

## Doing Business in the Middle East | Middle Eastern Social and Business Culture

### A Middle Eastern Culture Overview

#### Fact file

- o **Countries** – Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates, Yemen
- o **Population** – approx. 200,000,000
- o **Languages** – Various dialects of Arabic and Persian, English is also widely spoken as well as French in Lebanon. Approximately 30 other languages are also spoken



#### Overview

Situated between Asia, Africa and Europe, the Middle East is a cultural and ethnic mosaic of linguistic and racial diversity. A large number of ancient civilisations, stretching back at least 3,000 years, have passed through the region. As people crossed the Middle East through trade and invasion routes, they brought with them a plethora of traditions, cultures and religion which still exist today. The countries of the Middle East each have their own unique identity and culture, but share many fundamental beliefs and traditions. Understanding not only the shared cultural values and attitudes but each country's unique business and social culture is imperative for any organisation wishing to do business in the region.

#### Middle Eastern Culture - Key Concepts and Values

**Religion** – The Middle East is the geographic origin of three of the world's major religions – Islam, Judaism and Christianity. The majority of the people in the Middle East practise Islam, but Judaism and Christianity, although minor in comparison to Islam, are also practised mainly in Israel and Lebanon respectively. Many people in the Middle East adhere to Islamic principles and practise traditional rituals on a daily basis. Contrary to the separation of Church and State in many Western countries, Islam is a way of life and governs politics, moral values and various aspects of behaviour such as how one should dress. Islam impacts on the daily lives of people in the Middle East differently depending on what country they are in. It is a good idea to learn more about what Islamic practices are adhered to before going and to remember its influence when working alongside your Middle Eastern business colleagues.

**Indirect Communication** – Communication in the Middle East tends to be relatively indirect and relies heavily on nonverbal cues and figurative forms of speech, where information is not explicitly stated. Respecting an individual's honour and saving face are key drivers in the indirect communication style that is prevalent throughout the Middle East. Directly refusing a proposal, for example, may be interpreted as impoliteness. Therefore, when conducting business discussions with your Middle Eastern colleagues you should avoid responding with a direct "no", and be prepared to interpret seemingly indefinite comments and gestures. It is

also impolite to directly criticise a Middle Eastern counterpart as it brings shame to the person's honour.

**Hospitality** – Many people in the Middle East take great pride in showing hospitality. Hospitality is a deeply rooted tradition that is closely linked to honour and reputation. Open displays of generosity and welcoming behaviour are essential qualities for measuring a person's good reputation and character. When offered such hospitality, whether in a business or social setting, it is important to accept it to maintain the individual's sense of honour.

**Personal Relationships**- Personal relationships are highly valued in Middle Eastern cultures. People take a sincere interest in others and spend a lot of time getting to know each other. People in the Middle East tend to mix their business and personal life and therefore use personal relationships to further business interests. In Middle Eastern culture, refusing requests made by other friends is often considered rude. An emphasis is placed on networking so it is essential to develop relationships personally and professionally before doing business with counterparts in the Middle East. Rules and regulations can be bent while doing business in the Middle East if one has contacts in the right places.

### **Doing Business in the Middle East**

The modern idea of the Middle East was first established after World War I, when the Ottoman Empire was partitioned into separate nations. Israel was later established as a nation in 1948 by the United Nations. The Middle East's recent history has been characterised by civil unrest and violence among ethnic and religious groups. Although much of the region is still struggling with political turmoil and conflict among differing ideologies, progressive steps marked by peace treaties and international assistance have helped to stabilise parts of the Middle East.

Although each nation's economy differs from the next, much of the region's wealth comes from its vast oil reserves and natural resources. Banking and tourism follow closely behind as major contributors to the region's GDP. Today, much of the Middle East is thriving with immense opportunities for foreign investment and continued economic growth. For those wishing to take advantage of the opportunities in this lucrative market, it is essential to have a deeper understanding of the age-old traditions and underlying influences that have so heavily shaped Middle Eastern culture.

### **The Middle East Business Part 1 - Working in the Middle East (Pre-departure)**

- **Working practices in the Middle East**
  - The working week in the Middle East tends to begin on Sunday and end on Thursday, though in some countries it begins on Saturday and ends on Wednesday. Friday is the Muslim holy day and considered part of the weekend. In Israel, the Sabbath is on Saturdays and many businesses will be closed.
  - People in the Middle East have a more flexible attitude towards time and do not always start or finish at the scheduled time. Punctuality will be expected of foreigners, however, even though your Middle Eastern counterparts may not be as punctual.

- The Middle East is predominantly Muslim and for this reason time must be allocated during the working day for prayer. This may interrupt the daily business schedule so you should consider this when making business appointments.
- **Structure and hierarchy in Middle Eastern companies**
  - Middle Eastern business culture tends to be hierarchical. Leaders separate themselves from the group and power is distributed from the top. The most senior person in the company usually makes the final decisions. Those in a more subordinate position represent the business during meetings but do not usually have the authority to make decisions.
  - Middle Eastern society tends to be very status conscious. It is important to address colleagues and superiors with the appropriate title. Generally people are addressed with their title followed by their first name. Common titles in Arab culture are “*Sheikh*” which means wise man or scholar; “*Sayyid*” which is a descendant of the Prophet Muhammad; and “*Hajji*” which is man who has made the pilgrimage to Mecca.
- **Working relationships in the Middle East**
  - Establishing close personal contacts is essential for all business dealings in the Middle East. Middle Eastern people prefer to get to know a person before entering into business with them and committing themselves to business decisions.
  - People in the Middle East place great emphasis on respect and dignity. Younger colleagues, in particular, must address their business counterparts with the appropriate title and act in a respectful manner at all times.
  - The idea of women working in the Middle East is not as common a concept as in the West. In most Arab societies, men and women do not intermingle as Muslim culture tends to be very conservative in its views towards women. This is rapidly changing in some countries, so you may increasingly see women working in countries such as the UAE, Qatar and Oman. There are significantly more women working in Israel than in other Middle Eastern countries.

## **The Middle East Business Part 2 - Doing Business in the Middle East**

- **Business practices in the Middle East**
  - Initial greetings among Arab counterparts usually begin with a handshake and the customary greeting “*As-salam alaikum,*” (peace be upon you) to which the reply is “*Wa alaikum as-salam,*” (and upon you be peace). As business partnerships turn into friendships it is not uncommon for handshakes to be accompanied by a hug or kiss of the cheek. In Arab society, you should wait for the woman to extend her hand first. In Israeli society, a firm handshake is expected.
  - The exchanging of business cards is practised in much of the Middle East. If you are given a business card, it is customary to accept it using your right hand, study it carefully and place it somewhere respectful, for example, on the table in front of you or in a card holder. In Arab countries, it is polite to have one side written in

English with the reverse side in Arabic. In Israel, business cards are usually engraved rather than printed.

- Generally speaking, business meetings in the Middle East are somewhat unstructured and open to variation. Middle Eastern people take a more relaxed approach to start times, topics for discussion and length of meetings. In addition, it is not uncommon for others to walk in and out of the meeting or for your Middle Eastern associates to take phone calls during business discussions.
- Business dress in the Middle East is modest. For businesswomen it is wise and even necessary in some countries to dress conservatively from head to toe in order to be accepted by business counterparts. While dress varies among countries, many women in the Middle East wear head scarves or veils, but it is not usually required of foreign women. In Israel, business casual dress is acceptable most of the time.
- **Middle Eastern Business Etiquette (Do's and Don'ts)**
  - ✓ DO be aware that Middle Eastern people tend to use a closer physical proximity when communicating than Westerners. Though you may not be comfortable with this close distance, it can be perceived as impolite if you back up.
  - ✓ DO show respect towards your Middle Eastern business associates by taking a sensitive approach to appropriate behaviour and cultural gestures. Using the left hand to pass something, drinking alcohol or eating pork while in the presence of your Middle Eastern colleagues should be avoided.
  - ✓ DO dress suitably and in a conservative manner. This is especially important for businesswomen, who must wear modest clothing that covers the arms and legs in particular. A headscarf is also advisable.
  - ✗ DON'T criticise your Middle Eastern counterparts in front of other business colleagues, as this may cause a loss of face and harm the individual's sense of honour.
  - ✗ DON'T schedule business meetings during the holy month of Ramadan if at all possible as business activity tends to be reduced. Ramadan is a major Islamic tradition that includes fasting for an entire month. Although foreigners are not required to fast, it is considered impolite to eat or drink in front of others during this time.
  - ✗ DON'T give the "thumbs up" sign while in the Middle East as this is considered to be an offensive gesture.
  - ✗ DON'T inquire too much about a male colleague's wife or female relatives. To a traditional Arab male, this is not considered a topic for public conversation but rather a private matter and as such could be taken offensively. It is polite to inquire about family as long as they are not female.

### **The Middle East Culture Quiz - True or False**

1. Business negotiations tend to be quite lengthy.
2. If you are unable to accommodate the needs of your business associates it is best to answer directly.
3. It is not uncommon for men to walk hand in hand while in public.
4. Business negotiations can be finalised by a spoken agreement
5. In the Middle East, the needs of the individual are often placed over the needs of the group.

### **Cultural Quiz - Answers**

1. True. It is important to build an initial friendship before negotiating. People in the Middle East tend to be excellent bargainers and will take the time to find the best deal.
2. False. Responding in an indirect way that shows an effort will be made is usually more appropriate, for example "I'll see what I can do".
3. True. Holding hands is purely a sign of friendship.
4. True. People in the Middle East value the honour of the spoken word. It is however advisable to sign to a written agreement.
5. False. In general, people in the Middle East tend to place the group, especially the needs of the family, over the individual.

\*Source: CIA World Factbook 2008

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