Culture, *Wasta* and Perceptions of Performance Appraisal in Saudi Arabia

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Abstract

This article explores the relationship between Arabic culture and employees' perceptions of performance appraisal in a Saudi Arabian company named SACO. Using an interpretive and qualitative methodological framework, the article suggests that Western models of performance appraisal rooted in rationality and objectivity conflict with aspects of Saudi Arabian culture. Specifically, the personal relations implicated in the social practice of *Wasta*. However, the article also shows how SACO employees are beginning to reject Saudi Arabian cultural norms and adopt alternative values which are linked to notions of organisational justice and individual egalitarianism. These values are compatible with Western models of performance appraisal.

Keywords: appraisal; culture; justice; performance; *Wasta*

Introduction

It is argued that organisations are necessarily embedded in and influenced by a national culture (Peretz and Fried 2012). In Arab and Middle Eastern countries, religious and cultural factors are said to be influential in shaping human resource management (HRM) practices (Branine and Pollard 2010; Budhwar and Mellahi 2007; Metcalfe 2007). Cultural issues pose a particular challenge to the improvement of organisational performance in Saudi Arabia (Assad 2002; Idris 2007).

This article employs Hofstede's seminal work on national culture (1980, 2001) to explore employees' perceptions of performance appraisal in a Saudi Arabian company named SACO. Although we are mindful of some of the criticisms levelled at Hofstede's model, we will show that two of his cultural dimensions provide useful heuristics for developing an understanding of the cultural context for performance appraisal in Saudi Arabia and SACO. These are collectivism and power distance. We also demonstrate however, where and how our findings support some of these criticisms.

Collectivism refers to cooperation at the individual, group, organisational and societal level and also the extent to which an organisation provides benefits to employees (Kirkman, Lowe and Gibson 2006). Collectivism is a useful concept because in Saudi Arabia it is linked to the cultural practice of *Wasta. Wasta* is defined as connections, network, contact and nepotism (Hutchings and Weir, 2006). Power distance refers to an acceptance of inequality and the degree to which employees are afraid to disagree with managers (Ailon 2008). We will show through our empirical evidence that the degree of inequality between managers and employees in SACO is high.

Hofstede's critics argue that his concept of collectivism enlarges managers' power because it enables them to carve out territories of expertise. It also serves to naturalise inequality through the universal application of the power distance concept Ailon (2008). Earley (2009) questions the possibility of considering power distance in collectivist cultures because different groups will possess differing levels of power distance. Further criticisms concern Hofstede's reduction of culture to a set of values (Ailon 2008; Earley 2009) and the extent to which national cultures have become more fluid as they traverse national borders and co-mingle due to interaction and interdependency (Earley 2009). McSweeney (2002) goes further to reject Hofstede's model outright. He questions whether empirical evidence supports the existence of average national cultures and argues that individualism and collectivism can exist side-by-side. Our evidence provides support for these criticisms in the sense that there is a divergence in cultural attitudes between managers and subordinates in SACO. SACO employees are also beginning to question the degree of power distance that exists between them and their managers. Our evidence further suggests that alternative values that challenge the pervading culture are beginning to emerge in relation to performance appraisal.

In the context of these debates around culture the aims of the article are as follows:

(1) To explore the relationship between culture and perceptions of performance appraisal in a case study Saudi Arabian company given the pseudonym SACO. The article adopts a critical and questioning approach to the role of culture, in particular the usefulness of the collectivism and power distance constructs for understanding perceptions of performance appraisal.

(2) To investigate the impact of the Arabic cultural practice of *Wasta* on interviewees' perceptions of performance appraisal. Particular attention is given to the conflicting assumptions that underpin *Wasta* and performance appraisal.

(3) To explore the extent to which discontent with the cultural practices of *Wasta* and collectivism are acting to facilitate the development of the more egalitarian achievement and merit-based values associated with Western models of performance appraisal.

The article begins with a review of the performance appraisal literature and a discussion of Saudi Arabian culture which includes a consideration of Islam and *Wasta*. Next is a description of the methodology and methods. The article then presents and discusses the empirical data. The article's contribution is to highlight the tensions that exist around interviewees' perceptions of performance appraisal in SACO and to contextualise these tensions within emerging conflicts between traditional Arabic culture and the values associated with Western performance appraisal.

Literature review

Performance appraisal

Performance appraisal is a formal mechanism for evaluating individual employees' performance. It is usually conducted on an annual basis and involves the assessment of subordinates' performance by a manager (Fletcher 2001). It generates individual objectives and performance criteria for the coming period (Boxall, and Purcell 2008); provides information for decisions around promotion, reward and training and identifies individuals' strengths and weaknesses (Decramer, Van derstraeten and Christiaens 2012; Fletcher 2004; Taylor 2005).

Research suggests that employees' perceptions of performance appraisal strongly influence its effectiveness (Levy and Williams 2004; Pichler 2012), particularly with respect to notions of fairness and satisfaction (Jawahar 2007; Thurston and McNall 2010). Thurston (2001 in Shrivasta & Pirang 2011) analyses perceptions of fairness using nine elements. These are setting clear objectives and performance expectations; the appraiser's knowledge about the system, the subordinate and the job; the appraiser's ability to explain and clarify expectations;

the provision of clear, frequent, timely and constructive feedback; the accuracy and appropriateness of the evaluation, which relates to the measurement of performance against effort and quality standards; the appraiser's ability to explain decisions to subordinates; the freedom for employees to appeal against what they perceive to be an unfair rating; the principle that the performance rating should be based on performance rather than personal criteria. And, finally, research suggests that to enhance perceptions of fairness the appraiser should conduct the appraisal in an impersonal manner.

Brown, Hyatt, & Benson (2010) suggest that a flawed performance appraisal can lead employees to react in a negative way. Particularly important is the attitude and approach of the manager carrying out the evaluation and the way in which he or she exercises his or her responsibilities. Brown et al. (2010) further suggest that specific indicators of quality are clarity about the role of the performance appraisal; good communication, which includes the provision of information and an opportunity for employees to express their viewpoint and exercise some control over the process; trust of the evaluator and fair treatment.

Performance appraisal in practice contains numerous flaws. Examples include the difficulties associated with a precise evaluation and judgement of employee performance (McDonnel and Gunnigle, 2009), overemphasis of the individual at the expense of the team and the failure to consider the impact of situational variables on performance (Murphy and Cleveland 1995). Problems also occur where a system has too many cumbersome and conflicting objectives (Rees and Porter 2003). Performance appraisal can also be used as a quasi-disciplinary mechanism through its categorisation of employees as star performers or under-achievers (Boxall and Purcell 2008). In the context of these criticisms, Harper and Vilkinas (2005) suggest that performance appraisal can create conflict between managers and employees, particularly where appraisal practices are perceived as unfair .

The performance appraisal policy at SACO was developed in the early 2000s and is supported by senior management. The policy document states that appraisal should help employees understand the required objectives. Objectives should be conveyed to subordinates by their direct manager who is responsible for explaining how employees might achieve their

objectives. Managers are also required to construct a development plan for each staff member and to provide feedback to help subordinates achieve their goals. Moreover, managers and their staff are encouraged to develop jointly a performance agreement and complete a review form, which specifies the role and responsibilities of both managers and subordinates (SACO Appraisal Policy Document). The SACO Appraisal Policy Document provides the basis of the annual performance appraisal. It emphasises the importance of clearly defined goals and fairness and the resulting rating is linked to rewards, such as annual pay increments and promotion.

In this regard the performance appraisal policy at SACO corresponds with individualistic Western models of management in which personal achievement and impersonal measurement are emphasised. Yet, as we noted at the outset, the practice of performance appraisal is embedded within and cannot hope to be independent of social norms (Ali 2009). The extent to which the Western principles of objectivity and rationality that underpin performance appraisal elsewhere are compatible with Saudi Arabian culture is a key concern of this article and it is to a discussion of these cultural norms that the article now turns.

Culture, Wasta and Islam

According to Mellahi (2006), Saudi Arabian culture is highly collectivist. Accordingly, the Saudi management style is said to be focused on the group rather than individuals. There is a sense of moral obligation on employers and employees to improve their relationship in order to strengthen organisational solidarity. The personal lives of employees are, to an extent uncommon in Western societies, interrelated with their organisation. In addition to economic security, organisations have a moral obligation to provide emotional support to employees (Mellahi 2006). However, within this collectivist framework there are distinctions between 'in-groups' and the 'out-groups.' The 'in-group' consists of extended family and tribe whilst the 'out-group' is non-kin or people from a different religious sect. 'In-group' manager-employee relations are characterised by protection and cohesiveness whereas 'out-group' relations emphasise achievement and task-related performance targets (Mellahi 2006). Nepotism is moreover, an accepted practice in Saudi Arabia and managers often rely on family and

friendship relationships to get things done, both for themselves and their organisation (Al-Faleh 1987; Bjerke and Al-Meer, 1993).

Saudi Arabian collectivism also gives priority to relationships within business dealings. This can result in hierarchical and unequal relations and large disparities of power (Robertson, Al-Khatib and Al-Habib, 2002). Subordinates display obedience towards managers and they rarely oppose managers' decisions. Democracy is absent from Arab culture (Al-Fareh 1987) and the prominent management style is authoritarian (Branine and Pollard 2010).

Personal connections are integral to the Arabic concept of *Wasta* which translates as 'going in-between' and so highlights the importance of mediation (Smith et al. 2012, p.3). *Wasta* is a type of personal relationship that is used to 'get things done' (Branine and Pollard 2010, p.16). It is a significant force in Arab life and central to decision-making, knowledge transmission and the creation of opportunity (Hutchings and Weir 2006).

Power and authority in Arab society are influential determinants of manager-employee relations. Although managers' poses some knowledge of Western management methods and many have been educated in the West, Arab cultural practice gives precedence to tribe, family and kin over the objectives of the organisation. Indeed, managers in Arab countries often feel a high moral obligation to support family and relatives (Branine and Pollard 2010).

In addition to cultural prevailing practices, all aspects of public and private existence in Saudi Arabian society are infused by Islam. (Hutchings, Metcalfe and Cooper 2010; Idris 2007) and the commitment to Islam permeates organisations' policies and cultures (Robertson et al. 2002). The core Islamic principle of egalitarianism, for example, underpins a belief in consultation. The Quran states that 'those who conduct their affairs through consultation are among the ones on whom God's mercy and heavenly rewards will be bestowed' (Metcalfe 2007, p.7). According to Tayeb (1997), consultation is a useful technique for avoiding disagreement and for gathering information in the workplace.

A further core Islamic value is *Inshallah* or 'God Willing.' This translates into a belief that fate is in the hands of God. It is suggested that such fatalism impairs the drive to meet targets and goals and leads to weaknesses in business performance (Idris 2007). Finally, the Quranic

principle of prophetic prescription translates into respect for and obedience to leaders, although leaders must convince subordinates that their orders are worth obeying (Mellahi 2006). Despite Islam's ubiquity, Branine and Pollard (2010) suggest that Arabic culture exerts greater influence on management than does religion alone. This issue is returned to during the discussion of the empirical evidence. For the moment however, we must pause to consider the issues of organisational justice and performance appraisal.

Organisational justice and performance appraisal

Aryee, Budhwar and Chen (2009) link organisational justice to individual and group perceptions of their treatment and their behavioural reaction to such perceptions. Particularly important are people's perceptions of justice and fairness rather than philosophical concepts (Cropanzano, Bowen and Gilliland 2007; Cropanzano and Stein 2009). The concept of organisational justice is thus descriptive and subjective because it captures what people consider to be just. It involves   a personal evaluation of the ethics and morality of managers' conduct (Cropanzano et al. 2007). Achievement of justice or fairness requires therefore, that managers understand and consider their employees' perspectives.

Organisational justice matters to employees for three reasons (Cropanzano et al. 2007): concern with how they are treated over time, whether they are valued or exploited and whether they or others are personally wronged. Organisational justice is linked to social exchange theory; social relationships are viewed as an exchange process whereby people make contributions for what they believe to be fair outcomes (Thurston and McNall 2010). People may accept some unfairness if they perceive the procedures that determine outcomes to be fair (Leventhal 1980). Employees' perceptions of the fairness of performance appraisal are thus linked to notions of procedural justice.

 Notions of justice are further linked to ideas of egalitarianism and equity. Egalitarianism is a reformist concept which rejects rankings, formalities and inequalities (Malsch, Trembley and Gendron 2012).   It involves equality of opportunity and outcome, trust, a levelling of people and low wage differentials. It also scorns ambition and materialist goals (Pina e Cunha and

Pina e Cunha, 2004). It is thus associated with collectivism rather than the logic of individual performance (Wu, Chen and Leung 2011).

In contrast to the above conceptualisation however, an individualist form of egalitarianism in which benefits are distributed in proportion to an individual's contribution is identified by Malsch et al. (2012). Pina e Cunha and Pina e Cunha (2004) also identify a shift away from a collective egalitarian performance-reward link to one that is characterised by equity based on individual performance and distributive justice and which is informed by notions of even-handedness and fair-play.

Methodology and methods

In the context of the debates around culture, Islam, egalitarianism and justice, this article employs the following research methods to explore the participants' perceptions of performance appraisal. The research was conducted in SACO's headquarters. It employed the interpretivist paradigm which 'rests on the assumption that social reality is in our mind and is subjective and multiple' (Collis and Hussey, 2009, p.57) and which explores the world through the minds and the lived experiences of participants (Creswell 2007; Narcisse and Harecourt 2008). Qualitative semi-structured interviews with 44 participants were used to elicit employees' experiences of the performance appraisal system and process. Interviewees were categorised in relation to their occupational level, years of service and highest qualification. Details of each participant are given in table 1.

Table 1.

Sampling involved using a list of all employees to randomly select six or seven participants from each of the seven departments that constitute the SACO headquarters. Because of the Saudi Arabian ban on the free association between men and women, all the participants were male. All were Saudi Arabian nationals and all had Saudi Arabian line managers. The interview schedule was developed from the literature and was piloted on three retired former employees of SACO. The schedule contained nine sections. Section one dealt with participants' backgrounds, position, qualifications and number of years with the company. In section two participants were asked to explain the concept of performance appraisal as they understood

it. The purpose was to surface participants' perceptions of the practice. Sections three to nine covered the purpose of performance appraisal in SACO, the process and practice of performance appraisal, feedback, participants' expectations and the objectives of performance appraisal, fairness, cultural issues and participants' satisfaction with the practice. Participants were probed to give more detail where necessary. Finally, they were asked if they wished to add anything that they felt to be important.

The interviews were conducted, following permission from senior managers, on SACO premises and were between one and two hours duration. They were not taped because participants indicated that they would be unwilling to give full responses if recordings were made due to the sensitivity of the information. It is recommended that if the use of a tape recorder is refused by participants, researchers should do their utmost to document answers as fully as possible (Bell, 2010). In this research, the researcher used a word processor to document the interviewees' answers *ad-verbatim* as fully as possible during the interview and made extensive notes and observations immediately afterwards.

The interviews were conducted in Arabic and the transcripts required translation. Translation involves the transfer of meaning from the source to the target language and so care must be taken to ensure that a meaningful version is generated. To lessen the possibility of distortion in the translation process, the method of back translation (Neuman 2006) was used. This entails the translation of written material into a second language followed by translation back to the original by a second translator and a comparison of the two versions.

Analysis of the transcripts followed the phases described by Marshall and Rossman (2011). These include organisation of the data, generation of categories and themes, coding, interpretation and search for an alternative understanding. The salient themes and subthemes identified were grouped into categories. The categories generated included the performance appraisal process, various types of relationship and managers' powers and interests. The emerging themes and subthemes were then analysed in relation to the participant categories given in table 1 in order to explore and identify patterns pertaining to

occupational level, years of service and highest qualification. This was done to ensure that possibly salient relationships were not missed. No patterns were found however.

Perceptions of performance appraisal

The performance appraisal process

Although the SACO Performance Appraisal Policy is rooted in Western notions of clearly defined goals and objective measurement, participants' believe that, in practice, performance appraisal is constrained by the Saudi Arabian culture. For example:

> *You can ask the supervisor about your evaluation. As for the answer, it differs depending on whether the manager is Saudi or foreign. Foreigners are willing to discuss performance with employees but if the manager is Saudi he will not discuss and does not give a clear and sufficient answer. In our culture there are no expectations. Also, in SACO a manager doesn't tell an employee what his expectations are (Participant 36).*

There was moreover, a belief that attempting to question the appraisal process would provoke a negative response from managers:

> *If I ask about the performance appraisal process I will get into conflict with the administration because they do not want anyone to confront them (participant 14).*

> *If I argue with my manager I will create problems that will affect me in next year's evaluation – and the circle keeps running (Participant 36).*

There was, in contrast, a perception that foreign managers treat subordinates more equitably. Thus:

> *Departments that are managed by Europeans or Americans are managed in a fair and equitable way, but the departments that are managed by Arab minds, often there is no justice (participant 9).*

Some colleagues who are working under foreigners are very happy because these foreigners are just and they set goals for their employees and everything is clear in their department. Saudi managers do not set goals; they focus on relationships (Participant 33).

These quotes suggested frustration at the absence of clearly defined performance expectations and goals and the lack of clarity around the appraisal process. They also questioned the extent of procedural justice and the ethical conduct of Saudi managers. The final quote also alludes to the importance of manager-subordinate relationships and it is to this issue that we now turn.

Personal relationships

Perceptions around the importance of relationships concderned existing personal connections and an individual's ability to form a political relationship with his manager. The quality of the relationship was perceived as a determining factor in the ensuing grade. For example, with respect to existing connections:

If your father knows the general manager or someone, your status in the company will be ok from the evaluation to anything you desire (Participant 19).

An employee who knows someone or does a service for the manager, he receives an excellent evaluation and gets promoted quickly (Participant 12).

The (performance) evaluation is based on falsehoods such as relations, friendship and mediation. That has a major role in injustice (Participant 17).

Participants also referred to the ways in which some employees cultivated a good relationship with their manager by offering their services outside of the employment relationship:

A particular employee is supervising the construction of a manager's house. He gets and excellent performance evaluation every year (Participant 31).

One employee went with the manager to the tile store to help him change his home furniture (Participant 9).

One of the managers asked an employee to help him with the admission of his son to university (Participant 23).

These quotes implied that an ability and willingness to ingratiate oneself with the manager was a feature of SACO manager-employee relations. The majority of participants believed moreover, that Saudi managers placed personal and political relationships above work procedures and performance evaluations. Performance appraisal ratings which are based on relationships were perceived as unfair. For example:

If the employee does not have good relations with the manager he will not get what he wants, even if his performance is amazing. Relationships are a problem in Saudi Arabia (Participant 39).

Attempts to ingratiate oneself with the manager were not necessarily successful however. The following quotes indicate a perception that career progression was constrained by the absence of a supportive intermediary:

The assessment process is very difficult in SACO for those who lack intermediaries and relations. Because mostly you cannot get your rights without these factors (Participant 41).

All the high positions to which employees are promoted, in 80% of cases there is a supportive power to the employee to get the position. Yet, promotion is supposed to be based on the evaluation of work and not on the supportive power (Participant 9).

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Participants' recognised that relationship-based evaluations contradicted the performance appraisal policy. One interviewee pointed to the lack of integrity in the process:

The performance evaluation is based on the relationship between the employee and his manager. Managers do not follow the company's procedure and criteria, but rather they base their evaluation on the personal relationship and on 'who knows who' (Participant 5).

It was argued in the literature review that relational justice is an imp0rtant element of perceived fairness. The above responses indicate a perception that the outcomes of social exchanges between managers and employees at SACO are perceived as unfair.

Wasta and performance appraisal

Who knows whom is a key element of *Wasta* and W*asta* is woven into the social fabric of Saudi Arabian society. It includes political relationships, friendships and family relationships and its effects on performance appraisal were resented by many of the participants. For example:

Mediation or Wasta affects the evaluation. It concerns who a person is, from which family he comes and so on (Participant 1)

For those who have Wasta, if the manager evaluates you highly when he does not know you or he has not seen you, the reason behind that is that the employee's father is a businessman or has a good position in the government (participant 31).

Family relations are perceived to be of particular importance in the operation of *Wasta*:

The name of the family is important. The ordinary person who does not have a family name that has strong power, it's difficult for him to get a good position even if his performance exceeds expectations (Participant 1).

A further participant pointed out that:

> *A number of close relatives of the officials of the decision-makers get more than they deserve in the evaluation (Participant 4).*

Another participant claimed that there was a deep rooted family-tribal network of relatives in SACO which was largely hidden because family-tribal members often have different surnames. The hidden nature of this network allowed managers to exercise bias discretely:

> *Many employees here have family relations but they have a different name so nobody knows who they are. So, they can do whatever they want in performance evaluations (Participant 40).*

In addition to the influence of family networks, participants raised the issue of regionalism. If managers and employees were from the same region the evaluation would be biased:

> *If the employee says to the manager 'I'm from Hail or Quassim', that will invite sympathy from the manager to give the employee a high grade (Participant 5).*

> *For example, if an employee is from the Quassim region and his manager is from Quassim too, he will be given a good evaluation (Participant 35).*

For one participant the issue was more personal:

> *My manager is from the same area as one of my colleagues. This colleague was unfamiliar with many tasks and did not know how to perform them. I taught him certain tasks and in the evaluation we both got a very good grade (Participant 14).*

The above participant felt that he should have received a higher grade for teaching his colleague to do the job. He also appeared to believe that his colleague received a very good grade because he was from the same region as the manager who carried out the evaluation. There was a further perception that employees from regions around the capital were privileged at the expense of those from elsewhere in Saudi Arabia. For example:

> *Some tribes from the South and the West are marginalized. In the performance evaluation they depend on where particular managers come from (Participant 39).*

The quotes cited so far suggest that most of the participants believe that personal, family and tribal relationships favour those employees with connections. However, two of the participants claimed that relationships do not influence the performance evaluation process. They argue that:

> *The employee's relationship with the manager does not influence the performance appraisal (Participant 3).*

> *Relationships do not affect or change the performance assessment (Participant 27).*

A third participant believed that tribal relationships might be a hindrance:

> *Sometimes relationships can cause injustice. If there is a manager from the same tribe he will give you a bad evaluation even if your performance is good because he does not want to appear to show bias (participant 6).*

These divergent interpretations may be shaped by the different experiences, relationships and performance evaluation scores of individuals.   However, for the majority of participants, perceptions of injustice and unfairness are linked to their ssnse of bias in favour of family and tribal relationships. Participants do not perceive employees to be valued for their individual

contribution or performance, but because of who they know or do not know or where they are from.

A further source of perceived bias, as we shall see in the next section, concerned the ways in which some managers were believed to use their powers to further their personal interests.

Managers' power and interests

There was a perception among participants that some managers used performance evaluation to further their personal interests. This may be for personal gain or to bolster their ego. For example, with respect to the former:

> *Evaluation can be linked to personal interests. For example, an employee completing private tasks for the manager or giving the manager advice on private commercial matters. For example, there was a manager who was asking an employee to design and build houses for him and to sell them for him (Participant 17).*

> *Some managers use evaluation for personal gain. For example, if an employee helps the manager with 30% of his duties the manager will say that the employee deserves an excellent grade in the final evaluation. The majority of managers in SACO are helped in their administration by subordinates in the same department. So, the manager will say that this employee does more work so I must give him an A grade (Participant 18).*

On the issue of ego, one participant said that an excellent grade was achieved by adopting an obsequious manner with the manager:

> *The performance evaluation is done according to a person's behaviour to his manager. If you go to the manager every morning and say to him 'order me to do any service you need' and if you talk to him according to his mood you will get an A excellent (Participant 5)*

One of my colleagues got a C every year. I told him that he could get a very good B evaluation if he would go to the manager's office and say to him 'give me your instructions dear manager' and greet him every morning and sit in his office and tell him that you know people from certain places. I told my colleague that even if the manager insults him you must say ok and accept it. He did this and he got a B in the performance evaluation (Participant 12).

Another said that the manager's mood would affect the evaluation:

If the manager's mood is good the evaluation will be ok. We all sit at the mercy of the manager. In most cases the manager forgets everything that has happened in the year and evaluates you on the last month or so (participant 9).

This participant suggested that managers relied on subjective assessments because they did not keep records of employees' performance. Rather, they evaluated their staff based on recent impressions. Moreover, if an employee complained about his evaluation grade the manager would promise a better one next year but then put pressure on the employee. Thus:

When you discuss the assessment with the manager he will promise to give you a better grade next year. Then he will put you under great psychological pressure. An example would be asking you to attend meetings that are not related to your work and writing reports that are not related to your job. He might also humble you and not allow you to express an opinion. The treatment can get very difficult. It all depends on the manager. If he is honourable you will enjoy working at SACO but if he is dishonourable like most of the managers here he will make you hate SACO (Participant 29).

The autocratic powers of managers were linked to the Saudi Arabian culture of hierarchy and obedience. For example:

> *The manager's say is 'holy' – you are not allowed to disagree with the manager. This is the principle that prevails among Saudi managers in the company (Participant 21).*

The issue of authority is rooted in the community and the way in which people are socialized to obey their father:

> *The problem comes from the community. From childhood we have to obey our father and our grandfather and now the same discipline is applied to the company. What the manager says is correct. Managers favour those who keep quiet (participant 19).*

Other participants pointed out the difficulties of reforming this situation because it is part of the Saudi culture:

> *The issue of management power needs some modifications, but it is difficult because it is part of our culture (Participant 36).*

Some of the interviewees believed that in developed countries it is possible to criticise a manager and to challenge his assessment of an employee's performance:

> *It is a cultural problem. In the developed countries the manager will be happy if you criticise him, but here in Saudi Arabia, if you criticise the manager, the manager thinks that you are insulting him. The employees are cowards and afraid to challenge the assessment in front of the manager (Participant 25).*

The extent to which non-Arabic managers would accept criticism is not the subject of this article. What is relevant is the participants' belief that cultural constraints on challenging the performance evaluation of the manager are a Saudi Arabian phenomenon and an example of unfairness. It can be argued moreover, that these beliefs are linked to a perception that

managerial conduct in SACO is neither ethical or moral and that there exists a conflict between Saudi Arabian cultural norms and emerging notions of fairness and justice.

Discussion

The interviewees' perceived performance appraisal at SACO to be unfair. This perception was linked to a variety of issues around the process, the influence of personal and political relationships, *Wasta* and managers' interests and power.

(A) Process issues: In terms of the process, the participants were concerned with the lack of clarity over expectations and the fear of requesting information and feedback from managers. The evidence suggests that Western principles around performance appraisal were ignored and that there was no management imperative to implement an objective performance appraisal system. The actions of Saudi Arabian managers were moreover, negatively compared to the perceived fairer and more objective methods of foreign managers. Foreign managers were believed to set targets and goals for subordinates and to judge them against those goals. Previous research suggests that poor clarity of objectives and perceived inaccuracy of managers' evaluations can lead to perceptions of unfairness (Harper and Vilkinas 2005; McDonnel and Gunnigle 2009).

(B) Personal and political relationships: Previous studies suggest that a high quality relationship that is characterised by trust and satisfaction will engender perceptions of fairness (Pichler 2012; Schyns and Day, 2010). At SACO there was a belief among the participants that managers were more concerned with personal relationships than with fairness towards all employees. Where relationships are seen to take precedence over objective performance evaluation, perceptions of unfairness are likely to develop. This is consistent with Branine and Pollard's (2010) argument that if an employee has a good relationship with managers, his job performance is largely irrelevant.

A further issue concerns the perceived need for employees to build a relationship with their manager where no pre-existing relationship existed. They did this by performing a service for the manager. Examples of the types of services performed by subordinates included helping

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managers with their work-related tasks and performing non-work related personal services for managers.

The relationships described above related to personal interactions between managers and employees. Relationships exist however, at the wider societal level and manifest themselves in family, tribal and regional networks. Such networks are crucial to the operation of *Wasta* which is based on notions of mediation and moral obligation to other individuals from the networks to which a person belongs. Family relationships were, for example, perceived by participants as having a powerful effect on the appraisal decision. An individual with a renowned family name was seen as more likely to be appraised highly than one without family connections.

(C) *Wasta:* The evidence put forward in this article suggests that family relations affect the appraisal process in Saudi Arabia and that 'who you are' is influential in Arab culture (Branine and Pollard 2010, p.722). 'Who you are' relates to the family, tribe or region from which an individual comes. In SACO there was a general perception among participants that managers were more loyal to and gave higher performance evaluations to those employees to whom they were linked by *Wasta*. Employees were also active in the operation of *Wasta* and were seen to exploit their connections by making managers aware that they were from the same tribe or region. This favouritism was arguably made easier due to the high power distance cultural variable in Saudi Arabia.

(D) Managers' interests and power: SACO managers used their arbitrary and autocratic powers to pursue their own personal interests. As well as using subordinates to perform both work and non-work related services, managers used their power to ensure compliance and consent. The participants believed that to receive a good appraisal rating employees must obey their manager and comply with all of his requests. Failure to do this would be a disrespectful challenge to a manager's status. In a country that is high on the power distance dimension (Hofstede 2001), any challenge to a manager's status would impact on his position in the workplace and in society in general. One means of reasserting status would be to award a low performance grade to any subordinate who presents a critique.

The performance appraisal fairness criteria established by Thurston (2001) and Brown et al. (2010) was not seen to be adhered to in SACO. The participants did not believe that the system provided clear objectives and expectations. They also disputed the accuracy of evaluations and were dissatisfied because there was no avenue for appeal. The participants did not trust their managers and had little confidence in managers' levels of knowledge and ability to give feedback. Finally, they believed themselves to be judged in relation to personal characteristics rather than impersonal criteria. The result was a deep-rooted perception of unfairness around performance appraisal.

Further discussion and analysis

The perceptions of unfairness exhibited by the SACO participants were linked to their experience of procedural and relational injustice. They perceived themselves to have been treated unfairly over time and did not feel valued. Their interpretations suggest a questioning and rejection of the cultural norms associated with Saudi Arabian collectivist culture and *Wasta*. Indeed we suggest the emergence of a broader concern with procedural and organisational justice. These values are moreover, linked to an individual form of egalitarianism. In this regard it is worth noting that the participants did not reject ambition or argue for a levelling of employees. Rather, they rejected notions of seniority and reward that were based on ascribed rather than acquired characteristics. The participants were arguing in favour of a performance appraisal system based on principles of fair-play and the objective measurement of individuals' performance.

With respect to the influence of religion, we concur with the work of Branine and Pollard (2010) to suggest that Islamic principles are overshadowed by *Wasta* and authoritarian power relations. Despite this however, Islamic principles are undoubtedly important in the Arabian workplace (Robertson et al. 2002). Our evidence suggests that at least one Islamic principle influenced the participants' emerging values of justice and fairness. Specifically, the belief that respect for leaders is possible only where it is earned. On the other hand, the participants' desire for objective targets and measurement of performance does not indicate the fatalistic approach associated with Islam. It can be suggested that Islam both supports the

development of a fairer performance appraisal system through the emergence of egalitarian values, yet constrains the development of truly objective targets through the notion of *Inshallah.*

Moving on to the practical inadequacies of the performance appraisal system in SACO, these concern its failure to incorporate and embed recognition of individual achievement into the organisation. This is problematic for individuals, but also for the organisation because talent may be wasted. It is not Western performance appraisal practices based on individual achievement that are the root cause of participants' perceptions of unfairness. Indeed the values of individual egalitarianism are important to participants. The issue for SACO is the way in which cultural norms, *Wasta* and individual achievement-based performance appraisal interacts. Whilst it is not feasible to argue for the eradication of the culturally embedded *Wasta*, SACO needs to develop more robust impersonal systems for evaluating individuals' performance that also serve to reduce the influence of *Wasta*. The system needs also to be consistent with organisational justice. Specifically, the need to construct less personal and power infused social exchange relationships between managers and subordinates which do not result in perceptions of unethical management conduct and which link contribution and performance to outcomes. The development of a more robust system might also include training for appraisers and would require enhanced commitment from senior managers.

Conclusion

This article has highlighted the tensions that exist between formal Western performance appraisal systems and Saudi Arabian culture. Specifically, the tensions that exist between *Wasta* and formal performance appraisal. These concern the bias and subjectivity that emerges from a social system rooted in personal relations and networks and the formal impersonal objectivity built into appraisal systems. *Wasta* is thus perceived as exerting an unfair influence on the outcome of the performance appraisal process. This perceived unfairness can be argued to relate to the way in which performance appraisal presents a glimpse of a more objective and fairer system, but which is not adhered to due to the cultural

constraints described in this article. Finally, the article points to the emergence of an alternative value system that challenges the Saudi Arabian cultural norms of collectivism and power distance and which emphasises procedural justice and an individual form of egalitarianism.

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