

Business-To-Business Wasta Relations [†]

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Abstract: This study's goal is to objectively look at the negative aspects of business-to-business (B2B) connections in established global business models that rely on robust networks. The partial least squares structural equation model is utilized for data analysis, and the design and technique employed for this study apply a questionnaire survey to gather data from buyers in 224 Kuwaiti enterprises. The social exchange theory was the basis for the research, which examined the connections between B2B wasta, relationship satisfaction, creativity, and efficiency. The results demonstrate that, in spite of the notion that wasta, when used in B2B partnerships, delivers long-term advantages, it has a detrimental effect on the efficiency of the organization. By highlighting significant challenges connected to the complex nature of B2B interactions, the study adds to the body of knowledge already available on B2B relationships. The study extended our present understanding of the application of SET in B2B wasta partnerships by confirming the relevance of relational and innovative advantages above economic repercussions.

Keywords: wasta; business-to-business relations; Kuwait; social exchange theory

1. Objectives

This study aims to experimentally analyze the negative aspects of business-to-business (B2B) connections in established global business models that rely on robust networks [1]. Wasta is a widespread phenomenon in the Arab-speaking nations of the Middle East and North Africa (MENA) region and is characterized as a social compact between group members who grant reciprocal preferential treatment. Arab society is seen as a collectivist society, hence creating long-lasting networks with partners is thought to be the secret to a prosperous business in the area [1]. The State of Kuwait is primarily highlighted, with the relationships clearly depicted.

2. Methodology

The partial least squares structural equation model is used in this study's data analysis to gather information from buyers in 224 Kuwaiti businesses [1]. Data were collected using a questionnaire survey [1,2]. This technique has proven successful in many data studies. Kuwait was chosen as the study's context. Kuwait, a Middle Eastern nation with Saudi Arabia and Iraq as its neighbors with a population of 4.1 million, is categorized as a high-income nation.

3. Results

The results demonstrate that, in spite of the notion that wasta, when used in B2B partnerships, delivers long-term benefits, it has a detrimental effect on the efficiency of the organization. The interaction of wasta and relationship satisfaction produced a result. Additionally, we discovered a detrimental and statistically significant link between effectiveness. Combining these findings implies that wasta has a major influence on Kuwaiti enterprises' commercial behavior [2].



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4. Implications

We examine the connections between B2B *wasta*, relationship satisfaction, innovation, and efficiency using the social exchange theory as a framework. In conclusion, we wonder why consumers and businesses use *wasta* networks, given how unpopular they are in general. Are those involved in *wasta* not worried about ruining their reputation in society? Losing face in the community seems to be less of a concern than losing face in business, in our opinion, when considering the data in the context of high-context nations in general, Arab countries in general, and Kuwait in particular [1]. The parties run the danger of losing face in the business world and being viewed as unreliable if they do not sacrifice their ethics and reciprocate. As a result, it has a direct bearing on potential financial gains.

5. Originality Value

The study enhances our present understanding of the application of SET in B2B *wasta* connections by confirming the significance of relational and innovation benefits above economic repercussions [1]. Accordingly, this analysis runs counter to the prevalent notion in the literature that the resources of the enterprises will influence the relationships. We conclude that Arab businesses view long-term connections as a resource. Creating these firm-level relationships is one of the most important investments they can make for non-Arab enterprises planning to collaborate with organizations in the area [3,4]. Additionally, as relationships and trust are developed at the individual level, businesses should take care when selecting the people who will create these B2B *wasta* interactions.

6. Contribution

By highlighting significant concerns connected to the multidimensional character of B2B *wasta* interactions, this study adds to the body of knowledge already available on B2B connections. In the beginning, information for this study was gathered from consumers in one nation within the Arabic-speaking region. The study's main objective was to show how complex B2B interactions may be [5]. Future research may reveal methods to deal with problems brought on by the complex nature of these relationships. Second, the study was carried out in a Kuwaiti domestic business environment. Future research could build on these findings to examine the impact of *wasta* on the relationships between buyers and sellers involving foreign companies doing business in the Arab world [1]. Finally, only one factor was employed to gauge effectiveness. This metric, which was not highlighted in earlier studies, was investigated and developed. Future research might create a multi-item measure to improve it.

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