on HRM in Jordan highlights the relative stability of the setting and the role of active state policies in fostering the development of specific sectors. It also explores the implication of these factors on HRM policies, including the distinctions between local and international players (Branine & Analoui, 2006; Mohammad & Darwish, 2022). This study further builds on this literature by highlighting the dynamics surrounding informal networks of support as a source of local manager countervailing power. Additionally, it explores their interactions with formal HRM processes, adding a new dimension to the understanding of HRM practices in MNCs operating in the Middle East.

In this article, we deploy the institutional logics framework as it focuses on individual actors' response strategies to the embeddedness of HRM practices in heterogeneous, contradictory, and complex institutional fields (cf. Alvehus, 2018; Bévort & Poulfelt, 2015; Saqib et al., 2022). This framework helps explain how the replication of HRM core practices, such as PA, is shaped through conflicting institutional pressures and the persistence of informal yet deeply embedded networks of support. To this end, the institutional logics perspective highlights how HRM practices in MNCs operating in non-Western contexts represent a contested and dynamic terrain. It emphasizes the ongoing negotiation and adaptation that takes place as individuals respond to the interplay between formal and informal institutional pressures. This perspective allows us to gain a deeper understanding of how HRM core practices are navigated and transformed within complex institutional fields. Thereby, it contributes to a more comprehensive understanding of the challenges and strategies inherent in the adoption of modern HRM in non-Western contexts.

2.3 | The two faces of the same "informal networks" coin: Communitarianism and corruption

Informal networks are principally evident in the literature of institutions, and they exist independently of formal structures (Minbaeva et al., 2023). Informal networks refer to "an unofficial structure within which informal institutional dynamics take place" (Horak & Paik, 2022, p. 3). These networks are fueled by interpersonal relationships and connections that channel informal pressures to circumvent institutionally codified rules and procedures (e.g., Alsarhan et al., 2021; Zhang et al., 2021). Informal networks are highly characterized by being conducive to the exercise of informal power (Li et al., 2021). They are often leveraged to either undermine or mitigate voids in formal institutions (Zhang et al., 2021) or bolster the persistence of informal ones (Minbaeva et al., 2023).

Although they exist in Western countries, informal networks are highly common and more influential in collectivistic and communitarian societies. They manifest themselves through indigenous cultural norms such as *guanxi* in China (Zhang et al., 2021), *yongo* in Korea (Horak & Yang, 2019), *sifarish* in Pakistan (Nadeem & Kayani, 2019), and *wasta* in the Middle East (Alsarhan et al., 2021). We recognize that differences exist among these norms based on their origins and operationalization. However, at a more abstract level, they fall under the umbrella of the wider social capital infrastructure and informal institutions, and have in common features of "strong social bonds, trust, reciprocity, and cooperation" among organizational actors (Mayrhofer & Brewster, 2005, p. 38). However, informal networks are distinct from social networks as the former can only be accessed through hidden social transactions (Bourdieu, 1977) rooted in affection, loyalty, and unstructured expectations (see Horak & Paik, 2022). Actors within informal networks, such as friends and family, enjoy a bonding function that maintains homogeneity, psychological closeness, and social cohesion among group members (Abushaikha et al., 2021; Coleman, 1990; Li et al., 2021). However, each actor can take the position of a "node" in multiple groups and extend network ties by connecting one group to another based on mutual benefit, a function called "network bridging" (Abushaikha et al., 2021; Horak & Paik, 2022).

It has been argued that informal networks can enhance intraorganizational sociability, trust, and belongingness (Chen, 2020) in addition

to reducing transaction costs, actors' opportunism, free-riding behaviors, and uncertainty (Horak & Paik, 2022; Minbaeva et al., 2023). A positive influence for informal networks can be seen in Yahiaoui et al.'s (2021) study: they hinted that *wasta* can provide a proxy mechanism for employee voice throughout the PA process. Their line managers' responses indicated that they speak to HR managers on behalf of low-performing employees to negotiate negative appraisals and make more lenient arrangements. Moreover, *wasta* is helpful for networking, mentoring, and career advancement in the Middle East (Tlaiss & Kauser, 2011). Conversely, it has been argued that informal networks are often associated with favoritism, opportunism, access to informal power, and exclusion (Chen, 2020; Darwish et al., 2016; Li et al., 2021). Within the HR literature, the operation of informal networks has been linked to nepotism in recruitment and training (Mohammad & Darwish, 2022); it is also argued that it may undermine fairness in PA systems (Harbi et al., 2017). For instance, research has highlighted that employees with strong *wasta* or *yongo* ties circumvent meritocratic PA procedures. In such cases, rewards are distributed based on actors' position in the informal network rather than on their performance (Harbi et al., 2017; Horak & Yang, 2019). Therefore, such rewards become diverted from others who are worthy of receiving them based on their actual individual performances. In exploring how local managers may subvert formal HR policies and practices in MNCs, this study sheds light on the role of informal networks, exemplified by *wasta*, in this process.

Rather than seeing informal networking as something that helps compensate for "formal regulatory pressures" (Khan et al., 2019, p. 482) or bridge institutional voids—bringing corruption or inefficiency in its wake (Koch, 2022), it can be argued that they may help humanize the workplace. These networks can help and encourage managers to exhibit greater responsibility in their interactions with employees and the community (e.g., Wood et al., 2011; Yahiaoui et al., 2021). At the same time, such scholarship suggests that the cultural scripts underpinning such networks may be rewritten by local powerholders to shore up their patriarchal authority over subordinates (Abraham & Prabha, 2022). In other words, while being potentially beneficial, such networks constitute a contested domain. However, what both sides of the debate somewhat neglect is how the tradition may be deployed not only to manage downward but also, in doing so, to have an upward impact inside the organization. A body of existing work highlights how informal networks may exclude expatriates from the domestic social fabric, viewing them as outsiders or part of an outgroup (Horak & Yang, 2019; Kim, 2000). Although informal networks in this case are crucial to filling institutional voids in such weak institutional contexts, how actors remake them may promote a closer alignment with HRM practices or make for fragmentation. Hence, we employ the institutional logics perspective to explore how local managers may secure their authority, yet undermine central HR policies and practices, through the device of *wasta*. The latter may facilitate divergence from good HR policies toward what is typically practiced in the country of domicile. This may be desirable if the type of HR practice is more responsive to local realities and needs. However, *wasta* may also facilitate opportunism by local managers to suit

their own interests, even if this may be at odds with the needs of the rank and file, or organizational objectives.

3 | METHODOLOGY

3.1 | Research design

In line with our research question and assumptions, we employed an inductive exploratory research design (Glaser & Strauss, 1967; Strauss & Corbin, 1998; Towers et al., 2020). The research design supports the theory elaboration purpose of this study. We treat this research as exploratory as we seek to gain insight into an under-investigated subject matter to postulate findings which need to be confirmed by subsequent confirmatory research (Glaser & Strauss, 1967; Holstein & Gubrium, 1994). We adopt the position of Suddaby's (2006, p. 434) assessment of conducting inductive studies where researchers "make knowledge claims about how individuals interpret reality." In such phenomenological studies, researchers describe the phenomenon while refraining from any pre-given framework and test their preliminary ideas against ongoing observations (Patton, 2002; Suddaby, 2006; Towers et al., 2020). Our inductive exploratory approach aims to capture the way *wasta* phenomenon was experienced by individuals (Holstein & Gubrium, 1994) in a natural setting. Consistent with this approach, we collected qualitative interviews and archival data from the companies involved in the study. Our study involves four large global MNCs operating in the country of Jordan; the names of the companies are omitted to protect the anonymity of the participants.

3.2 | Research context

Jordan is a relatively stable Middle Eastern country, situated in the Levant area on the East Bank of the Jordan River, where Asia, Europe, and Africa intersect (Melhem & Darwish, 2023). It shares borders with Syria, Iraq, Saudi Arabia, and the West Bank of Palestine. The country is populated by nationals who are of Arabic descent (Mohammad & Darwish, 2022). Contrary to popular preconceptions about the abundance of oil resources in the region, Jordan is disadvantaged from this angle. It has a modest GDP growth, owing to the country's dependency on foreign and regional grants (particularly from the United States) for the important role it plays in promoting regional peace and moderation (U.S. Department of State, 2023). Notwithstanding the benefits Jordan enjoys from this financial dependency, there remains a lingering national budgetary deficit that the country compensates for through foreign loans and structural constraints that push the country's financial situation into turmoil. Together, these factors have paved the way for several challenges including high unemployment rates, especially among the country's youth (Mohammad & Darwish, 2022). Lacking natural resources, Jordan compensates in terms of economic growth by relying predominantly on the service industry. Since the turn of the 21st century, Jordan has witnessed a

wave of economic liberalization by joining the World Trade Organization and securing access to global markets. As a result, the country houses many MNCs' subsidiaries and many expatriates (Syed et al., 2014).

Jordan is a collectivist country that also scores high on power distance. The cultural norm of *wasta* is prevalent in individual social exchanges, where it subverts formal institutions and weakens legal systems at a more macro level (Darwish, Singh, et al., 2023). *Wasta* obscures normative global HRM activities such that recruitment, favorable PA outcomes, and career progression opportunities are awarded, unfairly, to employees with strong *wasta* connections, regardless of their qualifications or performance levels (Harbi et al., 2017; Melhem & Darwish, 2023).

The companies are professional services firms (PSFs) headquartered in the United Kingdom and Europe and belong to the same industry, and they provide project-based, multidisciplinary services to a variety of local and global clients. The HQs of the sampled subsidiaries, with origins dating back over a century, have evolved through mergers into their current global brands. Combined, they employ just over a million professionals worldwide in 2022 and generate billions of US dollars in income. They are highly sought after by Fortune Global 500 firms, large national and international enterprises, and government institutions. These PSFs proudly proclaim themselves as "global" and "leading," dominating their industry and ranking as the world's largest PSFs.

These firms offer similar multidisciplinary services, including management and IT consulting, outsourcing, and financial advisory services. They are virtually indistinguishable in terms of size, workforce, and revenue compared to their industry peers. They strictly adhere to regulations, uphold professional and ethical codes of conduct, and follow common institutional norms. These companies have adopted a one-firm model, seeking to standardize management and professional practices across global subsidiaries, fostering a unified professional culture. PSFs are relatively latecomers to internationalization, often rapidly expanded to meet the needs of country-of-origin clients, and accordingly must provide services in a form that such clients would be familiar with. In turn, this may entail standardization of procedures and the adoption of a common model of HR practices to support the same (Bello et al., 2016; Suseno & Pinnington, 2018). Again, subsidiaries are human capital heavy and physical infrastructure light; this would vest HRM with particular importance (ibid.; Kinnie & Swart, 2012). Globally, these MNCs extend their presence to more than 140 countries in every continent, and they adopt almost identical PA processes that were transferred from their HQs. Locally, they employ a little under 300 employees (of whom around 200 are at lower nonmanagerial levels).

3.3 | Data collection

Forty-three face-to-face interviews were conducted with employees at varying nonmanagerial levels (junior, semi-senior, and senior), as shown in Table 1. We interviewed employees of the four MNC branches identified using purposeful sampling (Patton, 2002) to acquire rich information about the PA process and the several logics invoked by actors throughout its performative replication. The qualitative interview data were collected between 2019 and 2023 with host country nationals and expatriates who were carefully selected, and they were initially reached out to through personal networks; subsequently, the snowball method was utilized to further expand the sample size (Strauss & Corbin, 1998). The interviews were conducted by the first author who had strong knowledge of the national context and local language proficiency. English was the main language used during the interviews; however, participants were allowed to express some views in their native language (Arabic). Interviews were recorded after ensuring the interviewees' confidentiality and they were transcribed verbatim, translating any parts provided in Arabic by the first author who is bilingual. In an effort to minimize potential bias, an external bilingual HRM expert was consulted and appointed to ensure translation accuracy by back-translating accounts provided in Arabic from the original transcripts (Brislin et al., 1973). This process resulted in negligible differences that were dealt with by the first and second authors.

The semi-structured interview schedule contained naturalistic questions (e.g., Alvehus, 2018). The schedule was designed to obtain interviewees' perceptions, understandings, and experiences in relation to recruitment, PA, HRM activities in general, and employee–supervisor PA meetings specifically. Furthermore, the schedule included in-depth questions about the direct influence of *wasta* on the PA process (e.g., "Can you describe your job?" "Is *wasta* present in your company?" "How is your performance appraised?" "How does *wasta* affect the performance appraisal process?"). Time ordering and process temporality were taken into consideration throughout conversing with participants (Langley, 1999) (e.g., "How did *wasta* affect the micro-process of goal setting throughout your career?" and "What is the impact of *wasta* on performance feedback micro-process throughout your career?"). Participants were given enough time to express their understandings and meanings. Throughout interviewing participants, we followed up on answers in earlier interviews and asked more explicit and direct questions about the influence and mobilization of *wasta* in later interviews. This approach allowed us to explore, in-depth, how *wasta* influenced important aspects of the PA process such as remuneration, career progression, and employee development. Moreover, following up and probing questions facilitated revising the interview schedule after the third interview to include more specific questions about participants' power dynamics and informal networking.

Probing and follow-up questions included "Could you please provide me further details on this statement?" "Were you recruited through *wasta*?" "Can you recall what exactly happened during this meeting?" "How was your performance evaluated over the years?" The questions and probes were designed in a way that each one provided validation for participants' responses to previous statements, and the major events that they drew on were corroborated by most study participants. The interviews were concluded upon reaching a point of saturation when new information about the PA process

TABLE 1 Respondent's information.

Respondent identification number	Company's pseudonym	*Wasta* type	Respondent's position	Years of experience	Age	Gender	Year interview collected	Notes
R1	AlphaCo	Weak/no *wasta*	Senior	7	30	M	2019	Worked for 6 years at BetaCo.
R2	AlphaCo	Weak/no *wasta*	Senior	5	27	M	2019	Left the company
R3	AlphaCo	Strong *wasta*	Senior	3	25	M	2019	
R4	AlphaCo	Weak/no *wasta*	Junior	4	26	M	2019	
R5	AlphaCo	Strong *wasta*	Senior	8	30	M	2019	
R6	AlphaCo	Weak/no *wasta*	Junior	4	26	M	2019	Left the company
R7	AlphaCo	Weak/no *wasta*	Junior	2	24	F	2019	
R8	AlphaCo	Strong *wasta*	Senior	5	26	M	2019	
R9	AlphaCo	Strong *wasta*	Semi-senior	3	25	M	2019	
R10	AlphaCo	Weak/no *wasta*	Senior	4	26	M	2019	Left the company
R11	AlphaCo	Weak/no *wasta*	Senior	5	27	M	2019	Left the company
R12	AlphaCo	Weak/no *wasta*	Junior	2	25	M	2019	
R13	AlphaCo	Strong *wasta*	Senior	4	25	M	2019	
R14	AlphaCo	Strong *wasta*	Senior	3	24	M	2019	Left the company
R15	AlphaCo	Strong *wasta*	Senior	5	26	M	2023	
R16	AlphaCo	Weak/no *wasta*	Semi-senior	4	26	F	2023	
R17	AlphaCo	Weak/no *wasta*	Senior	5	28	F	2023	Worked for 2 years at DeltaCo.
R18[a]	AlphaCo	Weak/no *wasta*	Senior	6	29	M	2023	
R19	BetaCo	Weak/no *wasta*	Senior	6	29	M	2019	Worked for 5 years at AlphaCo.
R20	BetaCo	Weak/no *wasta*	Senior	8	31	M	2019	Worked for 7 years at AlphaCo.
R21	BetaCo	Weak/no *wasta*	Semi-senior	3	26	M	2019	
R22	BetaCo	Weak/no *wasta*	Junior	1	23	M	2019	
R23	BetaCo	Strong *wasta*	Senior	6	27	M	2019	Worked for 5 years at AlphaCo.
R24	BetaCo	Strong *wasta*	Senior	7	28	M	2019	Worked for 5 years at AlphaCo.
R25	BetaCo	Strong *wasta*	Senior	7	28	M	2019	Worked for 5 years at AlphaCo.
R26	BetaCo	Weak/no *wasta*	Junior	2	25	M	2019	
R27	BetaCo	Weak/no *wasta*	Senior	8	31	M	2023	Worked for 3 years at AlphaCo.
R28[a]	BetaCo	Weak/no *wasta*	Senior	9	33	F	2023	Worked for 6 years at AlphaCo.
R29	BetaCo	Strong *wasta*	Junior	2	24	F	2023	
R30	GammaCo	Strong *wasta*	Junior	2	23	F	2019	Left the company
R31	GammaCo	Strong *wasta*	Junior	1	23	M	2019	Left the company
R32	GammaCo	Weak/no *wasta*	Senior	3	27	M	2019	
R33	GammaCo	Weak/no *wasta*	Junior	2	24	M	2019	Left the company
R34	GammaCo	Strong *wasta*	Senior	3	24	M	2023	
R35[a]	GammaCo	Weak/no *wasta*	Semi-senior	4	27	M	2023	
R36	DeltaCo	Weak/no *wasta*	Semi-senior	3	26	M	2019	
R37	DeltaCo	Strong *wasta*	Senior	5	26	M	2019	
R38	DeltaCo	Strong *wasta*	Senior	6	27	M	2019	

(Continues)

TABLE 1 (Continued)

Respondent identification number	Company's pseudonym	*Wasta* type	Respondent's position	Years of experience	Age	Gender	Year interview collected	Notes
R39	DeltaCo	Strong *wasta*	Senior	4	26	M	2019	Left for AlphaCo
R40	DeltaCo	Weak/no *wasta*	Senior	4	28	M	2023	
R41	DeltaCo	Weak/no *wasta*	Semi-senior	3	25	F	2023	
R42	DeltaCo	Weak/no *wasta*	Junior	1	24	F	2023	
R43[a]	DeltaCo	Weak/no *wasta*	Senior	4	29	M	2023	Works at the regional branch

[a]Expatriate employees.

ceased to be generated by participants (Strauss & Corbin, 1998). Additionally, we consulted several archival sources to supplement the interviews, including annual reports, codes of conduct, codes of ethics, and SOPs, as well as feedback and rating grids and criteria. These archival sources provided rich textual information and were used to corroborate participants' accounts of PA processes. Furthermore, the documents provided essential contextual information on the companies, their HR policies, annual global reports, professional and ethical global codes of conduct, *wasta*-related local press releases, the espoused PA process, and the indispensable global software required for its enactment. Table 2 summarizes the data collection sources, which includes both interview and archival data.

3.4 | Analytical approach

We followed an inductive grounded theory approach (Glaser & Strauss, 1967) and a process methodological approach to analyze the study data (Langley, 1999). These approaches facilitate a comprehensive exploration of emergent concepts and the dynamic aspects of how processes evolve, over time, and shape these concepts. Thus, developing a richer understanding of the interplay between concepts, practices, and processes within a specific context. This required proceeding in an iterative fashion, by looking for recurring concepts and themes in the data and consolidating them into nascent categories while taking time ordering into consideration. The interview and archival data were managed on an NVivo 12 database. We first began by temporally bracketing (Langley, 1999) the main employee-related events in the PA process (setting performance goals and objectives, frequent performance feedback, and annual PA interviews). We primarily relied on the interviews for our data analysis. We openly coded and analyzed the interview data by using codes close to participants' expressions. We then used axial coding to arrange first-order codes into manageable categories (Strauss & Corbin, 1998). For example, "I appealed [my rating] of course and nothing happened" was given "Managers with strong and weak *wasta* block formal and informal grievance procedures for weak *wasta* employees" as a first-order code. Similarly, "I asked why [I was given this low rating] but my people manager justified with those rubbish replies" was given "Over time, managers with strong and weak *wasta* fabricate responses to

weak *wasta* employees in annual PA interviews" as a first order-code. First-order codes were clustered under their corresponding PA event (e.g., annual PA interview). Throughout this process, we frequently revisited the archives to understand the espoused process and corroborate participants' accounts. At this stage, we paid attention to how events relating to PA, *wasta*, informal networks, and voice and silence (as indicators of power) manifested over time and further summarized them in thick narratives. We then started analyzing the relationships between the codes; in doing so, we set out to investigate employees' replications of PA and the logics informing these replications. This step revealed two groups of actors: employees have either strong or weak *wasta* connections; a situation that influenced employees' versions of the replicated PA, and their upward expression of voice amid imbalanced power dynamics.

To make further sense of the data, we performed sequence analysis (e.g., Salvato & Rerup, 2018) on how employees in each group enacted PA and expressed (or suppressed) their voice, by constructing strings of data for each employee. To do so, we extracted events directly involving the use of *wasta* and informal networks, employees' understandings and performances of PA, and events of employees' upward voice and silence, and constructed the strings of data accordingly for each respondent as shown in this snapshot example for an employee (given an alias: Jamal) with strong *wasta* connections.

> (a) Jamal (an actor) received an unfair annual rating in his third year (outcome) via a corporate email (artifact). During the annual PA meeting, he did not receive a realistic justification (outcome) and his informal appeal (action) was unsuccessful, although he presented (action) objective evidence from his official feedback forms (artifact). (b) The following year, Jamal recruited (*wasta*-related action) his father's business as a client and thus gained power (*wasta*-related outcome). In his fourth year, Jamal (actor) was able to establish (action) a personal relationship with his direct manager (actor), joined the manager's informal network (*wasta*-related outcome). He lowered (action) his performance significantly, lied (action) to the annual plan and feedback systems (artifact), met (action) with his manager

TABLE 2 Data collection sources.

Data types	Quantity	Use in analysis
Interviews		
Forty three semi-structured interviews, lasting between 40 min and 2 h (August 2019—September 2023)	586 pages of text (recorded and transcribed verbatim)	Insights into current and former actors' (including expatriates) actions and understandings about informal networking, *wasta*, and the performance appraisal process
Archival sources		
Annual global reports (2005–2020)	60 annual reports (1241 pages)	Acquire a deeper understanding of various aspects of the sampled companies, including their financial performance, strategies, goals, and corporate culture.
Professional codes of conduct	4 documents (112 pages)	Insights into actors' professional conduct, which includes a set of guidelines and rules that outline the ethical and professional behavior expected of individuals within these companies.
Ethical global codes of conduct	8 documents (128 pages)	Insights into the guidelines and principles that promote ethical behavior, integrity, and accountability.
HRM policies (including updates and supplementary material)	18 documents (298 pages)	Insights into HQs globally established and implemented espoused HRM policies and standards. This encompasses the necessary qualifications and skills for recruitment, as well as the criteria for promotion.
Web data extraction: including companies' related HRM and talent management press releases, announcements, and careers-related information	44 articles (167 pages)	Determine company-related press coverage and interpretations of employee management.
Wasta-related local press releases	24 articles (103 pages)	Gain contextual information about the sociocultural landscape of broader local context, specifically, pertaining *wasta*.
Performance appraisal rules and standard operating procedures	9 documents (126 pages)	Gain a deeper understanding of HQs globally established and implemented espoused performance appraisal process.
Performance appraisal global software data templates: annual objectives, frequent feedback, project's specific feedback, rating templates	17 templates (51 pages)	Insights into the espoused performativity of the process on the global software artifact.

informally after office hours, and mobilized his *wasta* (action) to gain a higher rating and promotions in his fourth, fifth, and sixth years (*wasta*-related outcome).

Consequently, we were able to link first-order empirical observations to higher-order themes and generate more second-order abstract categories. As relationships and patterns emerged, we started to look for similarities and differences across the various strings, and, following process theory, only stable and repetitive patterns that reflected the same practice were kept (Salvato & Rerup, 2018). In doing so, we were able to abstract second-order codes into aggregate theoretical dimensions as shown in Figure 1. The figure captures how HRM processes are hijacked by informal networks' insiders and how they maintain this status quo by socially producing compliance for networks' outsiders.

3.4.1 | Findings

In this section, we will first present participants' perceptions and understandings of how local managers can capture and subvert formal HR policies and practices through the influence of *wasta* logic on

organizational power dynamics. While the discussion in the following subsection supports the definition of *wasta*, it further demonstrates a systemic divide in the social structure inside the sampled organizations. Subsequently, we will analyze the social production of voice and silence in HRM practices to maintain an essentially corrupted status quo over time.

3.5 | Hijacking HRM practices: Power and informal networks

When participants were asked about the PA process in their organizations, they first dialogued about the espoused ideal process, elucidating its significance and the HQ-established reasons for compliance, as follows:

In a recent training that we attended in our company's HQ in [Europe], the trainers spent considerable time emphasizing the importance of professionalism and meritocracy in the PA process, such as how to follow feedback, how to attend meetings, what to talk about, etc... They even provided us with specific company-
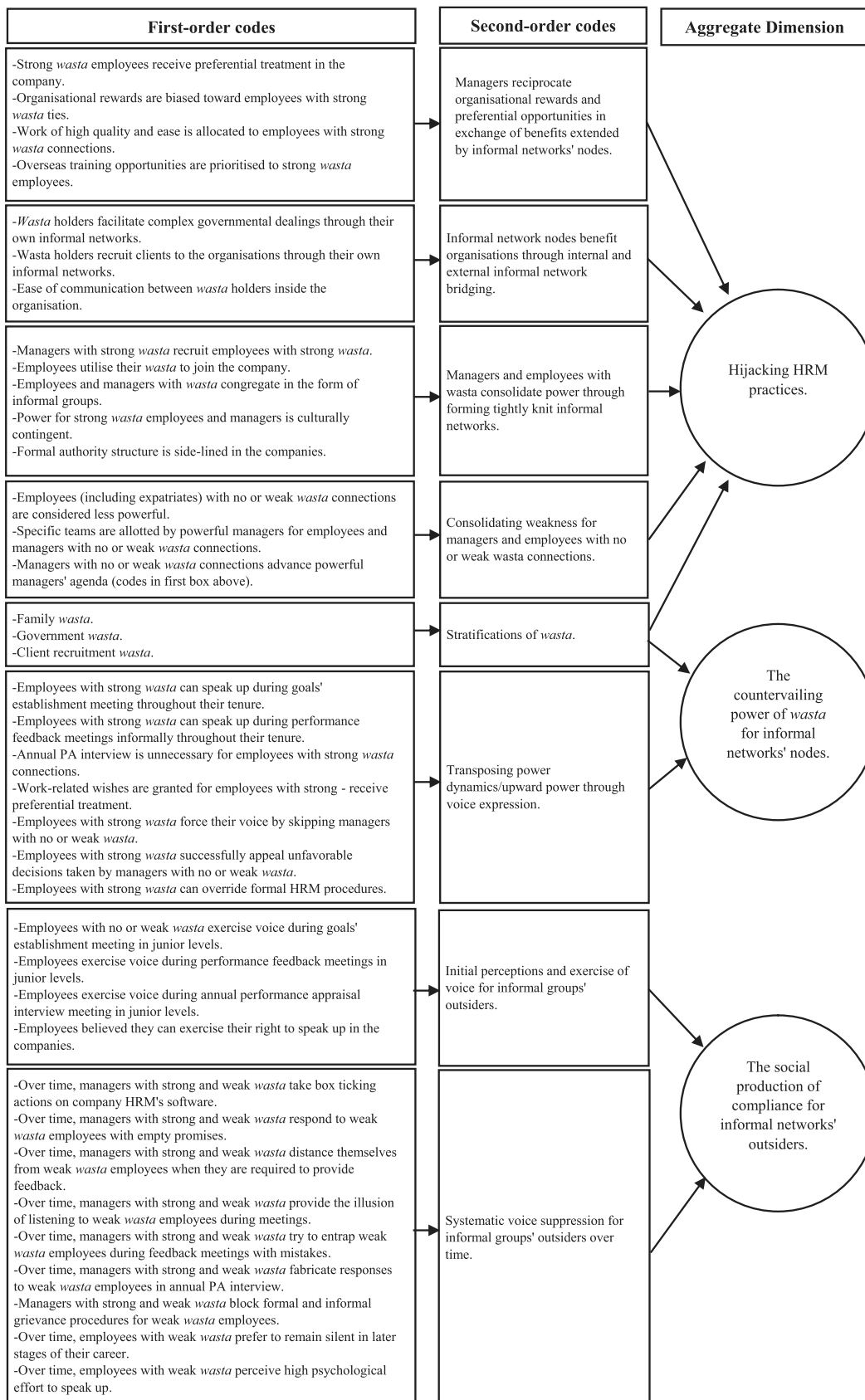
First-order codes	Second-order codes	Aggregate Dimension
-Strong *wasta* employees receive preferential treatment in the company. -Organisational rewards are biased toward employees with strong *wasta* ties. -Work of high quality and ease is allocated to employees with strong *wasta* connections. -Overseas training opportunities are prioritised to strong *wasta* employees.	Managers reciprocate organisational rewards and preferential opportunities in exchange of benefits extended by informal networks' nodes.	
-*Wasta* holders facilitate complex governmental dealings through their own informal networks. -Wasta holders recruit clients to the organisations through their own informal networks. -Ease of communication between *wasta* holders inside the organisation.	Informal network nodes benefit organisations through internal and external informal network bridging.	Hijacking HRM practices.
-Managers with strong *wasta* recruit employees with strong *wasta*. -Employees utilise their *wasta* to join the company. -Employees and managers with *wasta* congregate in the form of informal groups. -Power for strong *wasta* employees and managers is culturally contingent. -Formal authority structure is side-lined in the companies.	Managers and employees with wasta consolidate power through forming tightly knit informal networks.	
-Employees (including expatriates) with no or weak *wasta* connections are considered less powerful. -Specific teams are allotted by powerful managers for employees and managers with no or weak *wasta* connections. -Managers with no or weak *wasta* connections advance powerful managers' agenda (codes in first box above).	Consolidating weakness for managers and employees with no or weak wasta connections.	
-Family *wasta*. -Government *wasta*. -Client recruitment *wasta*.	Stratifications of *wasta*.	The countervailing power of *wasta* for informal networks' nodes.
-Employees with strong *wasta* can speak up during goals' establishment meeting throughout their tenure. -Employees with strong *wasta* can speak up during performance feedback meetings informally throughout their tenure. -Annual PA interview is unnecessary for employees with strong *wasta* connections. -Work-related wishes are granted for employees with strong - receive preferential treatment. -Employees with strong *wasta* force their voice by skipping managers with no or weak *wasta*. -Employees with strong *wasta* successfully appeal unfavorable decisions taken by managers with no or weak *wasta*. -Employees with strong *wasta* can override formal HRM procedures.	Transposing power dynamics/upward power through voice expression.	
-Employees with no or weak *wasta* exercise voice during goals' establishment meeting in junior levels. -Employees exercise voice during performance feedback meetings in junior levels. -Employees exercise voice during annual performance appraisal interview meeting in junior levels. -Employees believed they can exercise their right to speak up in the companies.	Initial perceptions and exercise of voice for informal groups' outsiders.	
-Over time, managers with strong and weak *wasta* take box ticking actions on company HRM's software. -Over time, managers with strong and weak *wasta* respond to weak *wasta* employees with empty promises. -Over time, managers with strong and weak *wasta* distance themselves from weak *wasta* employees when they are required to provide feedback. -Over time, managers with strong and weak *wasta* provide the illusion of listening to weak *wasta* employees during meetings. -Over time, managers with strong and weak *wasta* try to entrap weak *wasta* employees during feedback meetings with mistakes. -Over time, managers with strong and weak *wasta* fabricate responses to weak *wasta* employees in annual PA interview. -Managers with strong and weak *wasta* block formal and informal grievance procedures for weak *wasta* employees. -Over time, employees with weak *wasta* prefer to remain silent in later stages of their career. -Over time, employees with weak *wasta* perceive high psychological effort to speak up.	Systematic voice suppression for informal groups' outsiders over time.	The social production of compliance for informal networks' outsiders.

FIGURE 1   Data structure.

aligned goals and formal tips that will help advance our career path. (R18)

"When we initially joined the company, we were required to attend an extensive global course on the conduct of PA. Given the multinational nature of our company, there was a strong emphasis on adhering to global PA procedures, stressing its importance in maintaining quality and linking adherence to safeguarding the company's reputation." (R26)

However, as the conversation progressed, they started reflecting on a PA process that was saturated with issues stemming from coordinating HRM activities such as employee recruitment, PA, and training. All participants generally agreed that recruitment, training, preferential treatment, performance measurement, and rewards were capricious in departing from company rules; this represented a product of local managers being embedded in *wasta* networks, favoring those with strong informal connections.

In this company, we use our *wasta* to get recruited. No one would look at you if you decided to apply through formal channels. This extends to the remaining opportunities the company has to offer such as training, project allocation, promotions, etc. (R10)

However, this comes contrary to the evidence from the archival data. More specifically the written HR policies of the MNCs suggest that employee recruitment and progression are highly based on employees' qualifications, skills, and performance. For instance, AlphaCo stresses that they only *"recruit and nurture highly skilled professional talents"* (AlphaCo, HRM policies). Similarly, DeltaCo states that its main people management aim is to *"bring together experienced and exceptional professionals"* with promotions and rewards *"given on merit"* (DeltaCo, HRM policies).

Such issues were underpinned by dysfunctional power dynamics between organizational actors. Power is not derived from the formal authority structure in the MNCs but is culturally contingent at the subsidiary level based on the strength of the *wasta* connections employees and managers possess. Thus, actors' power and authority, particularly for lower-level employees, are not conferred from the formal organizational hierarchy but they exist in informal and nonhierarchical ways within the companies.

The strength of your *wasta* is what makes and breaks you in the company. If you are well connected, then everything is sorted out for you, otherwise, you are just occupying space. (R7)

I do not know how to say it, but [lower-level] employees with strong *wasta* are powerful and the rest, like myself, are just commoners. (R36)

...there is an employee we all know whose father is a [well-known powerful figure in the country]. He is not like any other normal employee; they fear him and change the rules for him. (R24)

And as also expressed by this expatriate employee from BetaCo:

I'm waiting for the right chance to leave this industry since advancement beyond the senior level seems unlikely due to favoritism toward well-connected and powerful employees. I joined this company through a referral and have been in this role for three years without further advancement. I'm fed up. (R28)

This is particularly problematic to the embeddedness of HRM in the salient logic of bureaucracy and its associated characteristics, such as meritocratic PA. Because it allows for the transposition of power and authority, concentrating it in the hands of a few employees in the lower and upper echelons of the subsidiary. Consequently, undermining existing formal power and authority dynamics and disrupting the status quo of the formal hierarchy of authority. To redress this power disparity, this disruption is rectified by the inclusion of less powerful (weak *wasta*) managers and employees. This is evidenced by how local managers and employees are depicted in terms of 'powerful' and 'powerless' by most respondents as illustrated by this employee.

In this line of work, we have powerful managers and powerless ones, and the powerless are more numerous than the powerful. (R5)

Subsidiary managers and employees with strong *wasta* connections, in general, are nodes in networks that may be highly beneficial to the MNC's income-generating activities and governmental dealings (Luo, 2001). They may utilize several connections in their informal networks to recruit clients for their organizations and facilitate the navigation of lengthy unavoidable governmental dealings. The former is highly important to these companies since following formal client recruitment channels in the Jordanian context is perceived as ineffective. This might suggest that *wasta* may serve MNCs well. Nonetheless, the involvement of personal networks, particularly informal ones, breaches MNC ethical standards including the following: "conflict of interest compromises the integrity and quality of work" (Alphaco, Ethical code of conduct), "undermines professional independence and objectivity" (Betaco, Ethical code of conduct), and fertilizes "legal, reputation, and regulatory risks" (Gammaco, Ethical code of conduct). All of these, and many others, are mitigated by the central role global HRM policies play in promoting fair and ethical behavior, professional guidelines, and training. However, contrary to the archival evidence, participants explain that:

We have powerful managers in our company who have [powerful] connections...these managers can benefit the company. (R8)

> The competition between these four companies is very high. It is important to them to recruit employees with strong *wasta*. Otherwise, they would not be able to recruit clients. (R43)

> Basically, if a manager or an employee recruits three clients, for example, based on his informal connections, he becomes powerful. The competition between companies in this field is high so informal connections can increase the company's market share. (R25)

Significantly, power is not only derived from the ability to utilize informal connections to recruit clients and facilitate governmental dealings. Additionally, some employees become powerful by extension from being connected to powerful managers in the company.

> If you are connected to a powerful manager or a client then you are king. (R21)

The formation and maintenance of informal networks inside the sampled organizations is highly dependent on the power status of employees and managers. Powerful employees and local managers consolidate their power by forming informal groups among themselves inside the companies. These informal groups consist of local actors who are nodes in a variety of other internal and external informal networks (i.e., friends or family of local managers, clients, and government officials). Individuals in these groups derive their power from adding value to the organization by bridging between several informal networks as explained by this employee.

> …it is highly problematic, powerful managers tend to recruit employees with strong *wasta* to their teams, the team becomes permanent, their engagements [projects] are permanent. When you have a manager who is connected to [powerful people] and his employees are connected to…important clients, then who will dare talk back to them? (R34)

To this end, the social structure inside the subsidiary becomes interpenetrated by the formation of internal and external networks of informal support through different stratifications of *wasta*. Nonetheless, what is important is that maintaining cohesive bonds and harmony in the informal network, alongside maintaining the informal exchange of favors among its members, is reciprocated with high organizational rewards and career progression opportunities. To achieve this, powerful managers exercise their culturally derived power in these companies and hijack MNC HRM activities.

> Powerful managers can do whatever they want, they can promote unqualified employees, they can recruit whoever they want, and monopolize any client they want, and no one will say no to them. (R24)

> If you belong to an informal network then your high rating is guaranteed, and your career path is very clear. Your life will be much easier in the company. (R12)

The majority of respondents reflected on powerless managers, on the other hand, as pawns for powerful ones; they advance the agenda of powerful local employees and managers. Rather than the MNC itself. Furthermore, their usefulness in the organizations is derived from "allocate[ing] bad-quality clients to their [projects'] portfolio and less powerful employees to their teams, as well as nod[ding] their heads in agreement with the powerful" (R4), or, in other words, consolidating weakness.

> …we [powerless employees] rotate between powerless managers' teams. The powerful stay together in fixed teams … powerless managers' decisions are not taken seriously in our company, they were only put there to advance the political agenda of the powerful managers. (R1)

Notably, this arrangement has discouraged the involvement of expatriates in the MNC; expatriates seemed relatively underrepresented. The importance of having *wasta* in this emerging market context obscures the importance of international employee diversity. Furthermore, it impedes the support for alignment with the MNCs' institutional norms since the main income-generating activity, that is, client recruitment, becomes an uphill task without local patronage, as illustrated by these two senior-level employees:

> We have [several] partners in our company, and they all hold a local nationality and are from reputable tribes… they were carefully chosen because their tentacles extend to various higher-level informal networks. (R15)

> Listen, hiring locally is the most important for our company. Imagine that a foreigner from a neighboring country or even someone from Europe met with a client, they will not take him seriously. The client will call the manager or the partner and will ask them to send a host-country national. Oftentimes, clients choose the team that will handle their projects…They frequently allow local employees to work on international assignments, but they rarely allow foreigners to work here. (R25)

This is further supported by testimonials from expatriates who have shared their experiences regarding the constraints placed on their roles.

> To my knowledge, I am the only foreigner in this company, and this is why I feel so isolated here…the manager asked me to minimize the communication with the clients. (R35)

> I honestly do not know what I am doing here. I am assigned temporarily to this project because of my expertise, but I am only doing donkey work. I can see that they are working wrong but no one asks, consults, or allows me to provide my insights. (R43)

However, it is crucial to highlight how the powerful maintain the new status quo of hijacked practices. In this context, hijacking MNC HRM practices is not merely a taken-for-granted activity; instead, it requires a conscious and effortful accomplishment from strong *wasta* employees, often at the expense of weak *wasta* employees. Our analysis revealed that the underlying mechanism (powerful) managers employ to preserve this status quo is controlling employee voice. Employee voice is a central strategic practice in HRM and is highly essential in the PA process, which involves extensive communication between managers and employees. This is also corroborated by the MNC-wide PA SOPs which explicitly values the importance of conversations throughout the process "*on a regular basis to ensure that [employees and managers] have a shared understanding of the expectations associated with your [i.e., employee] role*" (AlphaCo, PA SOPs). Similarly, GammaCo elaborates that "*frequent check-ins provide the platform for you to voice your concerns about anything that could potentially impact you or the work you are undertaking*" (GammaCo, PA SOPs). Whereas BetaCo elaborates on the significance of employee voice during performance feedback as follows:

> "You must frequently check in and have a conversation about your work with your direct line manager. These conversations are crucial in helping you [i.e., the employee] understand how you are meeting your role expectations, what you should keep doing, and what, if anything, you should identify areas of concern regarding the [project] you are assigned to." (BetaCo, PA SOPs)

This communication encompasses the micro-processes of setting annual goals, providing frequent formal and informal feedback, conducting annual PA interviews, and addressing appeals and grievances. However, as will be shown next, employee voice suppression is particularly directed toward weak *wasta* employees since they are more inclined to speak up, knowing that their efforts and performance may go unrewarded. In contrast, employees with strong *wasta* connections are more capable of expressing themselves whenever they choose. Crucially, the logic of *wasta* is at the center of the manifestation of both voice and silence.

3.6 | Maintaining the status quo: The social production of compliance through the PA process

Although, as illustrated earlier, managers are perceived as being on two opposite poles of the power spectrum, their voice suppression techniques toward employees with weak *wasta* connections were highly congruent during the PA process. Employees with weak *wasta* connections generally agreed that they preferred to remain silent in the majority of situations. Nonetheless, the evidence shows that silence was not a default mode for weak *wasta* employees at the start of their employment relationships, but it was manufactured and reproduced throughout the PA process.

Shortly before and after respondents joined their companies, there were several factors that influenced their positive beliefs about voice expression. All participants indicated that voice, inclusiveness, and fairness were attractive features that were promoted by their MNCs, and this was echoed by HR managers and personnel during their recruitment interviews. This is also corroborated by the evidence from the archival data of how the HQs advertise themselves through idealized slogans such as "*open communication channels*" (DeltaCo, Web data) and "*feel empowered to express your voice and support others in findings theirs*" (AlphaCo, Web data), echoed in their subsidiaries. On top of this, the embeddedness of formal voice avenues in global software deployed by the firms also played a crucial role in reinforcing employees' initial positive voice beliefs. However, as they progressed further in their careers, they experienced several situations that forced them to prefer silence.

Soliciting the voice of employees with weak *wasta* connections was mainly done by the recipients (local managers) through lip service actions. In reality, given that the PA evaluation outcomes are predetermined and biased toward those with strong *wasta* connections, the voices of employees with weak *wasta* connections are rendered unnecessary in practice. However, although communication between local managers and employees is inescapable, because of its embeddedness in MNC-wide software, it was circumvented through box-ticking actions, as noted by this respondent: "They [local managers] mainly click 'discussed and agreed' without even discussing important things or me agreeing" (R21).

In the first stages of the employment relationship, respondents with weak *wasta* connections indicated that local managers do indeed communicate with employees about work-related matters when they meet to set annual objectives or during performance feedback. In doing so, they are guided by the MNC policies. This is supported by the archival evidence that reminds local managers—who will be on the receiving end of employees' voices—that "*the most important things for you [i.e., the manager] to remember is to be willing and receptive to it [i.e., voice] as well as to ASK for it.*" (uppercase in original) (AlphaCo, PA SOPs). However, over time respondents discovered that lip service to policies set by HQ were not followed through in practice:

> When I met with my manager when I was a junior, he told me that I will work on 'x', 'y', and 'z' areas in [a project]. It was a day after I was recruited to the company, and I was concerned about the lack of training, and I expressed this concern. He [the manager] assured me that the team would take care of this... but later on, you discover that they do not keep their word. (R27)

And…

> Listen, the situation in your second or third year is very different from that in your first year. When we meet to set objectives [in later stages of employment], we start with a minimal discussion about what we should do, it is like an ice-breaker, but then my manager starts giving me orders like give me this, do this for me, don't argue any further. This is the mentality here. (R19)

Furthermore…

> …when I meet with my managers to set annual objectives, I don't even have the chance to finish my sentences, it is all about what the manager wants. What frustrates me is that he actually asks me about something, but he doesn't allow me to finish. (R22).

Therefore, in reality, employees' concerns are not taken into consideration, and they perceive that their managers respond with restatements of company policy, which employees discover later is meaningless. In respondents' words, managers do this as a 'numbing procedure.' Such techniques are used by managers to further delay the expression of upward voice until it becomes futile for employees and accept their fait accompli, for example when employees are extremely consumed with work.

> Listen, (local) managers are very skillful in what we call 'numbing you.' For example, I always request extra team members for some projects because I will not be able to finish them by myself, the manager nods his head and promises me that when the time comes, he will assign more employees to the project, but when the time comes, I always find myself without anyone to help me. (R7)

As for the frequent performance feedback and the annual PA interview, respondents were in general agreement that during these communications managers act like compassionate listeners. Managers employ voice soliciting techniques that are ostensibly intended to develop employees and overcome their weaknesses, and in doing so, seemingly acting out HQ-approved policies and practices. However, in reality, as participants indicated, managers always steer the conversation around to discuss anecdotes about employees' own mistakes and the difficulties they face throughout their work. Indeed, the view was that managers create a mental stock list of mistakes that they can choose from to accuse employees of low-quality work and justify their predetermined loss of rewards when the time comes.

> Why should I attend the feedback meeting? The manager only talks about my mistakes. When the conversation begins, the manager sugar-coats it in a way that [suggests] she is concerned with my benefit and development, but she only talks about mistakes, it is like I don't work at all. (R32)

And…

> One time we went to the partner's office. He told us you are good workers, and we will appreciate you in the future, but tell me what your problems are. I told him that there are no problems and remained quiet after that [laughs]. I knew that if I told him anything, I would see myself out of the company. (R33)

Here, the influence of capriciously set ratings and career progression decisions started to surface and take effect. During such events, the majority of respondents with weak *wasta* connections stated that they received ratings below their expectations which in turn, were shaped by the formal policy. Eager with anticipation and fuelled by anger and frustration, weak-*wasta* respondents attempted to speak with their managers several times before and during the annual PA interview. However, they would receive distancing responses with hints of potentially positive outcomes, such as "you will get what you want but I am currently busy," "we can talk in two weeks and sort this out," "let us discuss this in the annual PA meeting," or "talk to your senior about it and he will let me know."

In line with MNCs' policies, the annual PA interview is one of the most important channels for employee voice. It is where employees receive communication regarding their annual rating, (loss of) rewards, career progression decisions, and the incentives that they are going to receive. Most importantly, formal grievance procedures are embedded in the performance feedback and annual PA interviews. In these events, employees indicate that managers block formal grievance channels and use the mistakes they previously crafted and go to the length of falsifying and fabricating new ones to justify the unexpected negative ratings that employees with weak *wasta* receive as captured by this respondent.

> I was very angry when I received a low rating below my expectations. The formal feedback forms say otherwise, and they were written and approved by the same manager. However, when I attended the meeting, I heard things about myself that were not true, and whenever I tried to defend myself, the manager just repeated them. Managers here do not give and take. (R10)

Consequently, fearing grave future repercussions, the notion of weak *wasta* employees filing formal grievances or exercising their right to appeal is nonexistent. The evidence from the interviews pointed to the fact that employees with weak *wasta* are reluctant to exercise their right to appeal and that they must obey, unquestionably, managerial decisions in relation to PA outcomes. Both the formal and the informal grievance routes are authoritatively suppressed for weak *wasta* employees by managers in different ways; ranging from

more explicit behaviors such as screaming at employees, to implicit ones such as pushing employees to resign by making their life extremely difficult in the company.

> I have never heard of a successful appeal; it will always backfire on you. As I told you, when I tried doing that informally the manager remained silent, and the partner started screaming at me. The partner is powerful, and he wanted to shut me up. (R4)

> ...why do you think I resigned [from BetaCo]? It's because I formally appealed this year's rating to the HR manager. Managers made my life harder in the organization, everyone in the company started treating me like a stranger, they took away my clients and I became unallocated [to projects]. This is everything here. (R1)

Over time, this group of employees started to face the reality of their powerlessness and they started disengaging partially or fully from voice expression. To this end, speaking up started to appear futile, as opposed to how they perceived it and acted on it at earlier stages of their careers. The indirect voice suppression managerial methods that respondents experienced and perceived built up an unbearable psychological effort regarding voice expression that made silence a more appealing and inescapable option as captured by this senior-level respondent:

> ...I do not speak up. I learned that the idea of thinking about voicing our concerns is like a maze with no opening at the end. You have to choose the right time, the right person, and the right words. When you receive unfair treatment, you must talk without implying that you were treated unfairly, without making the manager feel that you do not like it or that he is unfair. How can that happen? Because if he took it personally, he has enough authorization to simply respond 'if you don't like it go and tile the ocean.' It is not feasible, you have to choose your words, your timing, and the right people. (R32)

3.7 | The countervailing power of strong wasta employees: Challenging local and expatriate management

The way voice manifests by employees with strong *wasta* connections is completely opposite to that experienced by employees with weak *wasta* connections. Employees' strong *wasta* connections are conducive to the exercise of unstructured power which supplements their ability to exercise voice, and in doing so challenging and undermining intra-firm hierarchies. The evidence from the interviews revealed that employees with strong *wasta* connections did not have to jump hurdles or face similar obstacles to speaking up in their companies. Their

voices were welcomed and were not subject to managerial mechanisms of purposeful deference and suppression. For instance, when these employees meet with managers to set their annual objectives, they can easily raise their concerns about having additional employees in their teams which successfully reduces the amount of work allocated to them.

> ...my relationship with my manager is good, we are somehow related. With a phone call or a visit to his office, I can sort out many things. I get assigned to good-quality projects, I get plenty of time to finish the project and I have sufficient team members. I understand that this is unfair, but in this country, it is only about seizing the opportunity. (R13)

Consequently, the majority of these employees meet with their supervisors spontaneously to discuss performance feedback informally in locations well-suited to informality such as coffee shops and restaurants. Moreover, since PA outcomes are predetermined for these employees, most situations do not necessitate meeting for the annual PA interview, filing grievances, or exercising their right to appeal, as these were implicitly mixed up in prior informal conversations that were spread out over the year.

> ...My manager and I have several mutual friends, we meet up frequently after work over a coffee or dinner, he knows my work and he always assures me that I will receive a high rating; this is, however, and as he [the manager] told me, not the case for other powerful employees who are unqualified but also receive high ratings. (R14)

However, friendships and network ties are not always the case for employees who have strong *wasta*; as previously stated, the stratifications of *wasta* include those connected to income-generating clients and government officials, both of which groups are perceived as powerful and which can also enforce and coerce a platform for voice. If the situation necessitates it, they have easy access to local upper management, who are more lenient and receptive to their (in)direct voice, even as expatriate managers may be ignored or bypassed. The evidence from the interviews showed that these employees summon the power they derive from *wasta* to go over the heads of their immediate supervisors—in doing so undermining formal organizational hierarchies—and voicing their self-interested concerns directly to those host country nationals in more powerful positions. Alternatively, they can do so indirectly by skipping the management level altogether in their companies and requesting indirect intervention from powerful people who are not affiliated with these companies but who have a powerful influence over them as explained by these employees.

> I went directly to the partner and told him that I do not like the rating that I received, he asked the managers to review my work again and they changed my rating. (R25)

And…

> There is a junior-level employee in our company…who is really powerful. This employee does not even know how to work, he is neither professional nor representative of our company at all. Initially, he received a low rating and was not promoted but when he contacted his father and his father spoke with the partner, they reversed their decision. On top of that, they had to promote all his peers to make it look less weird. (R9)

4 | DISCUSSION AND CONCLUSION

This study examined how local managers and rank-and-file may subvert and undermine formal HR policies and practices in MNCs, through the operation of informal networks (i.e., *wasta*); this is based on the case of MNCs operating in a Middle Eastern emerging market. The existing literature on informal networks in emerging markets highlights how they may play a supportive communitarian role but also be exploited to cement autocratic managerial authority (Adham, 2022). Our study sheds new light on the manifestation of *wasta* and its associated networks of informal support, and its role as an instrument of local countervailing power. It shows how *wasta* has interpenetrated the practice of HRM of UK and European MNCs operating in Jordan, despite the inevitable pull of head offices toward HRM policies and practices along standardized and professional lines (see Brewster et al., 2008). Although the organizations expressed the rhetoric of inclusivity and equity—and this rhetoric was mimicked by local managers—this was belied by actual practice. Indeed, recruits, attracted by the prospect of working under modern rules for a Western organization, were soon confronted by practices more commonly associated with traditional Middle Eastern organizations. Most importantly, our study shows that *wasta* and its associated networks of informal support are not just taken-for-granted salient cultural norms. On the contrary, its manifestation necessitates an active, self-interested, and effortful accomplishment from powerholders. The strategic choices of local managerial powerholders and the *wasta* resources they mobilize can be seen to moderate the relationship between formal and often centrally driven HR policies and practices, leading to outcomes that impact expatriates and local staff alike. Expatriate managers have often been assumed to have disproportionate power vis-à-vis local peers. This study highlights how the resources associated with *wasta* serve as a basis for countervailing local power to HQs and expatriates alike. However, this does not seem to result in the adaptation of HR practices to make them more effective in the country of domicile. Rather, the adaptation to local realities makes for personal and patronage-based approaches to people management that exclude outsiders, subverting formal MNC HR policies and practices. The situation is summarized in Figure 2.

The existing literature suggests that informal networks are often used to entrench and secure top-down authority (Adham, 2022). Indeed, the study showed how certain managers were able to exercise arbitrary power over their subordinates through the usage of their *wasta* status, even if this undermined expatriates and HQs. The ability to depart from supposedly standardized norms in the appraisal process highlights how even seemingly objective mechanisms can be bent to secure personal ends. Supplementing and extending how *wasta* is portrayed in the existing literature (e.g., Alsarhan et al., 2021; Yahiaoui et al., 2021), our study highlights how the operation of *wasta* is not played out in a standardized and predictable format; rather than compensating for instabilities elsewhere in the system, it might introduce and sustain new ones. This would include not just discrimination between informal networks' ingroups and outgroups, but how—despite the best efforts of the former—outcomes may be sub-optimal for both. However, the story of *wasta* in the companies under review was not simply about variations in managing downward but also included weakening the ability of HQs and expatriates to impose formal HR policies and practices. Managers and employees with strong *wasta* ties were seen as more powerful than peers and superiors who lacked them; not only were the former able to impact on the flow of business to the organization, but they could also challenge or defy organizational rules and processes. Indeed, this would be likely to marginalize expatriates who lacked such ties and, indirectly, diminish the power of HQ.

At a theoretical level, as the literature on micro-institutional analysis alerts us, actors (both organizations and individuals) work for the (de)socialization of institutional norms in order to create, disrupt, or transform institutions and associated organizational processes (Chandler & Hwang, 2015; DiMaggio, 1988; Hardy & Maguire, 2008). Institutional entrepreneurs may work to remold rules and practices to optimize the firm's position internally and externally (Hardy & Maguire, 2008). However, they may also do it on purely personal grounds, to maximize their influence and rewards (Saqib et al., 2022). *The study highlights how local powerholders moderate the relationship between formalized MNC-wide HR policies and desired practices, and HR realities on the ground.*

However, this study highlights a further dimension: that they may directly challenge the power and authority wielded by HQs and expatriates. In other words, indigenous managers may confound their Western counterparts, despite the formal powers enjoyed by the latter, and drive the organization toward HR practices more closely associated with local firms and communities. Nonetheless, the study illustrated how an indigenous turn in practice did not bring with it a stronger emphasis on communitarian responsibilities. This may be because *wasta* powerholders sensed the ultimate precarity of their position, and hence focused on short-term oriented opportunism.

At an applied level, the study highlights the role and importance of *wasta* in reshaping the contours of managerial power. Essentially, *wasta* provides an alternative and, indeed, rival, framework of authority to formal managerial structures. Whether by accident or design, the organizations seemed incapable of challenging or unwilling to challenge this; it may well be the case that this was considered a necessary price for doing business in the Middle Eastern context, and of building ties with important local customers. At the same time, this involved sacrificing much of the ability to practice HRM. Indeed, the
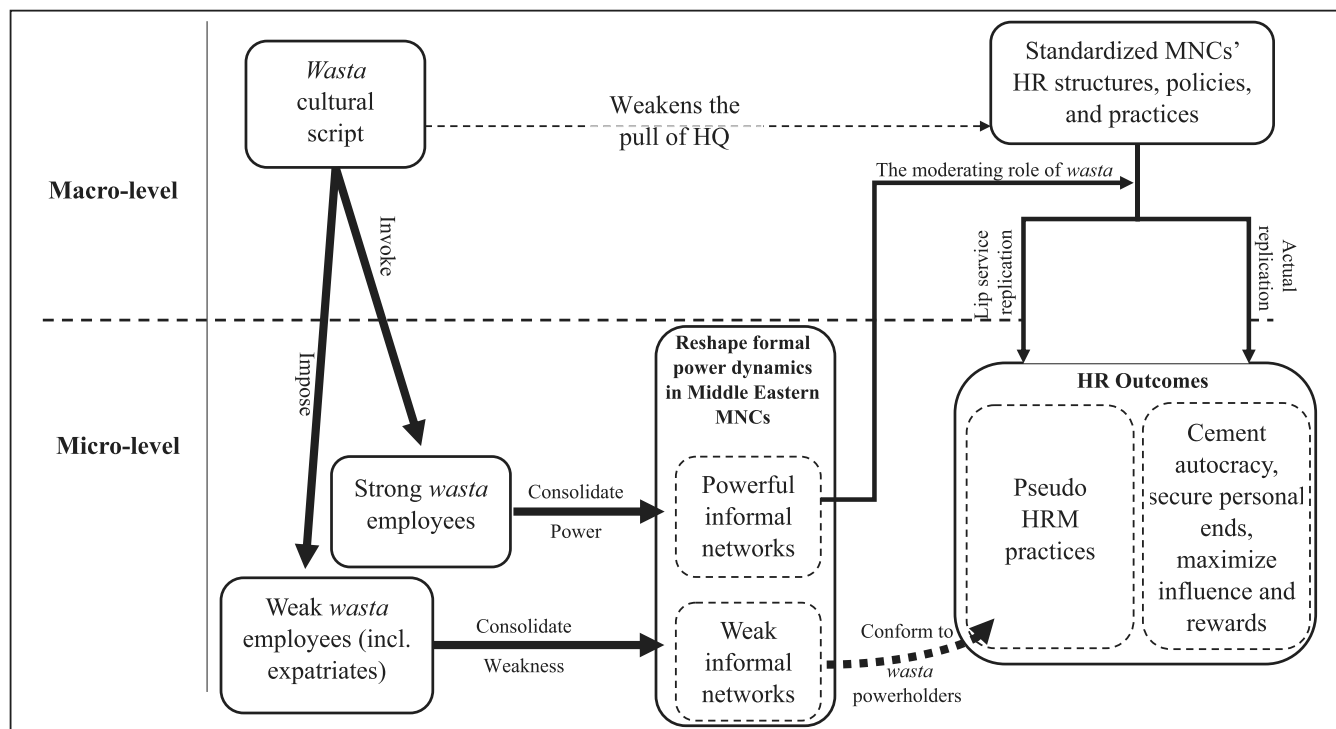
FIGURE 2 The process of hijacking Human Resource management (HRM) practices.

organizations seem to have spent much time promoting HR policies and rolling out PA systems but have devoted much less attention to ensuring they are operated in a manner that is fair and objective. This would suggest that expatriates are placed in an extremely challenging position, and without strong organizational cover, they will have to forge their own deals with local *wasta* powerholders in an organization to make a meaningful contribution to it. Again, unless HR managers are able to count on strong political support from the center, they will be reduced to paying lip service to PA, practicing the form and not the substance. This would suggest that the core lesson for HR practice is to closely calibrate existing power dynamics within organizations deeply interpenetrated by informal networks and take great care in devising focused interventions that may ameliorate the worst excesses of the system, on the path to incremental modernization. However, it would also suggest that MNCs operating in the Middle East need to be more realistic in their HR strategies: while modern HRM may be desirable, organizations need to reflect more fully on the resources it would take to make this a reality, and the risks entailed. The latter would include providing both managerial employees and those at lower-ranking levels with voice channels to HQ that are confidential and untraceable by informal powerholders within organizations, and for HQ to act indirectly and discreetly to avoid detection, similar to anonymous whistle-blowing. In other words, to fight fire with fire and counter how informal networks' actors work around formal rules by having HQs work around their informal norms and conduct. Confidentiality can circumvent the embeddedness of *wasta* in voice practices and reinforce less powerful employees' voice efficacy and safety calculus; at the same time, this may impose costs and risks, as any beneficial effects of *wasta* in deepening ties within and between organizations may be lost.

4.1 | Limitations and future work

This inductive study explored how local managers may subvert and repurpose HR policies and practices in MNCs. In doing so, we elaborated on the workings of informal networks in hijacking HRM practices and manufacturing compliance in MNC subsidiaries operating in a single Middle Eastern country. Our study focused on employees; therefore, its findings cannot be generalized to other organizational settings and contexts. However, it provides insights that may be of relevance in understanding, more broadly, how local managers may exercise countervailing power in pursuit of their own interests. Moreover, focusing on one side, employees, provides an incomplete picture, and future work could further incorporate perspectives from HQs. Future studies could replicate the spirit of our work in other non-Western contexts, and focus on the dyadic relationships between employees and managers in companies under different ownership structures and in comparing MNCs with single country firms. Again, future scholarship on voice in non-Western contexts might also accord more attention to the influence of local cultural norms and, in doing so, unpack their influence on employee voice and silence.

CONFLICT OF INTEREST STATEMENT

The authors declare no conflict of interest.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

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