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Performance of SMEs in Tangier: the interface of networking and wasta
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Abstract

Purpose: The purpose of this paper is to investigate the impact of networking on business performance by uncovering particular and significant methods of pursuing business connections, for small and medium enterprises (SMEs) in Tangier. **Design/methodology/approach:** A two-stage design, which incorporated both quantitative and qualitative approaches, was employed in this study. Approaches were employed in succession with the findings from the quantitative phase informing the qualitative phase. Initially, a paper and online survey questionnaire was administered to a population of 365 industrial SMEs to gain some insights on the perceptions of owner-managers of the impact of networking on business performance. Following the quantitative phase, 15 in-depth face-to-face semi-structured interviews were conducted with selected owner-managers of SMEs, forming a judgmental selection, to explore their experiences, beliefs, and attitudes with respect to networking factor. **Findings:** Both quantitative and qualitative phases of the study found that networking was a significant factor in influencing the success of SMEs. The concept of wasta, the Arabic word for connections, emerged from the qualitative phase. Findings show that using wasta, through politico-business networks is important since it enables access to current information that is crucial for the success of SMEs. The concept of wasta was also mentioned in relation to financial resources and suppliers. Findings revealed that strong relationships with suppliers enable firms to get financial resources in the form of trade credits. Furthermore, the relationship between wasta and human resources was also revealed. Findings showed that owner-managers use their network relations through wasta in order to recruit their staff. **Research limitations/implications:** The findings of this study add to the understanding of networking in Arabic countries with the importance of wasta in an economy that functions on relationships. The findings of this study could therefore be useful to international managers to assist their intercultural effectiveness by adjusting to culture-specific networking in Tangier. **Originality/value:** This study is among those few studies located in the Middle East North Africa region that explore the performance of SMEs from the perceptions of owner-managers themselves, and not based on aggregate or economic data. It supports previous findings of several studies and contributes additional evidence that suggests the significance of wasta and its impact on SME success. © 2018, Emerald Publishing Limited.

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