



Ministry of Human Resource
and Social Development
Kingdom of Saudi Arabia



Guide Manual to Business Ethics

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Foreword:

Minister of Labor and Social Development

Saudi Labor Law enhances the values of justice together with job security and stability, establishes principles of social peace, and protects humans' rights in KSA. Therefore, the business ethics charter is deemed a fundamental pillar of increased production. Code of conduct and business ethics create more attractive work environment that would result in professional efficiency achieving job security and social stability.

Business ethics may reduce the number of disputes, eliminate corruption, and enhance work, bestowal and loyalty, as the good ethics make the employers fairer when evaluating their employees. Thereupon, such evaluation will be based on merit and equal opportunities ensuring the right of grievance and promoting the sense of initiative and innovation.

Transparency, the pillar of success, is one of the business ethics. It makes the work environment more developed and productive, as the disclosure of matters that raise the concerns of individuals and working groups would make them more loyal and eager to achieve progress.

Furthermore, this guide builds up the relationship between workers, as they spend more time together than the time spent in their houses. Thus, the guide emphasizes the values of mutual respect, constructive cooperation, and the respect of traditions and customs. Islam has urged us to adhere to such values.

As we started the speech with Justice, we will conclude it with this brief statement. The contemporary legislations rejected the racial discrimination and supported the principles of equality. Before the issue of such legislations, Islamic religion was the first to establish the values of justice and equality, as equality without justice is an evident grievance. Persons differ in terms of their capacities and abilities, so that it was necessary for justice to come before equality, particularly in the consequent rights.

This guide launches a new phase of justice, proficiency, transparency, loyalty and bestowal.

Allah says:

"Work (righteousness): Soon will Allah observe your work, and His Messenger"

Surat Al Tawba, verse (105)

The Prophet Mohammed (PBUH) said:

"Allah will be pleased with those who try to do their work in a perfect way"

Narrated by Abu-Ya'la: Musnad (4386)

Introduction:

The guide to business ethics is one of the most important national projects made by the Ministry of Labor and Social Development, as the charter is important in creating positive and competitive work environment that would be a source of pride and a place of national and international pride ensuring achievement of the job stability. Thereupon, the Ministry prepared the guide to business ethics to be followed by the establishments in KSA while drafting the regulations and internal policies, including the internal business ethics.

The Ministry hopes that this guide would be the beginning of a new phase comprising positive foundations and benefits, serving the interest of all relevant parties in the labor market within KSA, and developing international competitive environment.

Definitions:

Saudi Labor Law: issued under the Royal Decree no. (M/51) dated 23/ 08/ 1426 H, as amended.

Employer: any natural or legal person employing one or more workers for a wage.

Worker: any natural person working for an employer and under his management or supervision for a wage, even if not under his direct control.

Business Ethics: set of behavioral rules that shall be observed by the worker toward his duties, the community as a whole, and himself.

Bribery: a kind of corruption refers to the cases where a person or entity pays money or provides service in order to benefit from unlawful right or to exempt itself from certain duty. Bribery is deemed a felony and those who commit it shall be subject to the penalties prescribed in the law; whether they are workers, employers, or persons seeking to achieve personal interests or third parties' interest.

Justice: establishing equality between people and giving rights without any discrimination in terms of color, lineage, wealth, or race.

Donation: providing property to a certain person without any requests or conditions. The provisions of donation acceptance and rejection shall be in line with the policies followed by the employer.

Transparency: providing accurate information on time, allowing people to access it, and taking all procedures that would enhance participation, oversight, accounting, and corruption combating. It would be included in the guide as the necessity of disclosing any activities related to the work and occupational functions between the worker and the employer.

Disclosure and Reporting: Disclosing any facts and details relevant to certain issue having positive or negative impact. The disclosure indicated in this guide requires the worker's disclosure of what may negatively or positively affect the employer's interest as well as the employer's disclosure of what may negatively or positively affect the worker's interest.

Conflict of Interest: the situation where the worker's subjectivity and independence are affected during his performance due to material or moral personal interest that is significant to him or affects his performance due to direct/indirect personal considerations, or due to obtaining information related to the employer's works.

Work Environment: all circumstances surrounding the workers at the time and place of work, including moral, material, temporal and spatial conditions.

Business Ethics in Islamic Religion and Labor Law

Islam emphasizes the importance and value of work, of whatsoever kind, as work is considered a worship in Islam.

Therefore, Islam establishes multiple concepts and pillars in terms of the business ethics as well as the manner of dealing with the parties to labor relation. One of the most important Hadiths in relation of the employer's obligations urges the payment of the workers' wage on time and without any delay, as the Prophet (PBUH) says; "Pay the worker his dues before his sweat has dried up." This is exactly adhered to by the entities concerned with organizing the labor relation, such as Ministry of Labor and Social Development, to ensure the employer's compliance through wage protection system used to monitor the disbursement of wages to all workers of the private-sector establishments.

Islam establishes another multiple concepts such as non-discrimination, equality, and other general behaviors and ethics.

Through the Saudi Labor Law, KSA recognizes the international labor standards and always strive to enhance the labor relation and develop work environment to be more attractive for all relevant parties. Thereupon, it regulates the conduct of the relevant parties to prevent abuse of the employer power and to avoid any negligence by the worker in terms of performing its occupational functions, so that the stability would prevail in the work environment.

Saudi Labor Law provides the necessary protection for workers and employers. Furthermore, it provides appropriate working environment for female workers and considers their circumstances without any discrimination between women and men, giving women nature. In addition, Labor Law ensures the employer's right to require the worker to undergo an appropriate probation period by extending such period upon the worker's written approval and giving him an opportunity to prove that he deserves such work.

The guide to business ethics complies with the Saudi Labor Laws that strive to develop a clear vision for the parties to the labor relation that is not included in the law and considered one of the general concepts that shall be followed by the parties to the relation.

For more information, please visit labor culture website (work culture) through the below link:

<http://www.laboreducation.gov.sa>

Objectives of the Guide:

This guide aims to enhance the labor relation, code of conduct and business ethics as to yield positive results in the labor relation. Thereupon, the work environment would be more attractive giving rise to professional competence, sustainable job security, and proper workflow.

Furthermore, adherence to business ethics would increase the worker's productivity, ensure the employer's proper management of the establishment, and enhance the confidence between the relevant parties.

The charter involves and emphasizes multiple ethical principles and pillars represented in the followings:

- Justice, equality, and non-discrimination
- General appearance
- Honesty and trust
- Non-abuse of power
- Work environment
- Public morals
- Teamwork promoting

Thus, these rules shall be translated into behaviors and practices that shall be followed by the parties to the labor relations. Therefore, this guide is deemed a reference comprising the key rules that guide the relevant parties to the manner of dealing, the manner of performing the duties and the characteristics that shall be honored by the employers and workers.

Labor Relations

Worker's Ethics and Behaviors

- The worker shall perform the assigned duties and functions responsibly and efficiently according to the best practices within the reasonable period, and during the working hours honestly and objectively to precisely and professionally serve business interests in good faith. Doing so, the worker shall be acquainted of all regulations and labor policies following and achieving goals and objectives, without any misuse, negligence or violation of work. Furthermore, the worker shall always strive to improve and enhance his professional performance and capacities.
- The worker shall dedicate the official working hours for job duties and tasks and avoid the performance of any activities that are not related to his job during such hours. The worker may not authorize another coworker to perform his duties, unless authorized under the employer's written consent. The above may not apply to the cases of force majeure (i.e. wars, fires, floods, famines, earthquakes, violent epidemic diseases, or invasions of animals, insects, plant pests, etc.)
- The worker may not get to any act that could violate public morals and good conduct, or any behaviors or practices that could violate Islamic precepts, such as insulting or inciting against the religious beliefs of others inside or outside the workplace.
- The worker shall facilitate the investigation and inspection procedures carried out by the competent authorities with all possible means and ways through providing the necessary information and responding to inquiries of those responsible for investigation and inspection, as per the Labor Law and policy.
- The worker may not hesitate to work overtime if required by the business interest, requested by the employer for the purpose of business continuity, or in cases of disasters and dangers threatening the safety of the workplace or the workers, so long as this matter does not contradict the laws and regulations of the Ministry of Labor and Social Development.
- The worker shall maintain technical, commercial, and industrial secrets of the materials that he produces, or which directly or indirectly contribute to production, and all occupational secrets related to the work or the establishment that, if disclosed, would harm the employer's interest.
- The worker shall take care of the machines, instruments, equipment and raw materials owned by the employer and put under the worker's management or custody, and give back the non-consumed materials to the employer.

Employer's Ethics and Behaviors

- The employer shall evaluate the worker's capacities based on the merit, competitiveness, and equal opportunities. Furthermore, he shall enhance the capacities of the worker and encourage him to improve his performance. The employer shall be a good role model for the workers in terms of performance and compliance with applicable laws.
- The employer shall provide appropriate training opportunities to develop the worker's capacities and its career path.
- The employer shall provide opportunities for discussion, freedom of opinion and expression within the framework of action.
- The employer shall ensure the worker's right of appeal or grievance against any wrong decision issued against him.

- The employer shall treat workers fairly and equitably without any discrimination.
- The employer shall promote the sense of initiative and innovation and provide opportunities for the workers to come up with proposals relevant to improving services, developing work, and enhancing the mutual confidence and understating.
- The employer shall provide innovative environment and reward distinguished workers in a manner commensurate with their innovations and businesses.
- The employer shall develop the workers' capacities and encourage them to improve their performance. Furthermore, he shall be a good role model for workers in terms of performance and compliance with applicable laws.
- The employer may not make use of any personal information, sources or materials without the worker's permission.
- The employer shall follow the principle of equality in all cases regardless of the race, color or religion.

For more information, please visit labor culture website (rights and duties) through the below link:

<http://www.laboreducation.gov.sa>

Common ethics and principles

Transparency:

Transparency is a key element in creating an environment suitable for enterprise success. In an atmosphere characterized by openness, workers will be able to ask questions, reveal things that concern their thinking and express their opinions without fear of punishment. Workers' participation in work-related issues facing the employer may lead to finding better means for work mechanisms, problem-solving, saving money, etc. The transparency helps employers improve their performance and know the mistakes made to avoid them, and, thus, provide an appropriate high-productivity work environment.

Among the benefits of creating an atmosphere of transparency and clarity between the employer and the worker are the following:

- Increased communication between the employer and workers.
- Increased opportunities for communication between senior officials with workers.
- Establishing trust, cooperation, and commitment.
- Getting workers to handle and accept change.
- Limiting the impact and promotion of rumors and preventing any misunderstanding.
- Catering to the role of the department head or team leader.
- Urging the worker not to hide any information related to his work in order not to affect the decisions taken, except what may be interpreted as disclosure of work secrets or what negatively affects the nature of the work and the interest of the employer. This fact shall be governed within the framework of the employer policies and regulations.

Listening:

The meaning of listening differs according to the nature of the relationship between the parties. In the labor relationship, finding communication channels concerned with the mechanism of communication of the worker with the employer is one of the elements of a healthy environment that helps know the worker sufferings inside or outside the work and, accordingly, remove them, the matter that would push towards positive participation between the parties. Communication through good listening between the parties to the relationship stimulates a meaningful and constructive conversation, and even establishes a spirit of participation.

Providing the opportunity to the worker to express any misuses, violations, or difficulties that he faces in work, and completely and accurately informing the employer of the same provides the appropriate environment for the continuity of high-productivity work.

As for the employer, the worker's communication will be an auxiliary element to specify the needs of the worker and try to understand and analyze the worker's personality through his speech and strength, ambition, or weakness in his character, and steps that lead to recognize the best ways to develop the performance of the worker. In addition, worker's communication would lead to recognizing the problems faced by the worker, and, thus, solve them, which will reflect positively on the work environment.

Participation, teamwork, and cooperation:

The principles of participation, teamwork, and cooperation aim to:

- Establish team spirit concept to which each worker shall perform his duty, so that the result can be embodied in the success of their work.
- Get worker to share the experiences and knowledge he possesses with his coworkers. This matter has a great impact on disseminating knowledge, sharing experiences and know-how among workers, and an impact on developing the skills of workers, the resulting proper decision-making and finding appropriate solutions.
- Establish collaboration between coworkers and opinion sharing professionally and objectively, and provide assistance to solve problems faced by them in work.
- Get the worker to provide the required information from his coworker regarding the works and activities within the assigned powers accurately and quickly without misleading.
- Promote work skills to increase efficiency through long-term and continuous learning and training; and this can be done through the help of the employer and the rest of the workers to enhance their knowledge and skills.
- Get the employer to involve workers in the process of decision making as to include non-managerial workers, share opinions with them, consult them, and benefit from their recommendations and suggestions.
- Help stick to positive and cooperative sense in all day-to-day practices of workers, as they have a positive impact on the career to increase the efficiency and productivity of the worker and the ability to achieve the goals.

Disclosure and reporting:

Generally;

- The worker shall report any detected violations giving due attention to the interest of the work.
- When reporting, the worker may not go beyond the respect and esteem to his heads and duties of his job, as reporting intends to disclose violations primarily to control them; so he never can prepare such reports driven by the desire to harm or drive a wedge against coworkers or heads, challenge their integrity or disrespect them.
- The worker shall disclose (violations) according to the policies followed by the employer and address such disclosure directly to the employer or his representative without negatively affecting the interest of the employer.
- The worker shall report any violations to the regulations and procedures in force in KSA that have come to his knowledge, whether those violations are related to the establishment, the national security or others.

The employer shall:

- Facilitate ways to disclose and report any violations or material information, be it positive or negative, by developing express procedures and regulations in respect of reporting to ensure the information reaches the competent person in the workplace and appropriate measures are taken for each case.
- Be up to the fact that the worker never gets harmed as a result of disclosure, even if such disclosure might negatively affect some workers.

Conflict of Interest:

To the worker, conflict of interest can occur in a situation where the objectivity and independence of the worker's decision to work conflicts with a personal, material or moral interest mattering him or one of his relatives or friends. The worker shall adopt the following principles to avoid conflicts of interest:

- Avoiding any actual or potential conflicts of interest when occurrence is doubted.
- Never performing any task or work that may be of personal benefit, which gives the impression of a conflict of interest, unless required by the employer.
- Never participating in any process or decision directly or indirectly, in a way that gives him material or moral benefit.
- Notifying the employer in writing and immediately in the event of a conflict of interest while clarifying the nature of the relationship so that the employer can take the necessary action according to the policy followed.

Workers' mutual relationship:

Workers spend with each other not little time during their performance; thus, it is necessary to address this relationship and the most important principles, so this relationship becomes professional and ensures workers appropriate professional environment.

This guide addresses the relationship between workers in the workplace, so that the relationship is based on the principals of ethics, respect, and cooperation, especially the relationship between men and women in the workplace in light of the Islamic religion, in line with customs and traditions, and in observance of professional relationships. The workers shall observe the following:

- Being respectful, courteous, and honest with coworkers.
- Avoiding the bickering, hatred, envy, backbiting, gossip and causing harm to workers.
- Keeping friendliness and cooperation without discrimination, contempt or derogation.
- Avoiding engagement in controversy over sensitive or contentious issues.
- Respecting their female coworkers, considering them business partners, and cooperating in work completion based on competence and experience sharing.
- Communicating between male and female workers according to the nature of the work only without addressing any secondary, side or personal issues irrelevant to work.
- Being up to the fact that the basis for dealing between male and female workers is governed by the teachings of the true Islamic religion and respect of customs and traditions.
- Undertaking to perform the work in an atmosphere free of discrimination or preference or any inconveniences that include obscene or indecent words, knowing that some misuses may require dismissal and others is deemed a crime punishable by the law.
- Never using any information related to workers' lives to harm and abuse them.
- Never spreading rumors or negative messages among workers, which may result in insulting or discrediting any of the workers or the employer, in addition to its negative impact on the work environment and the worker's lack of focus on the tasks assigned to him.
- Never acting in a way that would incite any of the workers or clients against the interest of the employer.
- Never acting in a way that would induce or stimulate all or some of the other workers that might harm the interests of the employer, including but not limited to urging one of the workers to work for another establishment.

- Neither using social media to discuss matters about workers' daily tasks or workflow or to offend the employer, replacing such social media with other more professional means, such as official internal correspondences, nor providing suggestions directly to the employer.
- Never inciting workers to amplify the problems faced by them; instead workers shall attempt to amicably solve problems and to follow the relevant policies of the employer.

Work Environment:

This section elaborates the appropriate work environment that includes the workplace, social services, and cooperation between workers, as well as the need to avoid any behaviors that violate public morals, the matter that results in work environment of a professional competence that ensures the proper functioning of the work, and increases worker productivity. Parties to the relationship shall take into account the following:

- Establishing mutual respect between the employer and the workers and amongst the workers themselves.
- Dealing with parties to the relationship in courtesy, wisdom, objectivity, impartiality, justice, and equality.
- Respecting social customs and professional traditions when dealing with third parties with whom the worker interacts according to the nature of work when performing duties and job tasks.
- Avoiding discrimination, harassment, favoritism, and other negative practices by the employer or his representative, or amongst the workers themselves.
- Being up to the fact that work environment concept also includes the prevailing spirit in the place. Therefore, the positive spirit among workers helps improve work performance and environment, which reflects positively on the performance of workers and the employer in their contractual duties.

The employer shall observe the following regarding providing an appropriate work environment:

- Creating safe, fair and healthy working conditions for workers that meet their basic requirements, needs, and personal and practical goals.
- Ensuring work conditions that ensure discrimination is not exercised against the worker in the workplace and that they are treated based on justice and equality.
- Encouraging imitative and innovation and providing opportunities for workers to participate in submitting proposals to improve services and develop work in an atmosphere of mutual trust and common understanding.
- Contributing to creating a sound and friendly working environment and avoiding degrading the dignity of workers.
- Creating a suitable workplace for female workers, including providing the requirements for the women's department and ensuring that they do not get in contact with other workers.

Procedures required to be taken into account by the worker regarding the work environment:

- The worker shall respect the workplace policies and regulations, including the compliance of the worker with work orders, including cooperation in conducting any investigation taken by the employer and without hesitation to testify on any matter whenever required.
- There shall preserve all property, resources, information, and custody that are transferred to him or that are in his possession or control and not being used for personal purposes, except for the limit set forth expressly and in writing and accordance with the internal laws and regulations at work.
- Worker may not destroy, misrepresent, misuse or damage the work resources or property.

- Worker use communication systems including e-mail, computers, internet, and telephone only for purposes necessary to perform his job duties per the policy of the employer and the bylaws of work.
- Worker fully complies with the information security policy per the employer policy.
- Worker may not make use of the workplace property to obtain private gains or to promote goods or services for his benefit or the benefit of another party.
- Worker may not use resources and equipment of the workplace such as copiers, printers, laboratories, etc., for personal purposes.

For further information regarding the spatial work environment (safety and security), please refer to the Labor Education website (work environment) at the link below.

<http://www.laboreducation.gov.sa>

Behaviors and Public morals

This section addresses the behaviors and public morals that shall be observed by all parties to the labor relationship, taking into account the customs, traditions, and habits of the Saudi society. The most important characteristic of this guide is the promotion of public morals and rejection of other practices to ensure the promotion of labor market ethics, which is reflected in the awareness and civilization of society through mutual respect between its parties.

The Kingdom of Saudi Arabia has different habits in different regions, so the work environment may differ from the different regions, in addition to the nature of work. In this paragraph, several topics will be addressed, as follows:

Justice, Equality, and Non-discrimination

Several contemporary legislations have included promote non-discrimination and equality. The most important of these legislations is the International Convention on the Elimination of All Forms of Racial Discrimination and the Convention on the Elimination of All Forms of Discrimination against Women. The true Islamic religion rejects discrimination, as the prophet (PBUH) said: (The people are all the children of Adam and Adam was created from dust.). Adoption of the principle of equality without justice may result in a lot of injustice, as people differ in their capabilities and abilities, adding to the difference in their circumstances. Therefore, it was necessary to ensure equality, justice, and fairness among workers, as all workers deserve their money from benefits without prejudicing their rights.

In this regard, and based on the Islamic culture, the idea of promoting justice and equality between the parties to the labor relationship comes, without being limited to the subordinate's relationship with his head, but includes all parties without exception.

As is well known, discrimination is in many forms, some of which are material (related to wages, allowances, promotions, courses, assignments, etc.), and the other type is moral discrimination, which pertains to the behavior itself. According to the principle of justice and equality, the employer shall achieve the principle of justice and equality among his workers, especially those working in the same degree and sector. The employer must allow all workers recruited at the same degree or position, and thus all workers guarantee their opportunities, so that competition for quality work performance and promoting level of the worker, which is supposed to result in the worker obtaining different advantages.

General Appearance

The habits and traditions of people differ based on several elements that are difficult to limit. However, people of various customs and traditions are required to maintain a good general appearance that is appropriate to the nature of their work. The worker shall comply with the following:

- A good appearance.
- Attention to hygiene.
- Commitment to uniforms whenever the nature of the work requires according to the instructions of the employer.
- Adherence to the Islamic veil throughout the work period by female worker.

Bribery, acceptance of gifts, corruption, and fundraising

Bribery:

Bribery is one of the greatest and most influential crimes that caters to the corruption of societies. The Islamic Sharia came to prohibit these actions and cursed the perpetrators. Giving due attention to the public interest and enhancing the society and the private sector, in particular, it is worth noting that workers shall be up to the offense of this act and its violation to Saudi laws. The worker shall observe the following:

- Following the policies and regulations of the employer when completing the work without delaying.
- Never engaging in any conversations or understandings with the clients that would illegally obtain work or waive duties to be accomplished against an amount of money paid irregularly.
- Necessarily informing the employer of any attempts made by any party to offer an amount of money to the worker to avoid performing the required tasks.

Gifts:

One of the most mysterious issues is the issue of gifts in the work community. Giving gifts and accepting them is legitimate, but the nature of the relationship between the workers themselves and between them and the clients necessarily required restricting this matter within the limits permitted by the policy of the employer or preventing it among the work community. This affects relationships, which may lead to accusations of obtaining personal benefit at the expense of work.

Gifts may be presented in good faith with no personal purpose, but people may interpret these gifts in another way, which gives a negative impact on their relationships. In the interest of the principle of professionalism and efficiency at work, it is worth noting that workers and all who work in the private sector shall be up to the necessity to be alert to what may be deemed a professional violation.

The concept of gifts may include the organization of social activities, including symbolic feasts and gifts, which shall be in compliance with the policies and regulations of the employer. Therefore, the employer shall issue an approved policy regarding acceptance of gifts for the restrictions to be clear and to be exercised by the worker. In general, the accepted principles regarding the acceptance of gifts are as follows:

- It is not permissible to accept gifts or donations from suspicious entities or persons who have a bad reputation, or it is suspected that they are involved in or engaging in acts that violate honor and integrity.
- dealing with any party or person found guilty of issues affecting integrity or honor shall be stopped.

- Gifts that negatively affect the interests of the employer, its activity, and the services provided may not be accepted.

Fundraising:

Work parties may relate to one another in a broader and greater relationship than a working relationship. It is normal for all people to gather around human perceptions with the intent of charity and doing good, so it is worth noting that Saudi law allows fundraising that only comes from by authorized agencies. Consequently, fundraising spontaneously between workers may expose them to legal accountability, which may result in penalties.

Outcomes of this Guide

This guide is a guiding work that primarily serves the parties to the working relationship that constitutes a large proportion of society members. With this increased proportion, private sector involvement and the KSA development vision, there is a need for a guide aimed at sensitizing all parties to the business ethic and its positive impact on the relationship between the parties to the working relationship.

One of the most important desired effects from the briefing and following this charter is to create a good work environment that ensures the parties to work and others respect and comfort. Hence, worker is to focus on the performance of his tasks, which reflects positively on the performance of the work and its quality and raises the level of productivity and the resulting raised performance of the private sector. This matter achieves the desired job stability and has many effects on the economic.