

# Business aticate



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## Business customs and Etiquettes in Saudi Arabia(Anointed Bibliography)

Collin Wells, “ Understanding Saudi Arabia” USA: Penguin Group Inc. 2003 “ Understanding Saudi Arabia” by Wells is a detailed political and economic scenario of Saudi Arabia. About doing business in Saudi Arabia he says,” In chapter 14, I told you that Saudi Arabia’s Hanbali branch of Sharia Law is the most permissive of all branches when it comes to the regulation of business practices.... because of this permissiveness, doing business in the kingdom can feel like a free-for-all to Westerners who are not used to Saudi business practice.” (206) Well is of the opinion that the westerns have long complained that corruption and bribery in Saudi Arabia is rife but it is all because the Saudis “ have different way of doing business and that has also contributed to the western perception.” Giving the genesis of the complaints the westerns he says that this perception was developed in the oil boom years and in modernization drive. Actually, those were the Americans European corporations which paid the huge bribes to the well connected Saudi agent to get lucrative deals in the kingdom. The complaints have become less common as the western have grown more familiar with the Saudi ways and it is relatively a “ calmer business environment.” The reason of dying out the above mentioned perceptions was the “ availability of excess cash” which helped promoting wasteful consumption. In the subheading “ Business Ethics” (207) Well says, “ the bottom line is that what a Western observer call bribery or influencing paddling does not have the same taint to Saudi. For the Saudi, providing a personal connection as legitimate business service, for which it is natural to expect be paid. In the past, payment has meant whatever the market would bear----- in other words, whatever you can get away with. But in recent years, the Saudi

government---- sensitive to the Western cries of corruption----- has regulated agents “ fee” more closely. ----- For some observes, ‘ corrupt” mean departing from locally accepted norms of behavior, in which case the Saudis are merely following their own cultural traditions. Such practices, indeed, are common throughout the Middle East. You might have a less forgiving view, but that’s your business. Literally.”

Well coins a phrase of “ mental compartment” to explain the pattern of thinking of the Saudis. “ What this means is that the Saudis tend to see a choice from only one point of view at a time, and to ignore its possible consequences in different areas.”(214)

Mohamad Riad, “ Affluence and Poverty in the Middle East” Routledge. 1998.

Riad is of the view “ since its[Saudi Arabia] out of the former Ottoman Empire between 1926 and 1932 , its national emblem, the sword and the palm----- has symbolized the supremacy of the ruling family’s power over the countries fortune. This characteristic has made it difficult to distinguish between the personal and official jurisdiction of the royal family over the possession and dispensing of the public wealth.”(116) He further says that personal gains are official termed “ consultant services”. To substantiate his view he cites an example of the case of establishing a new telephone system. An important agent was paid US \$ 500 million by the Dutch company Philips and two American companies Western Electric and International Telephone and Telegraph (ITT)