

CASE STUDY OF SABIC: Saudi Company Producing Petrochemicals for Global Market Needs

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ABSTRACT

SABIC is a big company with several affiliates. The company recorded a net profit of US\$ 5.7 billion in 2018. The company, SABIC (Saudi Basic Industries Corporation) was founded back in 1976 by a royal decree to develop the country specializing in by-products of oil extraction for the value-added commodities such as chemicals, polymers and fertilizers including the high-performance plastics, agro-nutrients, and metals. The company's export markets are the Americas, Europe, Middle East, and the Asia Pacific. The business interest indirectly supports customers in construction, medical devices, packaging, agro-nutrients, electrical and electronics, transportation and is a source of clean energy for international clients. Beside a net profit of US\$ 5.7 billion, SABIC sales revenues for 2018 totaled US\$ 45 billion. Its total assets stood at US\$ 85 billion in same corresponding year. Production capacity was 75.3 million metric tons during 2018. SABIC is source of bread and butter for more than 33,000 employees worldwide and operates in around 50 countries. The Saudi Arabian government owns 70 percent of SABIC shares with the remaining 30 percent publicly traded on the Saudi stock exchange. On another note, Islam is a comprehensive and all-inclusive religion

that integrates with Muslims' life at all levels and covers every single aspect of not just a Muslims' relationship with Allah but mundane life as some might think otherwise. The religion for Muslims governs and regulates daily life from within in terms of beliefs (Aqidah) and actions (Sharia) as well as business ethics and morals (Akhlaq) as part of it. SABIC affiliated companies are SABIC Sukuk, Saudi Iron & Steel Company (Hadeed), National Industrial Gases Co (Gas), etc. Even companies such as Saudi Methanol Co (Ar-Razi), Korea Nexlene Company (KNC), etc. are its associates. Islam is an official religion of the Kingdom and business environment for all companies are obligatory for Muslims by the Saudi laws, of fasting in Ramadhan, performing Hajj and having prayer area and halting the work for 10 minutes during each prayer for five times daily is established culture for any businesses to operate. Ablution (Wudu/daily wash) facilities for Muslims to perform prayers as a religious obligation is must even in the headquarters for SABIC in Riyadh/Jubail. As SABIC management undertake a guardian leadership style as a suitable choice for a just and fair workforce motivation and guarantees ROI for the shareholders.

Keywords: SABIC, Saudi Methanol Co , Saudi Iron & Steel Company , National Industrial Gases Co.

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1. INTRODUCTION

Islam is a comprehensive and all-inclusive religion that integrates with Muslims' life at all levels and covers every single aspect of it, it is not just a Muslims' relationship with Allah, as some might think, it governs and regulates Muslims life from

within in terms of beliefs (Aqidah) and actions (Sharia) as well as ethics and morals (Akhlaq). Small part of it is management and corporate leadership since Islam also covers mundane life under the worldview of Islam. Management in Islam is the disciplines, guides, and rules that the people have to abide with, both management and subordinates, and these disciplines taken from principles and approaches from Islamic sources, primarily Holy Quran, Hadith, and secondary is consensus or agreement among Islamic scholars (Ijma) as well as deductive analogy (Qiyas).

Management practices like planning, organizing, controlling, working toward a common goal, as well as management ethics like integrity and honesty, all are part of Islam under the Maqasid Al-Shariah, and to satisfy the only one goal we are all created for, worshiping Allah (SWT). This case study will discuss some of the Islamic values and practices that are being conducted and practiced at SABIC, a major Saudi company specialized in producing a petrochemical byproduct for customers around the world.

2. COMPANY PROFILE

SABIC (Saudi Basic Industries Corporation) founded back in 1976 by a royal decree in a step to develop the country, by producing by-products of oil extraction to produce value-added commodities – such as chemicals, polymers and fertilizers, and high-performance plastics, agri-nutrients, and metals. – for export to the Americas, Europe, Middle East, and the Asia Pacific, and indirectly support other customers in construction, medical devices, packaging, agri-nutrients, electrical and electronics, transportation, and clean energy (sabic.com, 2020).

The company recorded a net profit of US\$ 5.7 billion in 2018. Sales revenues for 2018 totaled US\$ 45 billion while total assets stood at US\$ 85 billion. Production in 2018 was 75.3 million metric tons. It has more than 33,000 employees worldwide and operates in around 50 countries. The Saudi Arabian government owns 70 percent of SABIC shares with the remaining 30 percent publicly traded on the Saudi stock exchange (sabic, 2020).

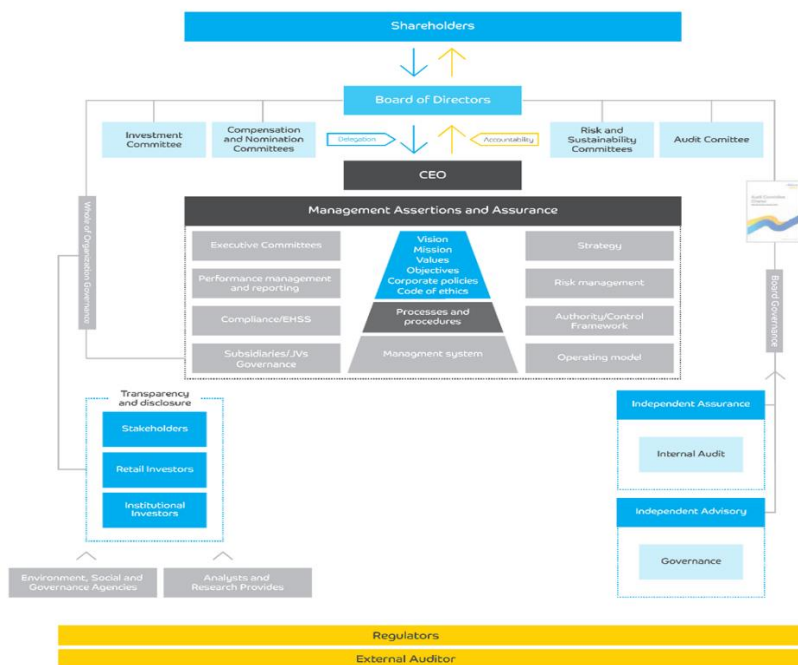


Figure 1. Ownership structure and governance framework of SABIC (SABIC, 2020)

SABIC Last Five Years Financial Data

All amounts in Saudi Riyals '000 unless otherwise stated (SABIC, 2020)

	TOTAL ASSETS	TOTAL LIABILITIES	GROSS PROFIT	NET INCOME (AFTER ZAKAT/TAX)
Q1	326,285,403	103,224,883	11,389,696	4,979,744
Q2	319,951,172	104,547,829	10,025,094	3,298,405
Q3	310,746,572	97,505,842	9,633,110	1,837,411
Q4	310,567,503	99,389,894	4,610,827	-1,544,503
2019	310,567,503	99,389,894	35,658,727	8,571,057
Q1	339,444,115	121,558,137	14,213,311	7,708,252
Q2	335,042,364	123,682,946	15,864,540	9,942,362
Q3	334,298,663	116,334,458	14,898,368	9,068,820
Q4	320,123,862	98,673,962	12,240,247	5,218,298
2018	320,123,862	98,673,962	57,216,466	31,937,732
Q1	323,388,368	114,511,706	13,740,904	7,732,926
Q2	319,710,716	117,675,386	10,785,339	4,724,266
Q3	318,596,577	113,949,450	14,110,394	7,516,709
Q4	322,515,263	112,440,188	12,607,169	5,460,668
2017	322,515,263	112,440,188	51,243,806	25,434,569
Q1	331,050,101	119,220,468	8,389,594	3,405,752
Q2	321,190,044	114,602,405	11,024,287	4,736,225
Q3	319,597,601	113,636,180	10,956,051	5,224,343
Q4	317,532,338	107,223,810	10,595,828	4,545,204
2016	317,532,338	107,223,810	40,965,760	17,911,524
Q1	339,021,437	123,123,081	9,442,670	3,934,649
Q2	332,503,116	121,057,078	12,639,924	6,170,746
Q3	331,179,501	123,288,651	11,815,974	5,603,553
Q4	327,927,549	118,047,979	9,074,930	3,075,272
2015	327,927,549	118,047,979	42,973,498	18,784,220

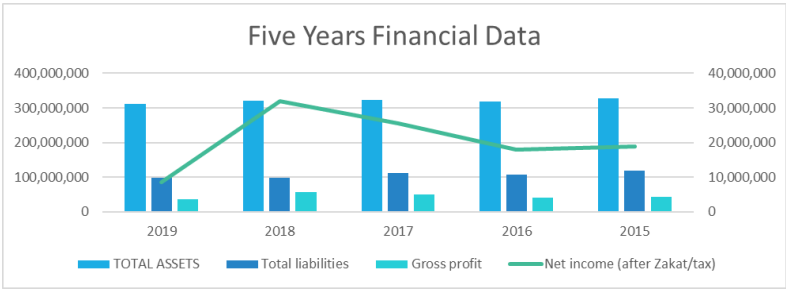


Figure 2. Five Years Financial Data, all amounts in Saudi Riyals '000 unless otherwise stated (SABIC, 2020)

3. VALUES BASED SABIC MANAGEMENT PRACTICES

SABIC, just like most companies and organizations in Saudi Arabia, adheres to the kingdom laws and regulations that are driven from Islamic values and laws (*Sharia*), below are the four core values of SABIC, and how they are all aligned and derived from Islamic values.

Inspiration: By working to develop and plan for the solutions, a value is driven from an Islamic value for planning, which is a process for estimating, scheduling, risk planning and other concepts to be prepared for future events, all summarized in 3 verses in Quran (*[Joseph] said, "You will plant for seven years consecutively; and what you harvest leave in its spikes, except a little from which you will eat. Then will come after that seven difficult [years] which will consume what you saved for them, except a little from which you will store. Then will come after that a year in which the people will be given rain and in which they will press [olives and grapes]."*) Yusuf, Verses 47,48,49. Even in Planning, Islam elaborated more like the inheritances of how, when, and who will receive it, as well as the recommendation before the process starts, as described in Hadith as Narrated 'Amir bin Sa'd bin Abi Waqqas (*'I am reduced to this state because of illness and I am wealthy and have no inheritors except a daughter, (In this narration the name of 'Amir bin Sa'd is mentioned and in fact it is a mistake; the narrator is 'Aisha bint Sa'd bin Abi Waqqas). Should I give two-thirds of my property in charity?' He said, 'No.' I asked, 'Half?' He said, 'No.' then he added, 'Onethird, and even one-third is much. You'd better leave your inheritors wealthy rather than leaving them poor, begging others*). Moreover, unlike other religions, Islam does encourage planning, could be

in daily Muslim life or even more complex events like battles, and it doesn't contradict with believing in *Qadar* (Divine Decree) whether good or bad known as *Tawakul* (Trust in Allah).

Engagement: It is the process of cooperating, collaborate, organize, and having a structural team works in place, a concept put in Quran, Az Zukhruf verse 32 (Do they distribute the mercy of your Lord? It is We who have apportioned among them their livelihood in the life of this world and have raised some of them above others in degrees [of rank] that they may make use of one another for service), that gives the principle of not just the organizational structure, but the whole life structure, with ranks based on their works, being appointed, utilizing each other services for the overall good, it is all the foundation of a structured collaborative team works, and yet it still inherits the guidelines and rules.

Creation: The process of making and building, based on the guides and strategic roadmaps set before, finding and recharging the motivation of the people or the employees doing the work. Islam detailed and elaborated beyond this research about this value, and it encourages people in authority to be lenient and yet firm, to achieve the goals while keeping the teamwork respectful spirit without demoralizing the team or having any dysfunctional teamwork, In Imran, verse 159 (*And if you had been rude [in speech] and harsh in heart, they would have disbanded from about you*), and that is directed specifically to the leader or manager for that team.

Deliver/Accomplishment: It is the process of handing over the work, deliver it as per planned, and it includes the most important components, which are the audits and review to

compare what is done to what was planned. The audit process is a subcategory of a broader value that Islam gave it the most attention, self-supervision. Self-supervision is the sense that Allah (swt) is watching you all times, knowing your inner thoughts as well as actions. Islam instead of trying to force the external audits or supervision that used in most nowadays management practices, it pushed the supervision within, once perfected, it surpasses any outcome of usual audits, a value that still being thoughts in management practices as a self-actualization level of being ethical and having the integrity and honesty to do the job. In Quran, At-Tawba 9:105 (*Work (righteousness): Soon will Allah observe your work, and His Messenger, and the Believers: Soon will ye be brought back to the knower of what is hidden and what is open: then will He show you the truth of all that ye did*). A verse that has all the meaning of supervision, internal as having the sense of being watched by Allah (swt), and external as being watched by the messenger (swt) and other people, and reminding you that eventually you will return to Allah (swt) for the ultimate truth. The supervision includes not just actions, but words said as well, and Allah said in Quran, Qaf verse 18 (*Man does not utter any word except that with him is an observer prepared [to record]*), that every single word is being recorded, it is the ultimate umbrella to govern not just the works being done, but even the workers' daily life. In hadith, In Jibril hadith, said (*Then he (the man) said, "Inform me about Ihsan." He (the Prophet) answered, "It is that you should serve Allah as though you could see Him, for though you cannot see Him yet He sees you."*)

Management practices in Islam grow from a very basic concept in Islam, which is realizing the meaning of worship and

submission to Allah (swt), that includes oneness of god (*Tawhid*), *Iman* (Faith), and *Ihsan* (love of Allah), as Allah (swt) said in Quran, Al-An'am verse 163 (*Truly, my prayer and my service of sacrifice, my life and my death, are (all) for Allah, the Cherisher of the Worlds*), as everything you do, going from an intrinsic level from an individual, is devoted to Allah (swt), unlike the traditional management practices, where it's all about materialistic values, Islam fulfill the soul first and provides the serenity for both the manager as well as the subordinates to ensure (*Ikhlas*) at the work being done, providing not just a common ground, but a shared fundamental values and visions in between, and the whole work being done is in fact done in the service of god, as everything positive done is a worship (*Ibada*) to Allah, as Allah (swt) said in Adh-Dhariyat verse 56 (*And I did not create the jinn and mankind except to worship Me*).

That creates what knowns nowadays a shared mission, vision, and values. Something most management struggles to do is to align employees' visions with management ones. Islam provides all these shared values in advance, creating an overall better leadership, and increased morale in the employees, thus; job satisfaction as well as increases productivity, the core success of any business. A fine example of this, what *Omar Al-Khattab* (May Allah be pleased with him) did to ensure all his subordinates in the new Islamic regions after conquests, he did ensure they all understand the common values and mission for their work, as during his caliphate period, the management evolved and set the foundation of most principles nowadays. When Caliph *Omar Al-Khattab* sent the region princes, said (*To the princes of the regions, I am sending on a mission to teach people their religion and the prophet's Sunnah and to divide [resources] in*

them, and to correct them, so if something is formed upon them, they will bring it to me.) (Al-Tabari, n.d.). This shows the importance of assuring the understanding of the core shared values. It also provides a very important attribute in great leadership and used and taught on nowadays management principles, which in delegations. Delegation is a concept of providing authority for other parties to do certain work and report back when needed. Delegation put in practical use during all times in Islam, like our previous example, The *Caliph Omar* delegated the authority to regions' princes, provided them with all resources, and trust, and only to report back when an issue happens. As management principles nowadays require the delegation to be accompanied with enough authority, resources, and trust, as detailed in the leadership styles below.

Another important practice of management in Islam, is auditing and controlling. Islam prioritizes the self-control as the first line of defense against corruptions and unethical behaviors, known as (*Taqwa*), as described previously, self-supervision and control provide the optimum way to eliminate -instead of mitigating- any potential bad behaviors could risk and threaten the overall goals or outcome. Islam is full of examples and guides about self-control and God consciousness, In Quran, An-Nisa, verse 1 (*surely Allah ever watches over you.*), and An-Nisa, verse 108 (*And Allah Doth compass round all that they do.*) and AL-ZALZALA (*Whosoever has done an atom's weight of good shall see it, (7) and whosoever has done an atom's weight of evil shall see it. (8)).*) And the well-known story of *Omar Al-Khattab* when he heard the little girl saying to her mother (*if Omar cannot see us, but Omar's god can*). Moreover, Islam does indeed consider the external audit or control and encourages it, for both auditing the

subordinates as well as the managers/leaders as well. In Quran, Al-Imran 104 (*Let there arise out of you a band of people inviting to all that is good, enjoining what is right, and forbidding what is wrong: They are the ones to attain felicity.*) as well as in Hadith, Abu Sa'id Al-Khudri (May Allah be pleased with him) reported: Messenger of Allah (saw) said, "*Whoever amongst you sees an evil, he must change it with his hand; if he is unable to do so, then with his tongue; and if he is unable to do so, then with his heart; and that is the weakest form of Faith*". (Muslim, n.d.). And it encourages the audits and control on the leaders, to assure a fair (Adl) among all people. The story when Prophet Mohammed (saw) poked a soldier during Badr battle with a *Sawak* (small wooden-like stick used to clean the teeth), the soldier asked for fairness (Adl) and requested for fair treatment and do the same to the prophet (saw), when the prophet agreed and granted him the permission, he hugged the prophet. This just shows how in Islam there is no one above questioning, could be a leader, manager, or any kind of authority. In fact, *Caliph Omar Al-Khattab*, is the first to separate executive, legislative, and judicial authorities especially in the new regions during the Islam conquests, to assure a fair treatments without any corruptions, especially when Islamic spread across the world, and a lot of new Muslims may not fully understands the true Islamic values.

Moreover, Islamic values align and govern the company work toward more profits, as seeking for more profits (Rizq) does not contradict with Islamic values, in fact, Muslims do get rewards of the hereafter while still getting rewarded in this world, as long as it abides with Islamic laws (halal) with a good intention (Niyyah) as well as the business conducted according the Islamic

ethics, SABIC code of ethics do indeed align with Islamic ones, abide by it, and elaborate on it. (SABIC, 2019)

All of that in addition to the continuous training and coaching (*tazkiyah al-nafs*), and working under the concept of everything is done for Allah's oneness and greatness, and acting and working to be representative of Islam (*khalifat-ul-ardh*) will lead to ultimate success (Falah), for the individuals, regardless of being a manager, subordinates, as well as for the overall company, Even without any profit or even loss, it still a success for Muslims, being patience (*Sabr*) about bad things, or at least as how we perceive it; bad, Muslims still get rewarded for that as the Messenger of Allah (saw) said, *"How wonderful is the case of a believer; there is good for him in everything and this applies only to a believer. If prosperity attends him, he expresses gratitude to Allah and that is good for him; and if adversity befalls him, he endures it patiently and that is better for him"*. This will bring an inner peacefulness and full serenity for Muslims' minds, as all under god's well, and that will reflect the overall company productivity.

SABIC'S Homegrown Leadership Style:

Islam involves and governs all topics in Muslims' life, from the basic matters to sophisticated ones, like leadership. Throughout history, Islam produced so many legendary leaders, and on top of them, Prophet Mohammed (saw), a leader that with no prior knowledge has now billions of followers. At SABIC, two major leadership styles are in use and are interchangeable between management and subordinates, transformational and delegation styles.

Transformational style, its bases are derived from the prominent leadership style in Islam, *Shura*. Transformational derives its style from a collective commitment and motivation from its followers, by having a shared goal leading to unprecedented trust among all parties, subordinates, and leaders, which eventually exceeds the expectation of achieving such goals. Leadership (*Shura*) in Islam is based on three components, compassion, justice, and the fear of Allah (swt) (Ali, 2009), as mentioned In Quran, An-Nisa', verse 58 (*Indeed Allah commands you to deliver the trusts to their [rightful] owners, and, when you judge between people, to judge with fairness. Excellent indeed is what Allah advises you. Indeed Allah is all-hearing, all-seeing.*) and that sense of leadership isn't only restricted for the leader himself/herself, but a sense that is within each individual, creating a shared responsibility among the group, as Ibn 'Umar reported that the Prophet, may Allah bless him and grant him peace, (*All of you are shepherds and each of you is responsible for his flock..*), and that without affecting the authority of the leader, however, it's still under the ultimate power of Allah (swt), as instructed in Quran, An-Nisaa' 59 "*O you who believe! Obey Allah, and obey the Messenger and those charged with authority among you. If you differ in anything among yourselves, refer it to Allah and the Messenger, if you have believed in Allah and the Last Day. That is best, and most suitable for final determination.*", moreover, the leader will consult his subordinates on matters he might not be very well knowledge about, just like when the prophet (saw) accepted the advice from *Al-Hubab ibn al-Mundhir ibn Zayd* during battle of *Badr* to fill the wells, so the enemy will struggle on the water resource. SABIC follows the Islamic practices of choosing and electing the leaders, and ensuring

they possess the leaders attributes that abides by code of ethics, which is derived from Islamic values and the legendary leaders like the Prophet and four caliphs, attributes like humbleness -like the story of *Omar Alkattab* sleeping on his shoes under a tree- or honesty and integrity (*amanah*) as *Abu Bakar As-Siddiq* was called (*al-Amin*), meaning the most person with honest and integrity, other attributes like gradualism in introducing a new idea to the subordinates, a concept the west catch on so late and created the so-called Change Management to have a basis of changing people's mind towards new positive ideas, the concept already applied by the prophet (saw) when he started his (*da'awa*) in a community full of crimes, adultery, and gambling, The prophet used the transformational and gradualism to change not just a group, but the whole society. Other attributes like wisdom, controlling his/her desires, being diplomatic, recognition, and other attributes that Islamic leaders possess in Islamic history (*Sirah*) that goes beyond this research.

SABIC also utilizes delegation style in its management practices, either at the company level by having affiliated companies, or at the manager/subordinate's relationship level. Delegation is defined by assigning all or some of the authority to other parties, to do specific tasks, and report back -if needed, and it is one of the core elements for a successful leader. Delegation as described earlier, it was put in practice at the early stages in Islam history (*sirah*), where *Omar Alkattab* delegates regions' princes to carry on the tasks, and he was tough on them to ensure the tasks were carried on and the people served well, and where he (*Caliph Omar*) separated the judicial from other authorities, and delegated the tasks for trusted judges. And during *Othman caliph* period, the executive authority delegated

to what now we call policemen, and during *Abu Baker* caliph period, he delegated governors (*wali*) on other regions like Mekkah, Yemen, Jarash (In Jordan now), etc. And before all caliphs, Prophet Mohammed (saw) delegated messengers to Persia and Roman empire, Alhabasha (Ethiopia now) and other regions during the time of (*da'awa*). These made the foundation for SABIC's today management style, as during tendering of new projects, managers delegates subject matter experts to discuss the technical matters, then delegates procurement manager to negotiates the contracts, and then delegates the whole project to other entities to execute and operate the project, all this mix of delegations and transformable leadership conducted today, were driven from the Islamic foundation on leadership.

SABIC'S Islamic Management System

In addition to what mentioned before on how the core values of SABIC align with Islamic values, as well as SABIC code of ethics derived from Islamic ethics, In addition to that, two major systems and frameworks adhere to Islamic practices, CRM through Islamic banks and contracting.

One of the main components of SABIC business model is customer focus and customer relationship (CRM), which the concept of practices, platforms, and technologies used to analyze the customers and keep them satisfied for business continuity, thus; becoming the ultimate strategic tool for long-term company growth. CRM at SABIC mainly is conducted through the banks, which all follow Islamic banking criteria. Islamic banking consists of around 75% of Islamic finance, with global total assets of Islamic banks around \$1 trillion, although

the majority of those in countries with major Muslim populations, it start to attract the western countries since the global crisis in 2008, creating a growth in Islamic banking for around 17%, including countries outside the Muslim world (IŞIK, 2018).

SABIC abides by the concept established in its partner Islamic banks, bringing a tremendous benefit to complement its CRM model, as *Shariah* law at these banks basically consists of bringing no harm to others, sharing risks as well as benefits and equality with all its customers, building a relationship based on trusts, without the concern of a threat that could affects the customer stakes, and that's why Malaysian customers in general prefer Islamic banks (Asyraf Wajdi Dusuki, 2007), as the relationship is built on a trust model based on genuine and authentic information, which is usually the reverse of usual CRM models, where all the strategies try to achieve the trust as an end goal, in Islamic model, trust is the basis, and it creates the concept of (*ukhuwah Islamiyyah*) where the benefits are shared, information honestly communicated with transparency, with a supportive atmosphere, bringing the customers with the satisfaction (*qanaah*) they thrive for, for the ultimate bigger good (*maslahah alummah*).

Another major system used at SABIC and aligned with Islamic principles is the contracting and contract negotiations. Contracts in Islam is one of the topics that are explained at a very detailed level, with contracting types, contract relationships, conditions, guides, what is allowed and what is not, and more, to the point that Allah (swt) dedicated a full verse (the largest in Quran, Al-Baqarah verse 282) detailing just

one type of contracting, which is loans (*Al Dain*), as it describes all the fundamentals requirements of loans and loans' contracts, like the type of loans, the need of writing it regardless how small or big the loan amount, the need to have witnesses, and a lot of details that will need another research paper to discuss, but the most important thing Allah (swt) mentioned is the need to have the fear of Allah, as mention several time in that verse alone (*Taqwa*), which is the bases of any relationship between Muslims. Islam detailed other types of contract, like lumpsum contracts or contract when other parties are hired to do certain jobs, As in Quran Al-Ma'idah, Verse 1 (*O ye who believe! fulfil (all) obligations*) and that for both parties, the one hiring or paying for the service, as well as the one doing the job, and doing it as intended and described in the contract, and doing it the perfect possible way (*Itqan*), as Prophet Mohammad (swt) said "*Allah loves that whenever any of you does something, he should excel in it.*" (Hasan, Reported by al-Bayhaqi). Moreover, Islam prevents you from engaging with parties or entities (*Sufaha'a*) that won't properly do your job or properly spends company's funds, as in Quran, Al Nisa, verse 4 (*To those weak of understanding Make not over your property, which Allah hath made a means of support for you*). The pillars of contracts in Islam is the initiating from the first party, and consent and acceptance from the second party with mutual agreements from both, so you can't force the second party to sell you something they do not want, a concept that is barely used in western countries where capitalism allow such acts, just like monopoly, which is prohibited in Islam. Moreover, Islam provided the guidelines for the product in question, the contract is nulled if the product is illegal (*Haram*) like drugs, adultery, pork meat for example, or anything could

have a potentially harmful outcome, as was said (*There should be neither harming (darar) nor reciprocating harm (dirar)*), even if the other pillars are valid. Islam even detailed the principles of mortgage and pledge, as in Quran Al-Baqara, verse 283 (*If ye are on a journey, and cannot find a scribe, a pledge with possession (may serve the purpose). And if one of you deposits a thing on trust with another, Let the trustee (Faithfully) discharge His trust, and let him fear his Lord*), as it acts as a guarantee for the first party when the second party cannot or do not have enough funds to buy the product or service, and it is worth mentioning that - again- in all relationship, Allah (swt) fear is mentioned to remind the parties that it is the bases of all contracts. Mortgages in Islam are a big topic and touching all its aspects is beyond this paper. Furthermore, Islam defines the principles of bids or auctions, which part of contract negationist, where parties are invited to place their bids, Islam provided the preventive measures to eliminate auction riggings like for example purchase splitting (to reduce the overall bidding value from purchasers' perspective) or Phantom Bids (which is basically a false bids to increase the value of the product from seller perspective) or other types of rigging, Islam already prevented that kind of rigging (called *Tanajosh*), as Abu Hurairah (*May Allah be pleased with him*) said: (*The Messenger of Allah (ﷺ) forbade that a man in the city should be the commission agent of a man from the desert and prohibited the practice of Najsh (i.e., offering a high price for something in order to allure another customer who is interested in the thing); and that a man should make an offer while the offer of his brother is pending..*), and In quran, Aal-e-Imran verse 77 (*As for those who sell the faith they owe to Allah and their own plighted word for a small price, they shall have no portion in the Hereafter:*

Nor will Allah (Deign to) speak to them or look at them on the Day of Judgment, nor will He cleans them (of sin): They shall have a grievous penalty.) as well as in Al Baqarah, verse 188 *(And do not eat up your property among yourselves for vanities, nor use it as bait for the judges, with intent that ye may eat up wrongfully and knowingly a little of (other) people's property)*, all this in addition to other examples from Sunnah, all to prevent such fraud and deceptive acts in people and companies contracts.

4. KEY PERFORMANCE INDICATORS AND RESOURCES

As explained in the Islamic values in management practices, these values form the foundation of all the values and ethics that are taught nowadays in business and leadership seminars, values like honesty, integrity, accountability, and fairness. A Muslim that is abiding by these values, practicing it in his/her daily life, either during work or outside the work definitely will affect his/her performance in a positive way, increasing their reliability, productivity, and above all, trust with work colleagues, subordinates, as well as manager. That being said, being Muslim itself won't automatically make someone as productive as described, unless he/she abides by these values and practice it as an actionable value, and doing both ethics (*Akhlaq*) and disciplines (*Sharia*) to ensure the overall work productivity.

SABIC is a big company with several daughter/affiliates companies, like SABIC Sukuk, Saudi Iron & Steel Company (Hadeed), National Industrial Gases Co (Gas), etc. or even associated companies like Saudi Methanol Co (Ar-Razi), Korea Nexlene Company (KNC), etc. (SABIC, n.d.).

All affiliated companies abide by the Saudi laws in providing resources and facilities such as having prayer area, halting the work for 10 minutes each prayer, facilities for ablution (*Wudu/daily wash*), etc. Even the headquarters for SABIC in Riyadh/Jubail includes such facilities.

SABIC and all its affiliated companies provide *Eid al-Fitr* and *Eid al-Adha* leaves for 4 days, and an additional 3 days for *Eid al-Adha* if the employees do Hajj (saudiarabiaofw, n.d.). Moreover, SABIC reduces the work hours as per the Saudi Labor law to 6 hours a day during Ramadan, instead of 8, and if any overtime work is done, the pays multiply by 1.5 (saudi-expatriates, n.d.).

Additionally, SABIC provides a lot of perks, like providing loans could be used to go for *Hajj*, an additional 5 days leave for getting married, with an option of furniture compensations up to 40,000 SAR. (stkfupm, n.d.)

Epilogue

With comprehensive details provided about the leadership and management practices at SABIC that align with Islamic core values, as well as more companies around the world thriving to improve its management and leadership styles based on ethical values provide a better and refined system compared to current Western ones, as it's not just concerned with the present world, but the reward hereafter. As well as the values and ethics already agreed on and taught at an early stage of Muslims' socialization process of life that eliminated any potential conflicts at forming, storming norming stages during the work, leading to an overall improvement in performing the work and a better company's financial outcome such as profit and non-

financial indicators such as working conditions, as well as influence over other companies to adopt such values.

Questions

Q1: Since it is leading and successful company of the Kingdom of Saudi Arabia, why SABIC does not go for IPOs (International Public Offer) like ARAMCO did recently to keep on trying to attract international investment (from outside the Middle East) to make it truly a global enterprise?

Q2: How do non-Muslim employees will view with the over dose of policy prescription as practiced by Islamic Management System in SABIC?

Q3: How does SABIC deal with those who do not adhere to Islamic teachings?

Q4: Suppose you were in charge of the company during the drop of the revenue recently (2019), what would you do differently for business sustainability? or what would you plan next to arrest short term drop in the profitability of SABIC?

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