

Business environment in Saudi Arabia from the perspective of multinational companies

Nadia Khalil Alforaih

Email: nadiaalforaih033@gmail.com

Abstract

In this paper, whether the Saudi business environment is favourable for MNCs was examined through a review of relevant literature. It was found that the business environment in the country is generally in favour of MNCs. However, there are certain concerns to be addressed in order to achieve the desired level of results. The Saudi government needs to attend to these issues as fast as possible for achieving its Vision 2030 goals. In order to conduct this research, open-source articles from Google Scholar were utilised. An attempt was made to select recent studies spanning the past few decades so as to assess the recent trends and determine if there have been changes in perception by multinational companies.

Keywords: Business environment, Saudi Arabia, Multinational companies (MNCs), Review

Introduction

The term 'business environment' denotes all factors external to the organisation. It includes customers, competitors, suppliers, government and the factors related to political, economic, social, technological. Environmental and legal (PESTEL) factors. Very often, PESTEL analysis is done to evaluate the business environment for a particular organisation.

In the case of Saudi Arabia, culture is also an important additional factor of the business environment. The business environment available in the country for foreign firms was listed by Al-Ghalayini (2019) as a favourable geographical location, productive human resources, the relatively low cost of doing business, good cost-efficiency indicators, orderly and liberal legislation and the availability of the infrastructure. The Executive Committee for Improving the Performance of Private Sector Businesses (Tayseer), headed by the minister of commerce and investment, Majid Al-Qassabi, was formed with the aim of improving business performance in the private sector in line with Saudi Vision 2030. This committee has undertaken more than 300 initiatives. The MERAS platform was launched as a single step to facilitate starting a business within a day, replacing 17 days and 10 steps. Business and commercial visas are now available within 24 hours instead of several weeks.

In the case of the Ease of Doing Business Index by the World Bank, Saudi Arabia's rank was 62 out of 190 in 2019, improving from 92 in 2018 (Trading Economics, 2021) (improving the score by 7.7 points on 10 factors of estimates, but not property registration and paying taxes) for ease of doing business. However, due to irregularities found in its ranking of 2018 and 2020 (Haq, 2021), the World Bank suspended this activity for 2021. Corrections on some rankings in its 2020 report, including that of Saudi Arabia, were done. Saudi Arabia marginally slipped from 62nd to 63rd rank after this correction (PTI, 2020).

Saudi Arabia ranked 36th out of 140 nations in the Global Competitiveness Index of the World Economic Forum. The rank steadily improved from 49 in 2017 and 39 in 2018 to the ranking of 36 in 2019 (Trading Economics, 2021). In 2020, its rank further improved to 24th. It ranked

second in the global consumer price index due to low inflation rates and 15th for starting a business, despite the impact of the covid pandemic (Ministry of Commerce KSA, 2020).

These rankings indicate that, at least in some respects, Saudi Arabia has a favourable business environment. A recent news article claims that 44 multinational companies (MNCs) received licenses issued at the 5th edition of the Future Investment Initiative to move their regional headquarters to Riyadh. The meet was attended by some of the most influential leaders in business and government. The unique opportunity presented by Vision 2030 triggered this action by MNCs. Its impact on the Saudi economy is very high due to increased job opportunities for Saudi nationals, knowledge transfer, local market and local business development (Saudi Gazette Report, 2021). Perhaps, this is evidence of increasing faith of foreign investors in providing sound business opportunities in the rapidly growing Saudi economy, proving again that the business environment of Saudi Arabia is good.

Despite these multiple pieces of evidence, a case study of a British MNC by Alhejji, Ng, Garavan, and Carbery (2018) showed that its UK headquarters wanted to implement gender equality rapidly but could not do so due to pressures from informal institutions although legal provisions of formal institutions approved it. But the highest authority (the King) has not yet formalised it by an order. This MNC supplied products and services to land and air forces for over 40 years. It introduced Saudization in full compliance and recruited 45 local women for the first time.

Another case study of Kia Motors in Saudi Arabia with respect to its market and entry strategies to global markets was presented by Park (2018). Kia has been operating in Saudi Arabia since the 1980's. In Saudi Arabia, it entered into a joint venture agreement with Al Jabr Group to establish an exclusive agent in the country. The strategy of separating local operations in Saudi Arabia due to legal and customs issues and brand management and marketing jointly, was a clever one. Varying foreign investment percentages determined by SAGA for different categories and sectors of business makes it difficult for foreign investors to make investment decisions. KIA avoided 100% investment and sole ownership because of risks of market stability and the brand image of Saudi Arabia. Also, customers have a negative perception of Korean cars. KIA focuses more on young customers with suitably designed ads and cars of vibrant designs, safety, value of money, and high-tech features and safety, all adhering to Saudi cultural norms. It began its re-entry into the Saudi market with a cheap but high quality affordable car during the time of global financial crisis 2008. The September 2017 lifting of bans on women driving vehicles also helped its marketing and sales.

Methodology

In order to find relevant research studies, certain phrases and terms were used in Google Scholar. These were the following: Business environment & Saudi Arabia, Business perception & Saudi Arabia, MNCs perspective & Saudi Arabia, and Perspective of MNCs towards Saudi Arabia.

For every search term, 50 results were considered, for a total of 200 results. For these results, an initial examination was conducted, using research studies that spanned the past few decades. An attempt was made to select recent studies spanning the past few decades so as to analyse the evolution of trends and changes in perspective towards the business environment in Saudi Arabia. The research revealed that the country's business environment in the country is largely viewed favourably by MNCs. There have been certain issues that have arisen over the years which the government has sought to address through its Vision 2030.

Results

HR practices, Saudization, Nitaqat and women employment

MNCs operating in a foreign country deal with home, host and third countries workers and apply practices developed in their home country. However, not adapting their HR policies to the host country context leads to conflict between managers and local employees. In Saudi Arabia, HR policies are guided by Saudization and the regulation requires the appointment of only Saudi nationals as HR heads. Using two strands of institutional theory- neo-institutionalism and comparative institutionalism, Adham (2021) undertook a case study on the extent to which HR practices developed in the home country have been transferred to the Saudi context by a Japanese MNC. Institutions can be regulative, normative or cognitive types, referred to as its three pillars. The Saudi institutional system may affect the perceived cultural, political, financial and economic risks of MNCs operating in the country. Therefore, even if the Saudi laws affecting HR practices are not appropriate, MNCs in the country abide by them to a large extent to avoid sanctions. The effects of ethical and cultural standards of the country significantly affects the HR practices of MNCs operating in Saudi Arabia. Major family-owned companies enjoy all benefits denied to others as informal institutions of socio-political nature. The societal norm 'wasta' applies here. In Saudi Arabia, the state uses various direct and indirect means to maintain full control over the financial system of the entire country. Interactions between the state and major family businesses lead to major reforms towards ease of doing business in the country, as reflected in the World Bank report cited above. Labour unionisation and strikes are strictly banned in the country. The Japanese MNC of this case study entered Saudi Arabia in early 2000 in partnership with a Saudi firm as a joint venture. It provided services in the sectors of energy, steel and logistics. In the highly hierarchical organisational structure, decision making is highly centralised, denying any role for managers. The company transfers knowledge and technology from its headquarters in Japan to the joint venture in Saudi Arabia. There is a serious communication divide between Japanese employees (who occupy senior positions) and Saudi/expatriate employees at the lower levels. The Japanese culture of lifelong career in a firm has been transferred to Saudi Arabia. But Saudis may prefer to leave after some experience when they see better options. Non-Saudi workers are initially appointed for one year on contract. Experienced expatriates are only recruited, and they train the Saudi fresh graduates who are recruited afresh. More training is given to Saudi workers and very little to administrative workers. The MNC considers training as an investment and training is given only if it gives a good return in terms of job skills, quality, safety and efficiency. Pay rise and promotions are based on performance appraisal. However, wasta (nepotism) exists in the MNC in this respect. Overall, the Japanese MNC successfully adapted its HRM strategies to Saudi Arabia's formal and informal systems. MNCs entering the Middle-East countries, including Saudi Arabia, use a sponsorship strategy for entry. In this strategy, instead of partnering with local firms, they form joint ventures with individuals. This is what happened in all the case studies discussed above.

Variations of workforce localisation practices among MNCs operating in Saudi Arabia were found by Alanezi (2012) from survey results. Cause, control and consistency elements of institutional determinants were supported more than content elements. Recruitment, training and the role of HR directors were significant in determining localisation success. But MNC characteristics had no effect on localisation of the workforce. Petrochemical sector succeeded in localisation more than other sectors.

The success of the Saudi government's Nitaqat policy among MNCs was affected by the barriers of cultural, social and regulatory factors, conservative society and mismatch between education outcomes and employers' needs. The private sector MNCs preferred to employ men due to legal restrictions on women, the structural contradictions between the Labour Law 2011 and government policies of Nitaqat regulations, unclear and unwritten determinations regarding women's work. Employed women face discriminations of gender, marital status, age, *wasta* (nepotism) and favouritism at the workplace. When women are employed, they are offered jobs of lower status, lower salaries, fewer job types, unclear career paths and rejection from managerial positions. Discrimination against women by legislation, labour regulations and culture are inherent in Saudi society in an unrecognised manner and women themselves accept these (Alfarran, 2016).

MNCs practised better strategic human resources management elements compared to domestic firms of Saudi Arabia. Recruitment processes were more stringent in the case of MNCs than domestic firms. Formal qualifications mattered more for domestic firms. Recruitment and selection policies, training systems, performance appraisal systems, and structured incentives and rewards system were better in the case of MNCs than domestic firms. Turnover rates were higher in the case of domestic firms compared to MNCs. Large domestic firms behave similarly to MNCs. Normative theory and convergence theory were partially supported by the results of this research (Al Khader, 2018).

According to Alanezi, Darwish, Singh, and Miroux (2020) the findings reported by MNCs tend to localise their workforce (Saudization) only when there are external pressures, or want to improve their social legitimacy. However, MNCs do not believe that there is an economic benefit due to localisation. Legal coercion enforcing Saudization is the most effective instrument to compel MNCs to implement Saudization. Lack of economic gains due to Saudization is a demotivator for MNCs. Hence, this issue needs to be addressed by enhancing the skills and quality of the Saudi workforce, so that productivity and quality improves by taking in more Saudi employees.

Enterprise management and business strategies

The facility for enterprise social networking (ESN) for knowledge management, sharing and transfer activities, is an important business environment for MNCs as their employees work in different time zones and geographically dispersed locations (Chatterjee, Chaudhuri, Vrontis, & Piccolo, 2021). Hence, providing connectivity for ESN to MNCs is important. Saudi Arabia provides this facility as best as possible; but connectivity in rural and remote locations is still a problem. Employees travelling through such areas may find it difficult to remain connected to ESN. However, for MNCs operating in Saudi Arabia, this may not be a serious problem in the business environment.

Institutional (government, regulatory agencies, economic and political ideologies, cultural values and forces in the external environment) and cultural contexts of the Middle-East influence international business strategies of MNCs. According to institutional theory, the institutional context consists of normative (cultural values derived from commonly shared assumptions, beliefs and norms reflecting lifestyles); regulatory (including legal frameworks and governance bodies); and cognitive (shared social knowledge) aspects of the business environment. Institutional practices consist of the isomorphism of organisational policies and practices in a particular context with their associated three mechanisms of coercive, (political impact of key

institutions), mimetic, (the external forces that create uncertainties and affect organisational performance), and normative, (acceptable routines and standards that influence institutional behaviour). Among these, isomorphism and its mechanisms play an important role in the development of management practices in the Middle East (Budhwar, Pereira, Temouri, & Do, 2021).

Distance between organisational culture at the headquarters and national culture at the subsidiary level can affect the adaptation of management innovations in MNCs. Based on a survey of MNCs in Saudi Arabia, Alofan, Chen, and Tan (2020) noted that different patterns of organisational culture and national cultural distance can lead to different levels of fidelity and extensiveness of transfer of management innovations from MNC headquarters to subsidiaries. However, a greater national culture distance need not be a barrier for such transfer of management innovations as organisational culture can offset the distance.

Corporate governance and citizenship

Sharia and the Saudi legal system have the required flexibility to adapt to modern concepts. Thus, corporate governance laws and codes of Saudi Arabia are compatible with international standards. Further reforms in corporate governance have been made with the new Company Law of 2015. The new law determines the functions and jurisdiction of the Ministry of Commerce and Industry and Capital Market Authority (Alshowish, 2016). These are evidence for the willingness and efforts of Saudi Arabia to make its business environment increasingly favourable to MNCs.

One factor, which may contribute negatively to the Saudi business environment, maybe the differences between Saudi and Western employees in their perceptions on corporate citizenship. The results of a survey by Robertson, Al-Khatib, and Rasheed (2013) showed that higher perception by western employees was noticed in the case of citizenship principles related to ethics, stakeholders, and the community. On consumer rights, both Saudi and Western employees perceived similarly.

One aspect of a favourable business environment is the adoption of international accounting standards. MNCs will be facilitated by the adoption of IFRS in Saudi Arabia, as it provides a uniform accounting practice irrespective of the countries in which an MNC operates. Based on the data obtained from a survey, Alsamkari, Zerban, and Ataf (2021) concluded that the adoption of International Financial Reporting Standards (IFRS) by Saudi Arabia since 1 January 2017 for all listed banks and insurance companies, enhances its business environment for MNCs due to the improved level of transparency, efficiency and reduced forecasting errors and satisfaction. However, the order excludes all other organisations, including foreign firms, as none of them are listed on the Saudi exchange (IFRS, 2021). One of the main challenges in implementing IFRS in the country is the lack of skilled accountants in IFRS procedures.

Saudi market

Although culture has an important role in determining customers' buying behaviour in many countries, a mixed approach study by Alghamdi and Ahmed (2021) showed that Saudi customers did not show such an effect when multinational brands tried to give an Islamic appeal to their products. This means, there is no need for MNCs to adjust their marketing strategy for religious beliefs of Saudi customers and provides a favourable business environment.

The need for a distinct Islamic branding of products and services offered by MNCs in Muslim countries like Saudi Arabia, was stressed by Kamran (2019). This aspect has not received

adequate attention from MNCs in Saudi Arabia and hence may act as a business environment issue.

Corporate Social Responsibility

In the interviews conducted by Alfakhri, Nurunnabi, Alfakhri, and Hossain (2020) young Saudi consumers recognised all four tiers of Carroll's CSR pyramid (Carroll, 1991), but gave the highest priority for Islamic values, through philanthropy. This meant paying zakat as an obligation needed to be an essential part of CSR of MNCs and prioritise social interest above shareholder values. For MNCs, such a stand of Saudi consumers may be indicative of a negative business environment in Saudi markets.

Enhancing disclosure quality of CSR and all corporate governance practices of MNCs in their audit and other reports through Saudi stock exchange mandates and legislation was suggested by Omer, Aljaaidi, and Habtoor (2020). Although it is claimed that these actions will improve the performance of MNCs, the firms may view enforcement as a negative business environment.

Business risks

Financial risk is an issue for MNCs in Saudi Arabia. In addition, cultural risk is also important as a study on 49 German MNCs in Saudi Arabia revealed. MNCs adopt suitable risk management measures to address these risks (Lasloom, 2021). Several US companies, like Starbucks, McDonalds and the Hilton Corporation in Saudi Arabia, are praised for leading the way in corporate social responsibility. However, Nourafchan (2011) observed that these companies are spreading outrageous abuses of human rights (especially women's rights) for maximising profits. CSR of these companies are not motivated by a normative socially responsible behaviour, but are used as a tool to attract niche markets and thus, maximise their monetary value. The author recommends suitable punitive measures against them.

Foreign direct investment (FDI) is an indicator of foreign investors' interest in investing in the country and thus indirectly denotes whether the business environment is congenial for foreign firms or not. Using the results of both interviews and survey, Alshehri (2019) observed that the main problems of FDI in Saudi Arabia are decline in the efficiency of financial markets and credit growth, increasing interest rates, restrictive labour laws, slow FDI facilitation steps, stagnant investment climate, imbalances of crucial natural resources and insufficient guarantees and policies. Skills shortage will continue till Vision 2030 targets of skill enhancement are reached. Linking Saudization with FDI has led to the flight of over 10000 foreign firms with consequent damage to the country's image. Narrow range of natural resources, lack of quality and consistency are other important issues. Other FDI deterrents are imperfect market liberalisation, gender discrimination, inconsistent business regulations in dealing with the government, bureaucratic delays cronyism (Wasta), administrative weaknesses, poor enforcement of legal and judicial systems, pressures from informal systems of religion and culture, lack of coordination among departments, no significant policy changes even to implement Vision 2030 and Islamic laws affecting personal and religious independence.

According to Yasuda and Kotabe (2021), political risks of FDI by MNCs become opportunities if they fall below the PRRP and threats if they are above PRRP. In the case of Saudi Arabia, there is considerable political stability and hence this risk is quite low.

Many incidents of terrorism have been reported in Saudi Arabia. MNCs (State Dept US, 2019) and their employees are prone to various types of risks to their lives and properties due to

terrorist attacks (Bader & Reade, 2021). Although the Saudi government is taking several proactive and post-incident steps and is an active member of the global initiative against terrorism (State Dept US, 2019), complete protection from terrorist attacks is difficult. HRM departments of MNCs try to implement some response and pro-active strategies depending on the country context (Bader & Reade, 2021). This is a negative aspect of the business environment for MNCs in Saudi Arabia.

Conclusions

The foregoing review shows that the business environment in Saudi Arabia is generally favourable for MNCs. However, they need to devise clever entry strategies to escape the FDI limits prescribed for different sectors. Two main issues of HR management are Saudization (Nitaqat) and women employment for gender equality and diversity. Strong influence of informal and cultural factors may act as barriers. Finding appropriate management practices for Saudi Arabia is a key issue. Adoption of Sharia-compliant corporate governance may be difficult for MNCs. Branding needs to be culturally appropriate, to sell the products in the Saudi market. Islamic values and philanthropy have precedence over financial aspects in deciding on CSR. Linking FDI with Saudization may be a problem for MNCs as they look for quality workforce matching their skill requirements. Terrorism risks are major risks for MNCs operating in Saudi Arabia.

Overall, Saudi Arabia has done a lot to create a favourable business environment to attract MNCs and FDIs for its Vision 2030. Some encouraging results have been obtained. However, there are certain issues which affect the complete realisation of these measures to produce the desired level of results. The Saudi government may do well if these issues are sorted out as fast as possible.

References

- Adham, A. (2021). Managing labour in multinational corporations in Saudi Arabia. *International Journal of Advanced Research in Management and Social Sciences*, 10(8), 11-29. Retrieved December 30, 2021, from <https://garph.co.uk/IJARMSS/Aug2021/G-2913.pdf>
- Al khater, N. S. (2018). *An Empirical Study of Human Resources Management Practices in Domestic and Multinational Enterprises in the Kingdom of Saudi Arabia*. Brunel Business School. Brunel University London. Retrieved December 30, 2021, from <https://bura.brunel.ac.uk/bitstream/2438/16423/1/FulltextThesis.pdf>
- Alanezi, A. (2012). Workforce localisation policies in Saudi Arabia: The determinants of successful implementation in multinational enterprises. *Management, Knowledge and Learning International Conference* (pp. 957-968). Brunel University London. Retrieved December 29, 2021, from https://issbs.si/press/ISBN/978-961-6813-10-5/papers/ML12_201.pdf
- Alanezi, A., Darwish, T. K., Singh, S., & Miroux, A. (2020). Substituting expats with locals: TNCs and the indigenisation policies of Saudi Arabia. *Transnational Corporations Journal*, 27(1), 63-86. Retrieved December 30, 2021, from https://unctad.org/system/files/official-document/diaeia2020d1_en.pdf#page=73
- Alfakhri, Y., Nurunnabi, M., Alfakhri, D. H., & Hossain, S. F. (2020). Corporate social responsibility in Saudi Arabia: application of Carroll's model. *Journal of Xi'an University*

- of Architecture and Technology*, 12(6), 1059-1072. Retrieved December 30, 2021, from <https://xajzkjdx.cn/gallery/107-june2020.pdf>
- Alfarran, A. (2016). *Increasing Women's Labour Market Participation in Saudi Arabia: The Role of Government Employment Policy and Multinational Corporations*. College of Business. Victoria University. Retrieved December 30, 2021, from https://vuir.vu.edu.au/31703/3/ALFARRAN%20Abeer-thesis_nosignature.pdf
- Al-Ghalayini, B. M. (2019, April 27). *Business environment in KSA*. Retrieved December 29, 2021, from Arab News: <https://www.arabnews.com/node/1488966>
- Alghamdi, G., & Ahmed, M. (2021). The effect of Islamic appeal promotional strategies used by multinational brands in Saudi Arabia. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 18(12), 270-279. Retrieved December 30, 2021, from <https://www.archives.palarch.nl/index.php/jae/article/view/7880>
- Alhejji, H., Ng, E. S., Garavan, T., & Carbery, R. (2018). The impact of formal and informal distance on gender equality approaches: the case of a British MNC in Saudi Arabia. *Thunderbird International Business Review*, 60(2), 147-159. doi:10.1002/tie.21828
- Alofan, F., Chen, S., & Tan, H. (2020). National cultural distance, organisational culture, and adaptation of management innovations in foreign subsidiaries: A fuzzy-set analysis of TQM implementation in Saudi Arabia. *Journal of Business Research*, 109(March), 184-199. doi:10.1016/j.jbusres.2019.11.037
- Alsamkari, M., Zerban, A., & Ataf, M. (2021). Challenges and benefits encountering the implementation of IFRS in Saudi Arabia: A road map. *Academy of Accounting and Financial Studies Journal*, 25(1), 1-12. Retrieved December 30, 2021, from <https://www.proquest.com/openview/e801e310a8451675aa2ad3541f46bcf4/1?pq-origsite=gscholar&cbl=29414>
- Alshehri, F. A. (2019). *Is Saudi Arabia's Business Environment Conducive to Attracting Foreign Direct Investment in Non-Oil Sectors? Challenges and Implications*. INSTITUTE FOR SUSTAINABLE INDUSTRIES AND LIVEABLE CITIES (ISILC). Victoria University. Retrieved December 29, 2021, from https://vuir.vu.edu.au/40445/1/ALSHEHRI%20Fuaad-thesis_nosignature.pdf
- Alshowish, A. M. (2016). *An evaluation of the current rules and regulatory framework of corporate governance in Saudi Arabia: a critical study in order to promote an attractive business environment*. Lancaster University. Retrieved December 30, 2021, from <https://eprints.lancs.ac.uk/id/eprint/82805/1/2016Alshowishphd.pdf>
- Bader, B., & Reade, C. (2021). The context of terrorism for managing people in multinational enterprises: Toward a human resource management terrorism-response theory. In E. Parry, M. Morley, & C. Brewster (Eds.), *Oxford Handbook of Contextual Approaches to Human Resource Management* (pp. 135-155). Oxford University Press. Retrieved December 31, 2021, from https://www.researchgate.net/profile/Carol-Reade/publication/354057898_The_context_of_terrorism_for_managing_people_in_multinational_enterprises_Toward_a_human_resource_management_terrorism-response_theory/links/6121a7991e95fe241aea9531/The-context-of-ter

- Budhwar, P., Pereira, V., Temouri, Y., & Do, H. (2021). International business research and scholarship in the Middle East: developments and future directions. *International Studies of Management & Organization*, 51(3), 185-200. doi:10.1080/00208825.2021.1959881
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organisational stakeholders. *Business Horizons*, 34(4), 39-48. doi:10.1016/0007-6813(91)90005-G
- Chatterjee, S., Chaudhuri, R., Vrontis, D., & Piccolo, R. (2021). Enterprise social network for knowledge sharing in MNCs: examining the role of knowledge contributors and knowledge seekers for cross-country collaboration. *Journal of International Management*, 27(1), 100827. doi:10.1016/j.intman.2021.100827
- Haq, Z. (2021, September 18). *Why World Bank junked its ease of doing business rankings*. Retrieved December 29, 2021, from Hindustan Times: <https://www.hindustantimes.com/business/why-world-bank-junked-its-ease-of-doing-business-rankings-101631863994289.html>
- IFRS. (2021). *Saudi Arabia*. Retrieved December 30, 2021, from IFRS: <https://www.ifrs.org/around-the-world/use-of-ifrs-standards-by-jurisdiction/view-jurisdiction/saudi-arabia/>
- Kamran, M. T. (2019). *Redefine the Branding in the Changing Business Environment; An Islamic View Point*. Retrieved December 31, 2021, from Muslim Perspectives: <https://muslim-perspectives.com/Publication-Detail?publication=64/Redefine-the-Branding-in-the-Changing-Business-Environment;-An-Islamic-View-Point>
- Lasloom, N. M. (2021). The inevitability of financial risks in businesses and how to overcome them: Saudi Arabia in focus. In D. B. Solovev, V. V. Savaley, A. T. Bekker, & V. I. Petukhov (Ed.), *Proceedings of the International Science and Technology Conference "FarEastCon 2020"*. *Smart Innovation, Systems and Technologies*, vol 227, pp. 815-824. Springer, Singapore. doi:10.1007/978-981-16-0953-4_79
- Ministry of Commerce KSA. (2020, June 19). *The Kingdom of Saudi Arabia ranks the 2nd in the consumer price world index and 15th in the world index for starting-up a business*. Retrieved December 29, 2021, from Ministry of Commerce, KSA: <https://mc.gov.sa/en/mediacenter/News/Pages/18-06-20-01.aspx>
- Nourafchan, N. (2011). Apartheid, profits, and corporate social responsibility: A case study of multinational corporations in Saudi Arabia. *Dartmouth Law Journal*, 9(1), 85 pp. Retrieved December 30, 2021, from <https://core.ac.uk/download/pdf/72828056.pdf>
- Omer, W. K., Aljaaidi, K. S., & Habtoor, O. S. (2020). The associations of corporate social responsibility and management characteristics with performance in Saudi Arabia. *Polish Journal of Management Studies*, 21(1), 251--264. doi:10.17512/pjms.2020.21.1.19
- Park, Y.-E. (2018). The endless challenges of KIA motors for globalisation: A case study on kia in Saudi Arabia. *The Journal of Industrial Distribution & Business*, 9(9), 45-52. doi:10.13106/ijidb.2018.vol9.no9.45
- PTI. (2020, December 19). *World Bank corrects Doing Business rankings, lowers China by 7 notches*. Retrieved December 29, 2021, from Business Standard: https://www.business-standard.com/article/economy-policy/world-bank-corrects-doing-business-rankings-lowers-china-by-7-notches-120121801164_1.html

- Robertson, C. J., Al-Khatib, J., & Rasheed, M. F. (2013). A cross-national analysis of corporate citizenship: Saudi Arabia vs. the United States. *Journal of Managerial Issues*, 25(3), 284-298. Retrieved December 30, 2021, from <https://www.jstor.org/stable/43488822>
- Saudi Gazette Report. (2021, October 27). *Riyadh region's largest city economy: 44 multinational companies to open regional HQs*. Retrieved December 29, 2021, from Saudi Gazette: <https://saudigazette.com.sa/article/612801>
- State Dept US. (2019). *Country Reports on Terrorism 2019: Saudi Arabia*. Retrieved December 31, 2021, from US Department of State: <https://www.state.gov/reports/country-reports-on-terrorism-2019/saudi-arabia/>
- Trading Economics. (2021). *Ease of Doing Business in Saudi Arabia*. Retrieved December 29, 2021, from Trading Economics: <https://tradingeconomics.com/saudi-arabia/ease-of-doing-business#:~:text=Ease%20of%20Doing%20Business%20in%20Saudi%20Arabia%20is%20expected%20to,according%20to%20our%20econometric%20models>.
- Trading Economics. (2021). *Saudi Arabia Competitiveness Rank*. Retrieved December 29, 2021, from Trading Economics: <https://tradingeconomics.com/saudi-arabia/competitiveness-rank>
- Yasuda, N., & Kotabe, M. (2021). Political risks and foreign direct investments by multinational corporations: A reference point approach. *Global Strategy Journal*, 11(2), 156-184. doi:10.1002/gsj.1380