

Qassim Cement Company: Case Study of Ethical Management

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ABSTRACT

ABSTRACT: The development of the economy of Saudi Arabia outside of the petrol-related industries is vital to the future of Saudi Arabia. Beside others, the Qassim Cement Company (QCC) is one of the major companies in the field of building materials that contributes to strengthening the Saudi economy. This case study explores the challenges of maintaining a high-level of competitiveness while remaining true to ethical values and practices embedded in the teachings of Islam. The Qassim Cement Company has sales of about SAR 800 million (about USD\$ 200 million) and a workforce of about 650 people. It has a profit margin of around 34%. By comparison, the average profit margin in the cement industry varies between 10% and 20%. Yet at the same time, interviews with employees suggest that the company implements Islamic principles of management. This case raises an important philosophical question about management principles universal or should they be adapted to the local context and culture.

Keywords:

Cement Industry, Islamic Management, Management Challenges, Saudi Arabia, Qassim Cement

1.0 INTRODUCTION

This case study deals with the performance and values of the Qassim Cement Company (QCC), a medium-size company based in the Kingdom of Saudi Arabia. This raises two important philosophical questions. First, are management principles universal? Second, is profit maximization alone a sign of good management?

Saudi Arabia is well-known as an oil exporting nation. Its current challenge is to diversify its economy so that it can prepare for a post-oil economy. The emergence of Saudi industrial companies is therefore of critical strategic importance to the Kingdom since pursuit of the Saudi Vision 2030 became a national agenda of development. Such companies must combine the productivity associated with any successful enterprise and

the values that reflect the Qur'an and the Sunnah. Some critics are sceptical that such a combination is possible. In this light, the story of Qassim Cement is not just a Saudi Arabian success story; it is a success story for the entire Muslim world.

2.0 OBJECTIVES

1. To identify the management challenges facing by Qassim Cement Company; and
2. To determine the Islamic and ethical management practiced by Qassim Cement Company.

3.0 METHODOLOGY

This study presents broadly two types of material. First, there is the primary data collected through a series of semi-structured

interviews conducted at the premises of Qassim Cement by research assistants who are MBA students at Qassim University and trained briefly for this purpose. Secondly, there is a wealth of material available from documentary sources and public domains that have been brought together in the form of literature search and studies, annual reports and organizational websites. The case study is tested in classroom settings and could be used to teaching cases in undergraduate and graduate classes to illustrate the application of the principles of management from Islamic perspectives. This could be done in academic environment and for the purpose of imparting instruction including training programs for the practitioners.

4.0 THE QCC CASE

The Qassim Cement Company is a Saudi Joint Stock company established in 1976. It was registered in Buraydah City in 1978. The principal activity is to manufacture and sell cement and its related products and perform all related works, directly or indirectly. QCC is capable to produce any type of cement but it focuses on ordinary port land cement, sulphate resistant cement, and limestone cement - finishing cement. It has about 650 employees. The shares of QCC are listed on the Riyadh stock exchange and news about the company is often mentioned in the Saudi press. Table 1 shows the ownership structure of the company.

TABLE I
Ownership Structure

Free stock	58.30%
Public pension agency	5.30%
General Organization for Social Insurance	14.30%
Public Investment Fund	23.40%

In the context of the development plan of the Kingdom of Saudi Arabia, the vision-2030 guides the development of the building and construction sector. It is expected to see an enhanced growth due to its broad concept to inviting investment, production and managing business

organization, and hence the sector will witness an evolution in the use of the advanced technologies. The country encouraged mergers between medium-sized companies to form bigger big entities with an ability to cope with the intense competition in local markets and commercial activities in the gulf region.

5.0 BACKGROUND

Some historical background to the formation of the Kingdom of Saudi Arabia is useful to appreciate the management philosophy of QCC. Before Islam, the Arab peninsular was well known for its idol worship. With the advent of the Prophet Muhammad (peace be upon him), the entire Arabian Peninsula embraced Islam and the Arabian civilization flourished. After several centuries, certain acts of worship – new forms of idolatry – appeared in certain parts of the Arabian Peninsula. In remote areas, people started worshipping graves or trees. The whole Arabian Peninsula seemed to have returned to a kind of almost pre-Islamic culture. By the 18th century, a preacher – Muhammad Ibn ‘Abd al-Wahhab – belonging to the Qassim region allied himself with a prince – Muhammad Ibn Saud – and fought an internal war to get rid of these new forms of idolatry. Later, Abdulaziz Ibn Saud, one of the descendants of Muhammad ibn Saud, united different provinces and formed the Kingdom of Saudi Arabia in 1932. The idea though that the Saudis had almost “lost” their Islamic identity in the 18th century has shaped the way Saudis see their country and Islam.

Furthermore, the Saudis – like all Arabs in the Middle East – have had to deal with the aftermaths of colonization, the creation of the state of Israel, the rise of Arab nationalism, the Iranian revolution and the Iranian effort to spread Shia Islam around the world, the First Gulf war, the Second Gulf war, and very unpredictable oil prices. More and more, American-style management is seen as a leftover of imperial policies of the United States. Colonialism is when one country invades another and controls it directly. Imperialism is about indirect control. It is

when one country dictates to another independent country how it should operate.

People that are not familiar with the Middle East might assume that all Arabs are the same. This misses the point completely. First, most people living in the Middle East are not Arabs. In some of the Gulf countries, expatriates form 90% of the population. But even among Arabs, there are enormous cultural differences between an Egyptian, a Lebanese, a Syrian, a Palestinian, a Saudi, or an Omani.

More and more, Saudis want to explore and operationalize the principles of Islamic management. People from outside of Saudi Arabia might not appreciate this form of management but that is not the problem as far as the Saudis are concerned. It is their country, their religion, and their culture.

6.0 ORGANIZATIONAL ASSESSMENT

The typical approach in evaluating a company is to complete an internal audit and external audit. The aim of the internal audit is to establish the company's strength and weaknesses. The aim of the external audit is to establish the opportunities and threats in the marketplace.

In an ideal situation, such audits are heavy with numbers. For example, if company A takes 4 days to produce a product and the industry average is 6 days, and then it is easy to conclude that company A has a competitive advantage. Unfortunately, such objective data is virtually impossible to find in Saudi Arabia. A much more common scenario is that one can find more qualitative information as is shown in Table 2.

TABLE II
A SWOT Analysis of QCC

Strength	Weakness
Has a reputation for value for money.	Lack of diversification of products.
Stable financial position.	No women in higher management.
High quality products.	The production process is more strongly affected than others by economic and political factors.
The company has an excellent relationship with companies and suppliers.	Industrial pollution of the environment due to the plant.
Information technology is used efficiently in the production process.	
Distinctive job loyalty and training programs	
Opportunity	Threats
Expansion of distribution centers in the region (vertical integration)	Having strong competitors like (Hail Cement Co and Saudi Cement Co).
Consumers want ease of buying (e.g., internet retailing)	Political issues like prohibition of export to abroad.
Product expansion.	Economic factors such economic fluctuation, especially after COVID-19 crisis.
Increased building rates for citizens in cities	

7.0 THE CORPORATE LEVEL STRATEGY

At the corporate level, the senior management of QCC has relied on a concentration strategy by buying up local competitors when possible. , At the same time, the senior management has to respond to political and sovereign factors in the Kingdom. For example, many companies

involved in the building materials industry started exporting to foreign markets. To preserve the local market from a lack of supply, the government prevented Saudi companies from exporting their products.

The government issued a number of licenses to investors to establish new cement companies such as Hail Cement Company and Northern Border Cement Company which were within the scope of the Qassim Cement

Company market. Hail Cement Company had sales of about SAR 260 million and a profit margin of around 32%. Northern Border Cement is a SAR 150 million with a similar profit margin.

The raw materials of Qassim Cement Company, which is represented in the nature of the land of the Qassim region, in the diversity between sandy and limestone land, which contributed to giving production operations a good advantage.

8.0 THE BUSINESS LEVEL STRATEGY

QCCs competitive advantage in the building materials market is largely due to its strategic focus on product quality. Even with new competitors in the neighbouring regions, QCC's focus on quality helped QCC develop a

brand that has helped it with the recent period of economic stagnation due to the COVID-19 situation. Table 3 shows the performance reported since 2015.

TABLE III

Some Financial Results					
	2019	2018	2017	2016	2015
Sales	785	760	600	815	1000
Net income	270	260	215	400	580
Profit margin	34%	34%	36%	49%	58%

Although there is an obvious decline since 2015, the numbers for 2018 are still quite impressive. Some additional information is found in Figure 1 and Figure 2.

FIGURE 1

Statement of financial position (in millions of riyals)

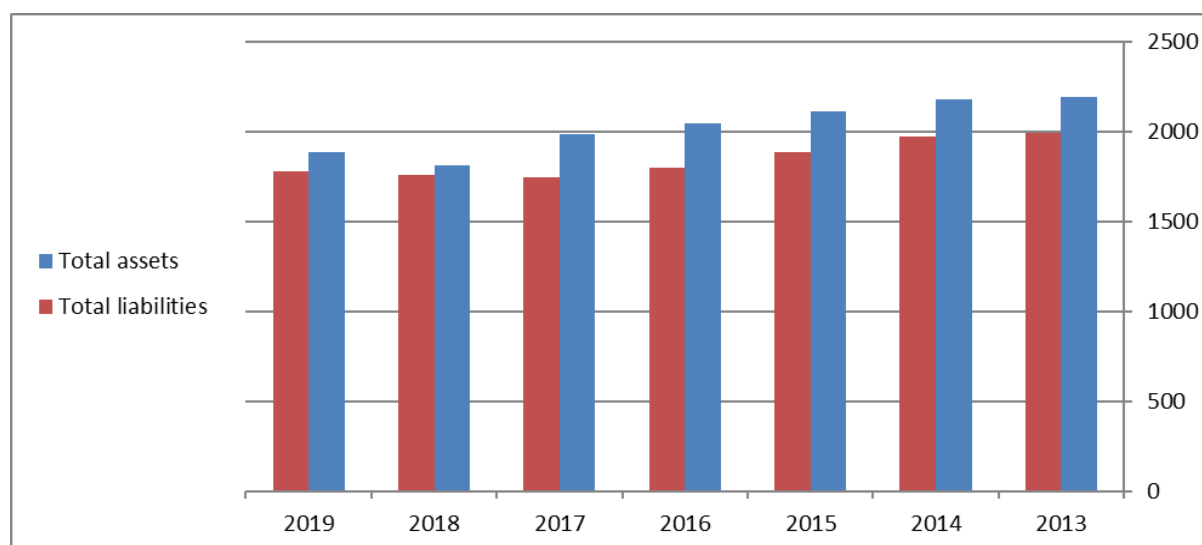
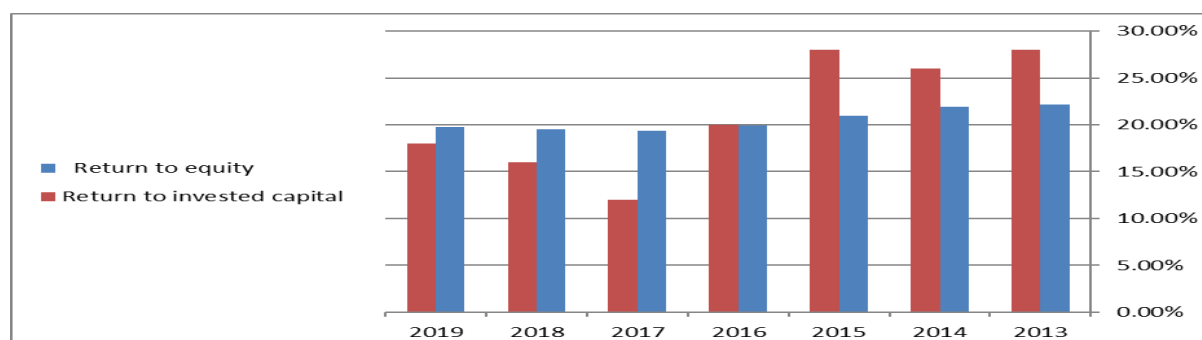


FIGURE 2

Statement of financial position (in millions of riyals)



The financial data and key ratios indicate that the level of the Qassim Cement Company financial performance has declined in the years from 2015/2018 due to the decline in oil prices, which the Saudi economy depends on, quite the opposite of that we find that the years from 2013 until 2014 and earlier the region was experiencing rapid growth in the building materials market due to the economic boom witnessed in the Kingdom. On the other hand, 2018 and 2019 showed a good improvement in the income statement as well as in the return on investment, due to a number of reforms adopted by the government that helped increase growth, for example: increasing the level of lending to citizens that helped in the growth of the building materials market. Also, the increase in non-oil revenues contributed to the improvement of the Saudi economy.

The performance of the Qassim Cement Company is often the subject of speculation in the financial press. For example, a website called "simplywall.st" published an analysis in July 2020. They noted

that the stock had risen 16% over the period of one month (i.e. June 2020 to July 2020). It notes that Qassim cement has a return on equity of 23% compared to the industry average of 8.2%. The article focuses on the high dividend policy which is currently at 106% over the last three years. This means that the company pays out more than its reported profits. The website source questions whether this is an efficient use of its profits and whether this is sustainable.

In truth, it is hard to process the financial information found in Table 3 because the profit margins seem so incredibly high. Table 4 lists the five largest cement companies in the world. These companies have a strong technology and an excellent reputation in the marketplace. The profit margin normally does not exceed 10%. Anhui Conch Cement, a huge Chinese company, is the exception with a margin of 21%. In many cases, these companies carry huge debt because they borrowed extensively to buy competitors. CEMEX, a Mexican company, is particularly "debt-heavy".

TABLE IV
The Five Largest Cement Companies in the World

Rank	Company	Currency	Sales	Net Revenue	Margin
1	LafargeHolcim	CHF	26.7 BILLION	2.07 BILLION	7.75%
2	Anhui Conch Cement	RMB	157 BILLION	33.6 BILLION	21.40%
3	China National Building Material	RMB	253 BILLION	11 BILLION	4.35%
4	Heilderberg Cement	Euros	18.8 BILLION	1.2 BILLION	6.40%
5	CEMEX	USD	16.7 BILLION	1.7 BILLION	10.10%

9.0 THE MANAGEMENT CONCEPT AT QASSIM CEMENT

In this part of the research, some Islamic management concepts are presented. These concepts helped frame questions and different employees were interviewed. To our question on management practices which extent of the company's management application of these following Islamic practices;

9.1 Incorporate Islamic Teachings into its Management Practices

Islam is a comprehensive, integrated and holistic religion that governs and interweaves all aspects of life (Ahmad, 2007). Islam is not limited to worldly matters. Muslims believe that everything that human beings do in this world will be judged in the hereafter. Therefore, to achieve success in the hereafter, a person must follow the moral laws of Islam and social laws. In practice, this gives Muslims a lot of discretion. The lists of things that are forbidden are few. These are generally universal principles – like not cheating, not lying, and so forth. In contrast, the list of

things that are permissible is unlimited. Thus, one can choose whether to become a teacher, a doctor, an engineer, or a manager. At a basic level, human beings have been created to worship God according to the Noble Qur'an (51:56). In practice, this means that Muslims should manage organizations in the light of the Qur'an and the prophetic traditions (Mohiuddin, 2012).

Many management concepts, tools, and practices remain the same. However, Islam encourages a more balanced view of management. Individuals are not simply a "workforce" to be exploited. They have emotional and spiritual needs as well. Profit maximization is not the end goal of Islamic management. Rather, Muslim managers ought to find a balance between the needs of all stakeholders. Rather than being strict prescriptions, Islamic management encourages Muslim managers to think deeply about their core values.

In the Qassim Cement Company, these Islamic teachings can be captured in many aspects. For example, in the planning, systems are worked out within the unifying model to harmonize the spirit of unification with planning. Likewise, the company's representative stress that the company is committed to the teachings of Islam, as it focuses on honesty, and good social interaction between employees at all levels of the company. Among the various Islamic teachings, one in particular is very relevant to good management. Known as *shura*, it encourages collective decision making inside the company. Such collective decision-making means that a consensus emerges as to what is the best decision for the company. When necessary, the Qassim cement company consults specialists inside and outside the company. The significance of the *shura* is that it was the common practice of the Prophet (peace be upon him). It is not just another meeting. Rather it is a meeting whose final outcome will be judged in the hereafter.

The principle of accountability is paramount in Islam. In practice, the Qassim Cement Company applies many of the processes that exist in global multinationals. The system of authority and responsibility

makes it imperative for the head of a department to take care of their subordinates. Respondents confirmed that this practice includes raising their requests to the Board of Directors, such as approval of loan applications or complaints. In the context of the local culture, this is not simply "good management". This is in fact a moral obligation.

9.2 Encouraging Employees to Incorporate Islamic Culture into Management Practices

There exist a number of Islamic concepts that dominate the thoughts of Muslim managers. This topic is often presented in Western textbooks in a somewhat derogatory manner. This section seeks to document these concepts.

- *Tawhid*: Tawhid means to worship God alone. Worship includes knowledge, emotions, and actions. For example, it is not possible for a Muslim to love wealth more than God or His Messenger (peace be upon him). Belief in God should lead managers to be good employees and good citizens. Tawhid would encourage Muslim managers to pray, fast, and give charity. However, it includes management practices (like setting goals, developing effective processes, and evaluating performance) in order to not waste resources. However, respondents reported that the Qassim Cement Company regularly gets involved in initiatives to develop the local community. For example, it collaborated with other agencies to contribute to the funding of the Qassim National Hospital.

- *Iman* (faith): Iman is a term that is difficult to translate. It is more than simple belief; it is belief followed by action. There is an overlap between iman and tawhid. One can think of iman as the seed of a tree, tawhid is the trunk, and good deeds are the fruits. Iman resides in the heart. It is linked to a firm belief in God, His Messenger (peace be upon him), and the hereafter. One of the consequences of iman is contentment with god's decrees. This should not be confused with fatalism. Iman requires Muslims to make their best effort but accept

that their efforts may or not bear fruits. At the Qassim Cement Company, respondents say that the company contributes to various charities. At the same time, the organization needs to achieve its strategic and operational objectives. In particular, the company is very concerned with its reputation in the marketplace.

- **Taqwa:** Taqwa is another key concept that is difficult to translate into English. It is often translated as "God consciousness." The idea is that a person of taqwa would take all the necessary precautions to achieve his or her spiritual and worldly goals. Taqwa includes a strong element of risk management in it. Taqwa means that things should be done in a proper way, respecting both the spirit and the letter of the law. Sometimes taqwa means incurring a worldly loss in order to secure a spiritual gain. In the Qassim Cement Company, one story related one of the employees of Indian nationality. As an employee, he had medical insurance for him and his wife, but his wife suffered from kidney failure. The insurance covered some of the costs but not all the cost associated with the disease. The Indian employee found a cheaper medical solution in India. The Company helped the Indian employee to send her wife to India and cover some of the extra medical costs. Technically, it did not have to do so. However, the story went round all the 650 employees and emphasized the caring nature of the senior management towards their employees.

- **Ihsan** (excellence towards others): In a prophetic narration, the Prophet (peace be upon him) described ihsan as "imagining that God is watching you all the time". This awareness leads Muslims to monitor their intentions and behaviour. Obviously, such a state of awareness is difficult to maintain. However, when one is surrounded by good people, everybody can remind one another whenever someone slips. This notion of ishan resonated with all the respondents and seemed to be one of the core values inside the company.

- **Al-haqq** (truthfulness): Al-haqq is another comprehensive word that has four dimensions to it: truth, purpose, justice, and rights. The

awareness that the purpose of this life is not simply to acquire material wealth but to prepare oneself for the next life has an important consequence. It promotes intrinsic motivation and transparency

- **Itqan** (quality work): Islam advocates seeking perfection through a process of continuous improvement. Managers with the sense of itqan encourage their employees to upgrade their knowledge and skills. They value creativity which in turn is expected to enhance the quality of products and services offered by the firm. In the company, Itqan means that trainers conduct training courses so that employees reach the required levels of proficiency in the work. Itqan can also be found when recruiting excellent employees. The overall goal is to ensure that the reputation of the company and its products is well-established in the marketplace.

- **Sabr** (patience and constancy): In QCC, this concept means that senior management does not overreact to the changes in the business environment and avoid the trap of falling into costly mistakes due to hasty decisions. This is an important because, for many decades, Saudi Arabia had a booming economy fuelled by apparently unlimited petrodollars. The Kingdom is now adjusting to the reality that a post-petrol economy needs to be built. This requires new expectations and dealing with new uncertainties.

- **Ikhlas** (sincerity): The sincerity of employees means that trust and cooperation can propagate within the company. Clearly, there will be errors and miscommunication. But these issues can easily be overlooked when one is dealing with someone who is sincere in his or her work.

- **Adl** (justice): The Qur'an commands Muslims to be fair and just in any circumstances. This means procedural justice (the same rules apply for all) and distributive justice (people are given similar workload). In practice, a system that is perfectly just is impossible. So, there will be some small deviations. By and large, the theme of standing up for justice is mentioned repeatedly in the Qur'an. It is mentioned almost as often as remembering the hereafter. This sense of justice is particularly important because the workforce

of QCC is quite diverse and justice is something that everyone, regardless of race, religion, or gender, values.

- *Ahd* (agreements): The word “ahd” is again difficult to translate accurately in English. All relationships – with God and with other people – are based on promises and agreements. These can be verbal or written, implicit, or explicit. These agreements can sometimes be enforced by the Kingdom’s judicial system. Like many companies, QCC employees often handle sensitive information. They are responsible for protecting this sensitive information. Thus, if any God employee exposes the company’s secrets, he or she will be punished. The punishment can range from a dismissal to a prison sentence.

- Act as *khalifat-ul-ardh* (steward on the earth): The idea of stewardship is part of the Islamic faith. This stewardship means exploiting God-given resources in a sustainable manner. This has become one of the dominant issues of the 21st century. Certain industries are necessary to human life, although they are “dirty” from an ecological point of view. From that principle, employees of the Qassim Cement Company act as stewards in extracting the materials necessary for the cement industry. This requires knowledge, skill, and technology.

- A related concept is that of *amanah* (trustee): The earth’s resources are limited. It is important for a person to conserve his resources even if they are available in large quantities. The idea that these resources are a trust to be used wisely implies being questioned on the Day of Judgment for misusing such resources. With this in mind, engineers at QCC have taken a number of initiatives to reduce unnecessary pollution by installing large filters.

- The objectives of *hasanah fi’l dunya* (the rewards of this world): Islam emphasizes seeking the goodness of this world and the hereafter. In that sense, being wealthy and enjoying this world is not a sin. However, enjoying this world should not be at the expense of the hereafter. This “spiritual balanced scorecard” is well understood by educated Muslims. In this sense, achieving the

vision, mission, sales, and profitability of the Qassim Cement Company is “Islamic” as long as no cheating, lying, or deceit is involved. This understanding should motivate employees to work hard, not simply for religious reasons, but mainly for personal reasons.

- *Falah* (success by serving the community): Literally, *falah* means success. It comes from the same root that relates to farming. In other words, one works hard in this world and reaps the rewards in the hereafter. *Falah* implies pursuing any act that would please Allah. This includes personal acts of worship, respecting moral obligations, but it also implies serving the community. From the five-time-a-day call to prayer, Muslims are reminded every day to strive for *falah*. In this light, the Qassim Cement Company has been very active. This includes building a laboratory for the vegetable market in Buraidah, sponsoring the date festival, and contributing to building a private hospital in the region.

- Encouragement to do *amal-salih* (virtuous acts): Encouraging good deeds is an important Qur’anic principle. To encourage this attitude, respondents report that the company recognizes exemplary employees and distinguished people. Any virtuous act must be based on the proper *niyyah* (intention): This is a principle that all children, starting in primary school, are taught. Acts are based upon their intentions. Good behaviour based on the wrong intention is not blessed by God. Thus, all the employees in the company know that their actions – whether in terms of manufacturing, sales, or service to the community – depends on the right intention behind their actions. The company is particularly interested in establishing an excellent reputation, for its products and the company as a whole, in the market.

These lofty values and goals may seem overwhelming for non-Muslims. Obviously, Muslim employees cannot reach these goals all the time. However, these values and principles are ingrained in the teachings of Islam. Muslim children learn them early and spend the rest of their lives developing the values, habits, and skills necessary to put them into practice.

9.3 Leading and Managing

The Prophet Mohammad (peace be upon him) said that every person is a shepherd to their flock. Of all the theories of leadership, the idea of servant leadership is the one that resonates the most with Muslim scholars. Rather than simply “exploiting human resources”, leader should be in the business of serving others and helping their subordinates to grow. Every leader should be aware of their circle of influence and work to expand it. Researcher like Altalib Hisham (1991) identified the characteristics of good Muslims leaders. These characteristics are applicable for the managerial role played by QCC leaders by demonstrating the following leadership attributes.

- Allegiance: The managerial leader (CEO) in QCC is bound in allegiance to Allah.
- Global Islamic Goals: The leader perceives the goals of QCC not only in term of the interests of the group, but also in terms of wider Islamic objectives.
- Adherence to Islamic Manners: The leader must adhere to Islamic injunctions. He can only continue his office as long as he observes Islamic principles. His behaviour must conform to Islamic manners. Such as following the teachings of Islam in the payment of zakat due on the company, praying with employees and allowing employees to apply the teachings of Islam to spread the values of tolerance.
- Delegated Trust: Islamic leadership is a position with divine trust. He must fulfil this trust with the highest degree of responsibility. He delegates some of his authority to each head of department but he remains responsible for the company overall.
- Al-Shura: The principle of consultation (shura) is enshrined in the Qur'an and the Sunnah. In practice, the most critical decisions are made by the board of directors. They get the input from relevant departments, whether engineering, production, marketing, or finance, before making critical decisions.

10.0 RESPONSES FROM EMPLOYEES

The value of this case is to highlight the practices of Islamic management. There are thousands of case studies in the area of conventional management but only a handful of cases that looks at how a medium size company applies the principles of Islamic management. This case is also interesting because QCC has many non-Muslim employees.

In completing this case study, interviews were conducted with people from multiple departments. Generally, there are no significant differences in terms of processes, procedures, and operational efficiencies. However, every Muslim respondent could link their activities to a prophetic narration or an ayah of the Qur'an. More than anything, Islamic management promotes the awareness that God is watching you all the time and that self-discipline is the key. At the same time, God is a loving god so that when one makes a mistake, one simply fixes that mistake and moves on. All Muslim employees appreciate that the company helps them to fulfil their religious obligations without hindrance. On top of that, the company has a policy in which it can loan money to employees. These loans are interest-free based on the principle of *qard hasanah* and can reach a maximum of eight times an employees' salary. The board of directors has the right to increase this amount for exceptional cases.

With regards to non-Muslim employees, many are baffled by Muslim practices and terminology when they join the company. In practice, Muslim employees share books with their non-Muslim colleagues so that they understand Islamic principles and culture. The right of non-Muslims to practice their religion is guaranteed by Islamic law.

At the same time, employees are aware that there are still areas for improvement. In particular, every respondent is aware of the importance of research and innovation. Yet no department is responsible for research and innovation. The company has a generous policy with regards to recruiting and training but the fact that there is no formal structure to promote innovation inside

the organization seems strange. The argument could be made though that as long as one recruit's creative people and give them the right support, innovation will happen anyway.

11.0 CONCLUSION

We can conclude that a common understanding of the term cases and "best practices" is that they are strategies and activities, or approaches and principles that have been shown through research and evaluation to be efficient as well as effective. Owing to the huge popularity and the resultant excitement generated by a host of business practices and techniques, best case practices have generated many definitions.

The subject of the study was the Islamic case management and best shariah practices in management from perspectives of the Muslim managed organizations. Islamic perspectives to case management are a growing field of study and enquiry. However, the best practices, on the other hand, are a compendium of modern concepts that encapsulate the idea of applying the excellent methods and techniques irrespective of where they are available from to demonstrate efficiency and effectiveness. Qassim Cement is one of these Muslim managed organisations in Saudi Arabia to share with this concept and practices. This would enable also to share these case management practices in class to train a future generation of potential managers currently undergoing training by graduate schools at institutions of higher learning.

As a suggestion for future studies is that the idea of management case studies and sharing best practices are not new since companies and organizations are exposed to ever-greater competitive pressure. They need to be and stay, or become among, the best-in-class in order to survive. Both industry and academia have put a lot of efforts into identifying knowledge, processes and tools that can be labelled as best practice in the form of case studies. The authors maintain that continuous identification of 'best practice' in all areas in the organization will

lead to superior performance and capability resulting in increased competitiveness. Company applies the principles of Islamic management. This case is also interesting because QCC has many non-Muslim employees.

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13.0 QUESTIONS

In the age of the internet, there are multiple sources on line that would give readers additional information on the competitive situation in Saudi Arabia. Certain concepts – like innovation – are quite vast so that a question that may appear “simple” at a surface level is in fact deeper.

Q1. Assess the overall performance of the Qassim Cement Company. This assessment needs to cover operational and financial issues. Give it a mark out of 10 (1 means “terrible” and 10 is “excellent”).

Q2. Assess whether the current performance of QCC is sustainable over the next five years. This sustainability can be with regards to other companies in the region but also in terms of meeting the social expectations of Saudi Arabian society.

Q3. With regards to the feedback of company employees, the most obvious problem seemed to be the lack of a department dedicated to research and innovation. Has this prevented operational excellence in the past and will it hamper innovation in the future?

Q4. This case raises a more generic question. Are theories and practices of management universal? Or should they be adapted to the culture of a specific society? If they are not universal, then how it is possible to decide whether one way of managing is better than another?