

Ministry of Higher Education and Scientific Research

Business school

Dissertation submitted in partial fulfillment of the requirements for the degree of Master

On Commercial and Financial sciences

Major: Organization and companies' management

Theme:

The management within the Algerian private company

Case : IRIS-SATEREX

Submitted by:

SAIDI Nawel

Supervised by:

Pr.DADDI-ADDOUN Nacer

2019/2020

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To my dear family

and my friends..!

Acknowledgement

I am very grateful to my supervisor Prof. Nacer Daddi-Addoun. His continuous Encouragements and patience for this exploratory study were helpful. Thank you Professor for raising my ignorance again.

I would like also to thank all the teachers especially the ones of management departments

List of Abbreviations

SME: Small and medium enterprise

POE: Publicly owned enterprise

SEO: Search engine optimization

GP: Gross production

IC: intermediate consumption

AV: Added value

APSI: Agence de promotion ,de soutien et de suivi de l'investissement

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Abstract

This study looks after the management applied inside the Algerian private company ; which enters in many fields of discussion as politics, economics and cultural issues .The management in Algeria has passed through different periods before and after the period of transition . From another perspective, the private sector was constituted, and developed under the development of public sector, where the economic rent is the base of the entire economy in spite of free economy requires investing in private equity and no state intervention.

The study tries to extract the factors, which narrow management practices .In order to achieve the target.

The discussion about the private sector was not enough because it requires a lot of explanation and a lot of time and research; we tried to put forward the essence of it without dealing with each details, so that we can fulfill the management inside the private company.

The study could not reached in the empirical analysis, but we tried to represent some of important elements that could serve our research topic.

To sum up, the connection between government and owner of private equity is like the relationship between the employer and the employee. Where by the Algerian managers seek always to reinforce and build a solid social ties with government to satisfy individual interests instead of applying management which is mainly absent from the Algerian companies especially private ones and gain nothing.

Key words: Management, managers, private sector, privatization, company culture.

Résumé

Cette étude s'intéresse au management appliqué au sein de l'entreprise privée algérienne; qui entre dans de nombreux domaines de discussion comme la Politique, l'économie et la culture. Le management en Algérie a traversé différentes périodes avant et après la période de transition. Dans une autre perspective, le secteur privé a été constitué et développé dans le cadre du développement du secteur public où la rente économique est la base de l'ensemble de l'économie en dépit de l'économie libre nécessite d'investir dans le capital-investissement et aucune intervention de l'état.

L'étude tente d'extraire les facteurs qui rétrécissent les pratiques de gestion, afin d'atteindre les objectifs.

La discussion sur le secteur privé ne suffisait pas car elle nécessite beaucoup d'explications et beaucoup de temps et de recherche, nous avons essayé de mettre en avant l'essence de celui-ci sans traiter les détails, afin que nous puissions remplir le management à l'intérieur de l'entreprise privée.

L'étude n'a pas pu être atteinte dans l'analyse empirique, mais nous avons essayé de représenter certains éléments importants qui pourraient servir notre sujet de recherche.

Pour conclure, le lien entre le gouvernement et le propriétaire du capital privé est comme le rapport entre l'employeur et le salarié, d'où par les dirigeants Algériens cherchent toujours à renforcer et à construire un lien social solide avec le gouvernement pour satisfaire les intérêts individuels au lieu d'appliquer management qui est principalement absent dans entreprises algériennes, en particulier les entreprises privées.

Mots clés : Management, managers, secteur privé, privatisation, culture d'entreprise.

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General introduction

The world has lived an important change of thoughts, attitudes and beliefs especially in public debate as in management sciences. The management lives a moment not far from the lips of politicians and economists, as soon as we try to identify what it actually means; confusion increases for good reasons of complexity to understand it but at the same time. The academic literature on management has increasingly formulated basic features of the concept but the difference is located in nation's characteristics according to their historical context.

The link between management and culture surpasses the facts of conceptual framework it refers also to the historical context; the outsourcing of these two concepts emerged many ideological schools of thought.

The big transformation lived by American and European countries has known a new economical constitution which affected many other areas until the come out of free economy and private equity ; where by the work took a foremost part , which was the key to boost the capitalist machine as a workforce of social activity [Marks ,1867].

By dropping these understanding to Algeria, the work brings a history full of political awareness .If it tough to explain and analyze the nature of Algerian political system then the nature of economic system is not as tough as politics. All the reports and averages indicate likely that Algerian economy is based on exporting oil which means it stills relying on economic rent.

As far as possible, this creates a contradiction, if the dominated worldwide vision is entitled by liberalism then upon it the private sector would fail and the rate of unemployment would be greater than it was before.

The statement of management needs to look and seek over all aspects of life , it requires to elucidate the skipping from management to run businesses.

And then it is clear that it is important to treat such kind of topics where by the management especially for private entities ; it opens a large field of different issues , at the first place it reflects the management style ,practices and form of productions , at the second place it reflects the government role which over govern the entire economy.

On this basis, this topic has fixed an abroad research where by the Algerian history has been used as a base for this study in order to represent and analyze the position of management.

This dissertation is divided into three chapters , each chapter treats the key words according to the conceptual framework in addition to that each chapter prepare the arguments to move for the next chapter which is mainly a methodological adequate order.

In the first chapter, we presented the conceptual framework, which includes all the questions of the study hypothesis, aims, guided and previous studies and key concepts to understand the topic more and more.

We have found a bit some difficulties while treating the statement of the problem because of the unlimited information about this subject in different filed, otherwise it include macro and micro areas.

This is why the second chapter tries to carry on the appearance and the birth of Algerian private sector and its structure and performance, we relied on references that could allow us to fix the concepts, we did not seek to put and define concepts only, but we wanted to look for their contents and essence.

The second part of this chapter deals with the management in the Algerian private company, we started introducing a bit Algerian culture, then the private company and its classification in addition to the classification of entrepreneurs.

The last part of the chapter represents the new style of management, which is governance; we treated the most known theory of governance and the two disciplines of it also.

The third chapter, as it was impossible to continue the empirical analysis, we did our best to transform this chapter into representing the company globally, analyze for its strength, weaknesses, opportunities and threats also the description of the management in general since we could not get the necessary information.

General introduction

Before starting chapters, we think it is important to pay attention about the work, which could take another understanding out of what we have done. If the topic were not all about management in private companies, there would be no need then to address and discuss many points about the private sector. We founded that it is necessary to concentrate first about it in order to endeavor the management inside the company.

Conceptual framework

1) Statement of the problem

Management is one of the most discussed topic in the public sphere of our society and is an essential element in the training of students in the field. It is also a fundamental aspect that managers are willing to offer and consult from time to time. In recent years, the debate on management has begun to take on new dimensions due to liberal vision of managers especially in capitalist countries.

Algeria has chosen to adapt Liberalism; economic liberalism is a doctrine based on liberty of individuals in a free economy by limiting state intervention in different trade relations.

In different sets of activities of socialist countries, in the transition to capitalism, on particularly the management issue in Algeria whether in the private or public sector has an important part to take into consideration; the issue of management and its practice remain to be practiced, examined and reviewed.

It is well be recognized, in the capitalism theory essentially, that the private sector is the real guarantor of long-term economic growth and the source of financing for long-term development. Nevertheless, the increase in rent is the result of the government's policy of energizing oil production in order to finance public programs aimed for satisfying the first needs of citizens. This is a part in an integrated strategy used for progress by investment in the heavy industrial of public sector [Benissad, 1994]. As a result, the Algerian private sector cannot absorb unemployment, which is one of the best ways of creating jobs.

Investment in the private sector is more than ever solution to the nature of rent of the national economy and as a key for poverty reduction in a productive way.

The emergence of privatization in Algeria as a mastered private sector dates back to the 1980s, certainly this does not mean that privatization was absent from the concerns of organizations before that date, all the principles of privatization were developed at different periods of history, where the practice of management of autonomous private companies remains an outstanding issue until now.

Chapter 1 : Conceptual framework

Indeed, during the colonial period; the private sector was known by retailers and craftsmen (les commerçants et les artisans), the Algerian private sector had experienced a significant dynamic especially in the small and medium-sized industry (PMI) of clothing, leather and agri-food just after independence until 1972-1973 [Derras.O,1997]. Then after that Algeria lived a period of a slowdown because of the option of socialism and structuring the capitalism on 1976¹.

The period of 1980 was rich in term of affecting the private sector and its scope. All legal texts and rules gave us two radically different aspects as orientation and evolution of the National private sector in Algeria where activities required a limited use of technology as clothing industries and construction companies...

The deep structure of managerial practices contains a criticism related to the style applied in Algerian companies especially the private ones.

Max Weber's bureaucratic theory assumes that; organizing companies into a structured hierarchy led by a group of rules is the appropriate way to manage. Nevertheless, the real understanding of this theory gets another way of thinking linked often with a negative connotation especially in Algeria.

The unique assumption that we still believing in as Peter Drucker said that management theoretically, or practically, is present in every legal identity in many fields, hospitals, university...However ,this legal understanding still not reasonable to run a whole company where in fact it has to be defined operationally by focusing on outcomes and performance in order to contribute in economic development[Drucker P,1999, p.34].

The internal and external factors that affect the normal function of the company are dependable to a political-legal environment in which it can be seeing in several corners from the macro environment and microenvironment. Environment depends on culture, mentalities, opinions and not only the major parts of the stakeholders[Daddi Addoun N, 2005].

In general, culture illustrates a set of intangible elements specific to each company as values, myths, symbols. Consider the management lives in the internal culture of the company it is as a key factor to deliver strategy.

¹ Mentioned in the national charter 1976.

Chapter 1 : Conceptual framework

In this framework, the question of management has been always asked, where scientific researchers seek for reality, showing clearly the truth given through scientific elucidations brought from empirical researches.

Numerous internal as well as external factors affect the practice of management in Algerian companies: politics, economy, sociology, technology and more over. Companies are at the same time complex, surprising, deceptive, and ambiguous [Bolman & Deal 1997].

Many reflections and thoughts were be discussed about the truth of applying and practicing management in Algeria especially the case of public sector on which the government intervene to define all missions and practices of these public companies but to go far from this, **does really the private sector in this era practice the managerial criteria?**

The study of management in the Algerian private sector goes beyond the economic aspect to extend into the light of the political-legal aspect.

2) Research questions:

Through our research, we will try to answer:

- What are the elements that narrow the practice of management in private Algerian companies?

- what is done in public is it done in private company?

- Are managers well be trained to manage?

3) Assumptions and hypotheses:

To frame this problem, we have put forward three hypotheses according to which:

A) There are political and socio-cultural frameworks that impose specific managerial practices.

B) There is a small difference, which differentiates management practices between public and private companies.

C) Managers are poorly trained in management.

4) Reasons for choosing the topic:

In order to elucidate the purpose of this dissertation and the choice of the research topic ;we will clarify that there is a major reason that had an active role to get interested in this subject of management especially in Algerian private companies.

My experience during the internship last summer in a foreign private bank gave me a new thought on the scales of Management. That offered me a field of discussion and a particular measure of comfort with the Professor Dadi-Addoun, who helped me to intellectually debate about the managerial aspects, how to deal with concepts and give the exact meaning of management.

Moreover, during my second year of master degree, we had seen a module entitled as “ la gouvernance d’entreprise “ where we saw the mechanisms of the governance and the managerial practices. In addition, we had studied during this year the performance and competitiveness of SMEs (PMEs) that touched our measurement in terms of understanding the concept of management while we insisted on the essence of managing companies.

The reason for this choice came from observation and notice for what is practiced in reality.

On this observation, with a regard we can ask why management is present as an idea more than a practice?

In the light of these reasons; the study is crucial and is one among the reasons also to choose the subject of management in Algerian private companies to analyze the managerial practices.

5) Aims and objectives:

This study does not seek many aims in terms of our short experience, although its objectives go far beyond what we will explain:

It endeavors to deal with having answers of what are the odds that block the practice of management, in the frame of private companies. There is a shortage of certain skills to execute the work. Also in Algeria the management is be considered as a new science compared to the developed countries. This concept is insignificant it refers to the culture of organization even environment, the nature of society and the internal rules of the company.

Chapter 1 : Conceptual framework

In addition to all of this, this study will deal to figure out the” why” on which we cannot separate the administration from management; many private companies are confused into two aspects management and traditional administration and in what form will be taken up this confusion between these two aspects in private companies?

There are several managerial practices it is difficult to study them one by one in a master dissertation because it takes time. Therefore, we choose to study only three practices based on performance, training and communication within the private company between the said and the fact in reality on practice compared to the compliance of acts with the rules

6) Guided readings:

From an ethical and academic principle, we must talk about readings that have enlightened us the way to build this study they have opened us new areas of thought, not only on the theoretical level but also on the analytical and practical level. Without researches done by these authors we could not extract this study, some authors have revealed the specificity of management practice in Algeria, such as Grim Noredine, Henni Ahmed, and Hafsi Taieb.....

And there are articles published on our research topic by some authors such as Mebtoul Abderahmane, Chennouf soheil and Sadeg mohamed, have helped us to understand the historical context in which Algerian private enterprise had evolved. Its appearance was and still linked to political authority, that Algerian society is a modern phenomenon built after independence. The transition from capitalism to socialism generated problems at the economic level then and now.

Indeed, foreign literature has also played a significant role in understanding management indicators, such as Mintzberg and Drucker, Max Weber... And without forgetting the scientific articles that reinforced our study as well as Dadi-Addoun Nacer, who has more than one article about the management of public companies and SME. He gave us a scope where can we base on, that could help us to determine our path in this scientific research.

We went out of the traditional context in the research topic of this dissertation, and we have an adequate explanation to make that academic work is in this way. In addition, we could not find previous studies the way that we wanted; we preferred to illustrate these studies in this chapter.

7) Review of related literature and studies (previous studies) :

7-1 The first study:

The first study concerns the study of Bagdi Aicha author of this dissertation, for Magister's Degree in business management, at Abderrahmane Mira University of Bejaia ,Faculty of Economics, Management sciences and Commercial sciences, whose theme focuses on the “le manager-dirigeant de l’entreprise privé algérienne : analyse du profil et des pratiques managériales”. 2015-2016.

7-1-1 Aims and objectives:

The first objective is to seek for the different characteristics of the manager and traits specific to each one, at the region of Bejaia.

The second objective is to identify the elements related to the management of their companies and the degree of formalization of their managerial practices (planning, strategic vision, decision-making, organization, staff animation, information collection and finally control of its activities).

7-1-2 Hypothesis:

H1. The actor manager-dirigeant within Algerian private companies is a male, from different paths and is poorly be trained in management.

H2. Algerian managers-dirigeants play a decision-making role by adopting an autocratic and paternalistic leadership style.

H3. Algerian managers-dirigents adopt an intuitive management approach and their practices are poorly be formalized.

7-1-3 Method used:

In order to achieve the objective of the reflection, the study is be based on a constructive conception where the purpose is to describe the facts and analyze them. Thus, the work is largely in an exploratory and descriptive approach.

7-1-4 The sample:

Chapter 1 : Conceptual framework

The sample population is be constituted of CEOs, DGS, Deputy of DGS, managers and co-managers, the overall is of 55 companies in five regions of Bejaia, and the survey is based on 4 points:

- Characteristics of companies
- Manager profile
- Managerial practices
- Link between the manager and the performance of his company.

6-1-5 Results:

The study included four chapters; the titles of each chapter were as follows:

- The profile of the manager (Le profil du manager-dirigeant : éléments historiques, personnalité, compétences, style managérial et rôles) ;
- Managerial practices of the manager within his company;
- The management in the Algerian private company ;
- The manager of Bejaia's region (Le manager-dirigeant de l'entreprise privée de la région de Bejaia).

We could not present the results obtained because the study contains several elements as we mentioned earlier for the four elements.

The researcher supported his effort on the profiles and characteristics of managers and practices relative to management and this is the closest to our research topic. There researcher made a methodological mistake in approaching the concept of “manager-dirigeant” as an element without justification why this term was chosen, and for what reason, the question here is whether each owner of a company is considered as a manager?

7-2The second study:

The second study concerns the study of Benabla Ferhat, Kirouane Ammar authors of this dissertation, for Master's Degree in human resources management, at Abderrahmane Mora

University of Bejaia, Faculty of Economics, Management sciences and Commercial sciences, whose theme focuses on “The role of managers in the transformation of organizational culture”, 2018.

7-2-1 Aims and objectives:

The main objective of this research topic is to understand, how to lead the transformation of organizational culture based on human resources management values and behaviors as well as role and strategies adopted by managers in a context of transformation of corporate culture.

7-2-2 Hypothesis:

H1: The role of managers in transforming the culture of the company is to eliminate and reduce differences (resistances) and act in coherence.

H2: Facing to the situations of organizational culture transformation, the manager of private company is characterized by family spirit and adopts independent command styles.

H3: The management style of state-owned enterprises presents a brake on the development and transformation of organizational culture.

7-1-3 Method used:

The committed method of this research is a qualitative study of private and public company (comparative study) of semi-directive survey divided into two parts; a survey guide conducts the first part, and the second part is a series of ordered questions that would allow planning an overall conception.

7-2-4 The sample:

Overall (100%) of respondents are executives and managers.

7-2-5 Results:

The company culture is perceived in its formal and informal nature in the two companies surveyed and this reinforces the company culture of being an element positively influencing the development of companies. Also the two companies surveyed share certain values, norms, rules and beliefs formalized by a business project where managers are aware of the need for the transformation of culture, the company culture is mainly in tacit general values and practices.

The authors did not specify in their theoretical part that the research topic concerns the case of Algerian companies where the reader cannot know what corresponds the first and the second chapter. It is good to talk about the evolution of culture and management, but they must be linked to the study because it is necessary to specify how is the management in Algeria, its first appearance and organizational culture as a concept, how is changed compared to the traditional manager to the manager of nowadays. Moreover, as this is a comparative study it is better to talk a little bit in the theoretical part (second chapter) about management within the public company and within the private company to get a clear idea in the empirical study.

8) Definition of key concepts:

This element came to analyze the indicators and content on which the management, and mainly our subject, is based.

In order to make our work easier to read and to avoid interpretations that do not reflect our subject matter, we considered it important to define the key concepts around which our scientific research will be based. We will present the concepts not only each author but rather in relation to how these concepts have evolved because the concept represents an idea that passed through many years and how can we build a link between them and our empirical research study.

8-1 Management

Before start explaining the content of management, it is important to talk about the elements that cover the understanding of it which extends into several fields as politics, economic, culture.... These elements combine the management.

Management is practiced and touched at universities, the majority of them deal with it without asking for real elucidation of the concept meaning because this concept changes from language to language and from time to time.

Nowadays, management is considered as a science, which is known as “the management science”, it looks after a set of operations, functions of planning, organizing, commanding, controlling and controlling all kind of resources in order to achieve goals as result. The management sets goals and aims of the company, while it takes into consideration all factors that can affect the company.

Chapter 1 : Conceptual framework

The science of management can be gained through practices and experiences to have better outcomes and performance.

Across history, management had taken a centralized place in different movements of thoughts. Among those thoughts, there were “scientific management” and “administration theory”, eventually by the appearance of industries and the pre-existence of big corporations that helped many writers to develop management thought as well as Taylor, F and Fayol, H by the late of nineteenth century and the beginning of twenty century. Those authors considered management that is oriented by macro mechanism specific to Giant Corporation in form of a range of executed tasks their focusing was on external factors rather than internal ones and on centralization, many other thoughts arrived after that focused on internal elements of the company as human resources.

The modern management surpassed that outdated traditional understanding where all attention was on taking into consideration the internal factor and the way of training and motivating employees at that point centralization has to be hidden and replaced by decentralization linked to strategic decision making; that led to emerge a new category of managers and modern method to manage also.

The new definition of management takes another meaning as follows

“management is a steering influence on market, production and/or resource operations in an organization and its units that may address both people and non-people issues and is exerted by multiple organizational actors through either anticipatory norm-setting or situational intervention with the aim of achieving the unit’s objectives “[Kaehler B and Grundei J,2019]

This definition includes all the factors that influence the practice of management exerted by many actors dependable to the internal and external environment.

According to the economic literature about organization and management of companies, in particular the literature that has linked the reality of companies production systems, and their efficiencies.

By the late of the 18 century, the concept of management formalized its basis from realizing profits and gains, while the perspective of the 20 century provided that efficiency is the hub of managerial practice ; and that the goal of the company is to be economically efficient, so it must be measured by efficiency [Le textier T,2013]

Chapter 1 : Conceptual framework

Efficiency is be related to the ideology of capitalism, logically it concerns the material economic efficiency in counterpart of society's efficiency. The efficient economy is generally related to performance, profitability, and even profit. However, the efficiency in reality surpasses those thoughts because these thoughts are be related to the resistance and sustainability through the generations.

The future of the next generations supposed to be defined by the experience of the father (the boss), and the path that he had passed on over the years. This is already what the entrepreneur (Isaad Rebrab)¹ declared in the book written by [Hafsi T, 2012] By the late of 2010 his children had a big conflict and struggles for shares which made Isaad Rebrab skip from some practices of management and organization.

That is why the death rate of Algerian companies is high; it means to say, the first generation builds the second generation destroys.

The concept of Management in Algerian companies (public and private), is be mixed between the traditional and the modern, despite of the development and the high technologies. We are supposed to be modernizing but instead of it; the current practices are traditional, managers seek the application of practices that do not serve modernity, such as random recruitments, classical communication....

This phenomenon is be known as being a phenomenon of lasting stability accompanied by the lack of research of organizational change. This choice according to the old traditional style is linked to the authority of the manager and their behaviors. Some managers prefer the traditional style because it motivates them to preserve their authoritarian, place rather than preserve their organizational place.

Many questions that take place on the subject of these practices, there are obstacles that limit these practices and return them in an era of pre-modernization. "Algerians do not need enemies to destroy them. The bureaucratic devices of their state inevitably destroy their ability to act. The disorder and the chaos paralyze" [Hafsi T ,2012.p55]

The rules that are unsuited with the principles make the manager lost, so he becomes paralyze from exercising his activity freely. The Algerian is able to do better than he used to do

¹ - Isaad Rebrab is an entrepreneur of an Algerian private group.

before and make his work successful at the local and national levels. Nevertheless, the poorly organized bureaucracy has made the Algerian system become anti-government which results a disorder in all sectors including the private sector that is between liberalism and state intervention.

8-2 Manager :

Commonly a manager is be known as a person who plannifies, organizes ,directs, and controls. Drucker considered that managers are the structure of society that are determined by leadership.

From another viewpoint which is mainly functional. [Stoner J,1986, p.6] defined managers as organizational planners, organizers ,leaders and controllers where he précised that managers work with and through people¹. We can generally say that a manager is a responsible person who runs a business, who has authority that gives him the right to define missions and to orient different activities in order to fulfill pre-determined objectives.

In our research topic, we are focusing on the manager of private company in Algeria precisely the owner-manager ², many writers treated the subject of Algerian entrepreneur at colonial period was that the existence of Algerian entrepreneur was illustrated as an act where that person did not satisfy the recommended characteristics.

[Henni, A1984. In Madoui, M, 2012, p122] defined management in a different way, he introduced that management and the position of manager is related to the pluralism of nomination under tagline of Brotherhood³. To sum up the entrepreneur in Algerian society is defined according of who is that person? Instead of what does he have? Whereby is judged by his ability to build solid social ties.

From another perspective, new managers (liberal agents) got another path of companies specialized in import-export and quasi-monopoly of different activities with their good family relationship [Chennouf S ,2003].

¹ More than subordinates and supervisors it includes : customers, suppliers ,and other actors outside organization

² Our research topic focuses about the boss (patron) , his managerial practices in real , his proactive and reactive actions.

³ Fraternity style of management does not mean "Brotherhood" but refers to an ideal type of organization.

Chapter 1 : Conceptual framework

Each boss (patron) aims first of all at his personal interest¹, his true social strength is not derived from the hierarchization he formed with the employees of his company but from his social relations with his customers . [Henni.A 1993,p.23].

The real performance is not economic but rather Social, where the following implication comes from:

The situational market => the goods market.

The demand is the set of customers arising from social relations and supply represents the set of customers of goods and services.

The boss (patron) must be a “Chiekh”² before being capitalist, these rules of action are not specific to the boss of the company but to any boss, he is recognized as a boss of a company only the one who (Henni A, 1993, p25):

- Is attentive to the obstacles and problems of his employees and his relatives.
- Gives them the chance to improve their social status and sense of belonging.
- Is ideal type in the public appearance that it reflects.

8-3 Private sector:

It represents an important branch of international economics; its roots are brought from capitalism in developed countries, but as an economic system was lately appeared due to political and social factors.

It exists several academic research and studies that defined private sector according to many other concepts linked to it as ownership, private property, and more..., it is an essential thing to

¹ It is a question of preserving the existence of the company not through production and economic efficiency but through the stabilization of procurements and employees (because any increase in salaries it will decrease gains).

² Cheikh: the book of Henni Ahmed describes the characteristics of it as the traditional boss who applies archaic and classical practices not because he is not able to get in modernization but the environment requires these practices to survive and get a good notoriety. A Cheikh is the one who reflects on the problems of his employees, is a religious man, has good morals; he knows how to choose ostentation where by the sheikh has a symbolic power. And the boss (patron) an effective power, that is why the adequate solution to keep the success of business is to be a good social builder, is to be the traditional Sheikh who has a powerful negotiation skills.

Chapter 1 : Conceptual framework

make a distinction between these concepts especially in economic sciences for getting the appropriate meaning

From this perspective, we are going to represent some of definitions:

“Organizations that engage in profit-seeking activities and have a majority private ownership”¹ (OECD 2016). This definition includes financial institutions, multinational companies, micro and SME, individual entrepreneurs, and farmers of formal and informal sector; overall private sector is be constituted from formal sector (companies) and informal (household).

“It consists of organizations that have a core strategy and mission to engage in profit-seeking activities through production of goods provisions of services and /or commercialization” [Vaes S and Huyse H ,2016].

In our case of research we cannot introduce the concept of private sector without touching the informal sector of it, this sector is defined at OXFORD (business dictionary) as a shadow sector it refers to non-structured sector of unincorporated household.

It is be supposed that in order to build a civil society there needs to be a separation between the economy and politics. This generates many implications that have an impact on society. However, this belief must sought because the lack of investigation of a civil society in Algeria is linked to the reasons of independence despite of the existence liberalism principle for more

Than 20 years, since we cannot close our eyes to the fact that the private sector has failed of getting out of the national economy from the rent economy .

7-4 Privatization :

Privatization is synonymous with restructuring (Tunisia), autonomy (Algeria), transfer (Morocco), de-statization (Brazil), reaction to the growth of bureaucracy(United States), changes, especially in organizational structures(Netherlands), denationalization of competitive and profitable enterprises nationalized by the socialist government elected in 1981(France)» [Bouachik A,1982].

According to the Order No. 01-04 of 20 August 2001 of the organization, management and privatization of Public economic enterprises, privatization is all form of transactions by affecting

¹not owned or operated by government

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transferring to individuals or to the private companies, by selling a small or full part of shares to the private sector.

The concept of privatization has two dimensions, a narrow understanding and a broad understanding according to which:

The narrow meaning ; is referring to the sale of a Publicly Owned Enterprise (POE) and shares to the moral and physical persons, about the broad meaning it refers to restrict government's role by putting in advance privatization methods in order to reinforce market economy of the country [Can akten and coskun ,1995].

According to encyclopedia of government and politics privatization means relying more on the private institutions¹ of society and less on government to satisfy people's needs.

Privatization it is the act of reducing the role of government or increasing the role of the private sector in an activity or in the ownership of assets.

In Algeria like other under developed countries, we thought that to create a nation it required a planning and an authoritative, centralized supervision.

The economist [Bettahar R,1992] proposed in his book "La privatisation" the methods of privatization the most responded:

- Public offering of shares
- Private sale of shares
- Sale of government or enterprise assets
- Reorganization into component parts
- New private investment in SOE
- Management/employee buy-out
- Leases and management contract

¹ Markets and business operating.

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According to the author, privatization it represents an unavoidable phenomenon, Algeria can not create a capitalist society without capitalists (economic market is an understatement).

8-5 Company culture:

Culture is a set of elements, patterns of behavior, ways of thinking, habits and traditions, acquired by the human being as a member of a particular society, culture is not a material phenomenon, but rather a structuring of ideas of the human shape, as it includes consideration of human values and rights.

“Paternalism” and “home spirit” are the terms that describe the whole of values, standards, and attitude.

Company culture is a complicated pattern of doing things, believing in it, knowing what is rewarded and penalized, it is history expressed in the present.[Barry P, 1996].

The management involves an impact on company culture every transformation needs an agility according to the situation.

The perception of the work and the behavior of the employees are the results of their cultural stocks [Boufeldja G, 2015,p.33] .

These are the six dimensions proposed by [Hofstede G ,2011]:

1. Power Distance, it indicates the level of authority , it refers to the coverage in which organization of higher influence or authority or organization with less authority or influence accept influence distributed unequally between individuals;

2. Uncertainty Avoidance, it indicates the level where by individuals feel in danger towards mysterious situations, and different beliefs that they are trying to avoid;

3. Individualism versus Collectivism, it means until when do individuals work within organizations collectively or individually? This is due to the general culture of each country;

4. Masculinity versus Femininity, if the government gives women greater roles in the areas of control and governance , it knows that it requires emotions , but if the government does not give women the necessary roles in the area control, it means they are not able to take these positions ;

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5. Long Term versus Short Term Orientation , it shows the perspective of community members towards the future in terms of focusing on the long-term side and their acceptance of change, or focusing on the short side through their long-term adherence to traditional aspects.

6. Indulgence versus Restraint, is based on research related to happiness about the needs and the desires by taking into consideration the freedom to satisfy one of the needs and desires within the society.

In the Algerian company, in particular the private company the management of company culture is a controversial topic. Some authors as Anthony (1994) considered that culture could be managed; others thought that it is difficult [De Witte K and Van Muijen J,1999]as Burack (1991), Nord (1985), Trice& Beyer (1990).

The research and efforts carried out on all areas of management are the fruit of the culture of their societies. Algeria has chosen to import in fact the strategies or even the model of management exerted from abroad and apply them without doing upstream research whether it will work or not, their cultures differ from our culture. Culture is not a standardization that is within the reach of all countries and all companies.

The culture has its roots, a solid culture is seen from the outside that the manager has a style to adapt, his management style and values remain unchanged.

Chapter 2 : Management of the Algerian private company

Introduction

In 1962, the war that had lasted more than 7 years, had generated effects, and that Algeria had experienced in this period a total anarchy, millions had been lost during the war; many of French left Algeria.

The Algerian government was under difficult conditions, including the potential tangible was in degradation, this disorder at the level of the economic machine had created two major problems:

- The existence of the traditional sector (a property purely Algerian).
- The existence of the sector recovered as a vacant property (of a French property) .

The Algerian company has undergone several mutations in different periods; each period reflects the image of success and failure .The study of the Algerian company private; its distribution and exercise in the various functions through its management may help to infer its characteristics as an agent and as a producer who contributes for the development of the national economy.

Section 1 : Birth and development of the Algerian private sector.

We will see in this section the evolution of the Algerian private sector presented into four periods.

I. The first period (1962-1965) :

This period is called the period of transition, had also known several different calls as it was mysterious. It was a period marked by a crisis in which the political , economic and social aspects have been affected. Which comes after the construction stage of the new state after more than 130 years of colonization.

The Algerian economy in the early years of independence, had encountered obstacles. Having regard to the immigration of settlers , their leaving caused a trouble at the level of the economy , as it passed between the agricultural sector and the industrial sector, and the way she faced a new battle for economic restructuring, where is the need of the state intervention by the public sector. The initiative of this intervention distinguishes between activities of a public nature and the activities of a private nature.

The public company appeared at this time as the economic arm of the state, and it had an appearance of duality: an instrument of the state used as a tool of the plan and as a real entity, which has a functional autonomy [Saadi N,p.72].

After designating the strategic sectors for the government, the program of Tripoli stated that : "in other areas of the economy , the private initiative can be encouraged and directed within the frame of the general plan of industrialization"¹ . In addition, "at any price, the state must contribute to create as it is the case in some countries, an industrial base for the benefit of the local upper middle class , which it must avoid the development of appropriate measures" .

The transition period had a national law governing private investment (1963) and the national charter (1964) , what interests us is to know the content so that we can analyze .

¹Mentionned in the Tripoli program (1962)

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1. The law N°63-277 on the investment code :

Like all nations, Algeria has just had its independence, and the going away of the colonizers left the land, industrial and commercial companies to the abundant, which are be considered as an unoccupied property. So, that the state can find a solution to this problem, therefore, the government has decided to stimulate private investment; the Algerian legislature has enacted a law under the number 63-277¹.

It was an investment code promulgated in order to give guarantees to private capital², that is to say, to give the chance to local investors, or foreign investors regardless of their origin³; given the socialist orientation the act requires conditions as follows:

- To locate the investment.
- Stipulation of modern equipment.
- To create jobs, provide the training and the professional advancement of executives Algerians.

In reality this law has not had any practice because investors were afraid; Algeria was uninstalled economically ; the government's decisions have chosen to practice a socialization remain under the reserve, as the state has not been able to adopt a pre-defined strategy as well as the lack of opportunities.

2. The national charter (1964) :

Capitalism in Algeria, distinguishing between two periods, one is during the colonial period, and corresponds to the phase after the independence : "capitalism Algerian national is located primarily in two sectors of the economy :

- The large agricultural private properties.
- Large commercial companies.

At the end of 1963, Algeria had found itself in front of 1525 committees of management established in Algeria, and the agricultural sector was self-directed[GallissotR ,1969,p.123].

¹ Investissement code announced in 1963 mentioned in the official journal of republic Algeria

²Written in the first article of the code

³ Written in the second article

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We can see that the private sector was be ignored, specifically in the cities, particularly in port areas. These years represented a period of waiting in the cities, to the arrival of the independence, the urban population of Algeria was less than 30% there was a proliferation of trade ; the extractive industries have been little affected by the settlement since at this level the production-saharian oil and gas has continued to rise, however, the iron mines were suffering .

We can as a result mention that the national charter has the necessities to reduce the foreign forces to limit the ability of capitalism face to the national failure of socialism .In similar, Algeria saw capitalism as foreign threat because the problems could not be solved from socialist and capitalist viewpoint at the same time, what interests us is to separate the political aspect from the economic aspect for the achievement of objectives. "The transition period is one in which the political organisation of the society prepares to socialism from the abolition of the exploitation of man by man..... "¹.

This transition period has not been able to identify the strategy of private sector (domestic or foreign) continuity. At this level, the law of investment 63-277 tended to the marginalization of their roles, but we cannot forget that the state has valued the agricultural sector and trade.In overall, we believe that Algeria was obliged to insure the structure at the level of the economy, or even economic development and build a new state based on the complementarily between the public and the private.

II. The second period (1965-1978) :

We have seen that the first period was marked by a disorder, at this time Algeria did not have the organizational capacity to achieve goals. The economic and social context was in turn down .Climate risks for agriculture, the stagnation of the industrial production, the deficit of the trade balance, the loss of private investment, capital flight, rising unemployment, are the main factors that have contributed to the rehabilitation of the planned development [Sadeg M,et Grim N,2012,p.99].

1. The law of investment (66-284) :

This act guaranteed benefits to the domestic private sector based on the principles mentioned, contrary to the act 63-277 that provides benefits to foreigners, this law sets out the

¹ The 18 paragraph talks about that

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principles as follows :

- The realisation of investment projects in vital sectors back to the government, as it may back to private equity .
- The government buys all or a part of shares and transfers them if it is associated with the mixed companies.
- Physical persons and legal entities (Algerian or foreign) can create industrial companies .
- The state may launch calls for tender for the creation by private capital, where the national capital is involved the most.
- Natural and legal persons are obliged to act in accordance with law.

Among the benefits offered to the private national equity : financial incentives such as exclusion from taxes on industrial and commercial profits for a period, of special benefits : to facilitate bank advances..

2. The national charter of 1976 :

Many thoughts have been discussed on the national charter, which is considered as a complementary for the sustainable development in all sectors, specifically the private sector to enlighten the lines of this sector.

At that time the political system of the president Boumediene , was based on the centralization so that the government can avoid :

- The indifference of the social class and eliminate the upper middle class from the economic field or even the conflict within public companies. Socialism establishes democracy in the production by the participation of workers to the solution of problems contrary to the upper middle class who limits democracy to the political aspect.

The studies made on the private sector have demonstrated that the private sector appeared under the shadow of the state . The socialist state is equal to the collectivism of production means and its social content makes the state the main agent of which the national economy is not be based on the private capital, which is not conformed to the liberal state.

Among the development objectives mentioned in the national charter is to implement the realisation of light industries such as textile products, derivative petrochemical...

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Investors had little to engage in, therefore, they choose to orient themselves to light industries, so that they can after switch from one activity to another , we never forget that the context of the economic , political and social has impacted on the objectives prefixed.

"The Algerian development shows, contrary, the limited quota character of political economy" .The private economic capital has not a political theory, Algeria has a political purpose against the autonomy.[Addi L,1990,p.150].

Addi adds: "it is not an exaggeration to say that the Algerian state has no economic goals, in and of itself, it has political aims, it knows that they can only be achieved through economic development ". The program (Tripoli , the Algiers charter , the national charter) marginalized the private sector, it is a strategy that the private sector can not pick up enough of a fortune for individual interests. In addition, that the gross production public exceeds the gross production of the private sector. In terms of production, the following table shows the production account and operating of the two sectors per sector of activity.

Table (1) : production account and operating of public and private sector -1979

In million of dinar		GP	IC	AV
01- Agriculture.	Public	3 830,6	1 208,5	2 622,1
	Private	10 227,6	2 073,8	8 153,8
	Total	14 058,2	3 282,3	10 775,9
02- Water and Energy.	Public	1 144,0	268,8	875,2
	Private	0,0	0,0	0,0
	Total	1 144,0	268,8	875,2
03- Hydrocarbons.	Public	39 697,4	12 348,8	27 348,6
	Private	7 202,2	1 016,1	6 186,1
	Total	46 899,6	13 364,9	33 534,7
04- Services and public works	Public	8 424,1	4 018,8	4 405,3
	Private	0,0	0,0	0,0
	Total	8 424,1	4 018,8	4 405,3
05- Mines and quarries	Public	746,9	251,3	495,6
	Private	58,9	15,5	43,4
	Total	805,8	266,8	539,0

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06- I.S.M.M.E	Public	8 081,7	5 128,3	2 953,4
	Private	541,1	276,7	264,4
	Total	8 622,8	5 405,0	3 217,8
07- Material of construction.	Public	1 905,4	761,1	1 144,3
	Private	252,1	120,4	131,7
	Total	2 157,5	881,5	1 276,0
08- Construction	Public	14 198,0	5 292,6	8 905,4
	Private	8 632,3	3 823,2	4 809,1
	Total	22 830,3	9 115,8	13 714,5
09- Plastic	Public	1 605,0	913,7	691,3
	Private	405,2	242,4	162,8
	Total	2 010,2	1 156,1	854,1
10- Industries of Agri-food	Public	8 946,8	6 927,6	2 019,2
	Private	5 370,2	4 034,8	1 335,4
	Total	14 317,0	10 962,4	3 354,6
11- Textiles, fabrics.	Public	1 641,5	802,0	839,5
	Private	2 716,4	1 848,2	868,2
	Total	4 357,9	2 650,2	1 707,7
12- Leather and shoes	Public	541,6	262,6	279,0
	Private	447,7	294,9	152,8
	Total	989,3	557,5	431,8
13- Wood, and papers.	Public	1 241,9	688,0	553,9
	Private	1 194,6	729,6	465,0
	Total	2 436,5	1 417,6	1 018,9
14- Diverse industries .	Public	546,2	364,3	181,9
	Private	422,3	309,3	113,0
	Total	968,5	673,6	294,9
15- Transports and Communications.	Public	7 581,9	2 231,8	5 350,1
	Private	1 895,0	518,9	1 376,1
	Total	9 476,9	2 750,7	6 726,2
16- Commerce.	Public	7 567,9	1 715,4	5 852,5
	Private	13 446,1	2 509,0	10 937,1

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	Total	21 014,0	4 224,4	16 789,6
17- Hotels and restaurants	Public	589,0	171,3	417,7
	Private	1 930,0	768,0	1 162,0
	Total	2 519,0	939,3	1 579,7
18- Provided services for companies	Public	729,4	247,9	481,5
	Private	696,4	222,8	473,6
	Total	1 425,8	470,7	955,1
19- Provided services for household	Public	0,0	0,0	0,0
	Private	2 482,4	215,4	2 267,0
	Total	2 482,4	215,4	2 267,0
Total	Public	109019,3	43 602,8	65 416,5
	Private	57 920,5	19 019,0	38 901,5
	Total	166939,8	62 621,8	104 318,0

Note. From l'office national des statistiques, in: <http://www.ons.dz/>.

III. The third period (1980-1990) :

This period has seen three laws of investment (82-11) and the fourth law of investment (88-25) the national charter of 1986.

1. The act (82-11) on the national , private economic investment :

Among the objectives established by the Algerian state is to avoid the partnership with the foreign private sector overseas and to precise the range of activities for the national private sector, each investment must be structured in a regulatory framework. The agricultural sector, retail trade, men of art, the professions are all excluded from this law. Among the guarantees :

- Any investment is be guaranteed in accordance with the law and the constitution.

The conditions requires :

- Execute the investment program approved, and the obligations correlative to the activity sector and the localization in accordance with the rules.
- Carry on the business as :

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- a) Provide the products and services according to the standards and the technical standards set by the regulations.
- b) To fulfill with legal and regulatory duties.
- c) Meet the duties related to worker's rights complying with the legislation.

This law has not received interest from foreign investors.

At the arrival of the 80s , the state has made a transition to a market economy, where does the beginning of restructuring of public companies , specifically, the year 1982 saw the promulgation of the law 82-11, where the private sector is seen as a clear way for the first time.[Amar Mohand, A et Benziane ,B,2012,p.68].

2. The national charter of 1986 :

The national charter adopted in 1986 on the new orientations changes of the private sector , compared to the national charter (1976) we find no changes except on the integration of the private property in the development plans of the public property , in addition to strengthening the media to ensure that the private sector can be recognized .

3. Law of investment (88-25) :

This law is relative to the orientation of economic investment for the domestic private sector, consistent with the economic restructuring that has boosted the emergence of economic public companies, replacing business socialist. The law of investment applies to economic undertakings belongs to the private field, of which the capital is contributed by individuals or legal persons of Algerian nationality. The act also requires the investment in the activities by priority for the benefit of the tax advantages and financial without touching the economic activities tell own strategic to the state (monopoly).These investments according to this law, specify the offer of employment , the development of processing activities and the provision of service at the end to encourage the export .

With the economic circumstances, social, and political lived at the end of the period 1986 could not be applied effectively.

IV. The fourth period-after 1990 :

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The political climate, economic and social in 1989-1990, has not given the chance for the private sector develops. The sole concern of the private capital is well positioned in the center of the state, comparing with the artisans, notably European, the English, the craftsman English its goal was to expand its business to have a capital so great, but the Algerian has generated his fortune through his network of social relations. This period has seen the announcement of a legislative decree 93-12 also .

1. Legislative Decree 93-12 :

It has abolished the distinction between the private and the national public and even foreign ; a series of texts and instruments have been developed. We can extract the following benefits :

- The investment may benefit according to the terms of an interest rate subsidy for bank loans.
- The investment for a carrying on of activity may be entitled to financial benefits as well.

And to better achieve the purpose of this legislative decree in the real world, the state has created an Agency (APSI) to encourage private investment .

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Section 2 : structure and performance of the Algerian private sector

We will deal with the structuring of the private sector, and its performance

1. Structure of the Algerian private sector :

The end of the first half of the year 2019; the SMEs in Algeria, constitute a large part of the economic with 1 171 945 companies. The majority of the SMEs which activate mainly in services, craft ,building and public works, while only 8,71% are SMES of industrial character . The private sector consists of 1 171 701 SMEs in which 56,28 % are the backbone of this sector, with 20.80% , 22.90%, respectively, are of the liberal professions and craft activities. Most private companies are SMEs , the small businesses represent 97.7% are still dominating and this is relative to the limited capacity of investors , or even the status of the company the most overriding in Algeria¹ .

1.The distribution of size :

Table (2) : Companies sizes distribution

Type of SMEs	Number of SMES	%
Very small enterprise (less than 10 employees)	1136787	97
Small enterprise (headcount between 10 and 49 employees)	30471	2,6
Middle enterprise (employees between 50 and 249 employees)	4688	0,4
Total	1171945	100

Note. From *Bulletin d'information statistique de la PME N°35 Novembre 2019* in : <http://www.mipmepi.gov.dz>.

At the end of the first half of 2019, the overall population of the SMES is composed of 97% of very small enterprises about 1136787 companies that are the most dominant in the economy, more 2,60% of the Small enterprise and the middle enterprise with 0.40%.

¹According to the ministerial average of industries 2019

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2.The distribution by legal nature and activity sector:

A) Moral persons :

Table (3): Moral persons distributed by activities

Sectors of Activity	private sector SMES	SMES public	Total	%
Agriculture	7275	93	7368	1,12
Hydrocarbons, Energy, Mines and related services	3032	3	3035	0,46
Construction and public Works	188275	15	188290	28,54
manufacturing	102055	73	102128	15,48
Services	358936	60	358996	54,41
Total General	659573	244	659817	100

Note. From *Bulletin d'information statistique de la PME N°35 Novembre 2019* in : <http://www.mipmepi.gov.dz>.

The sector of services is the most principal with more than 50% after the sector of construction and public works with 28,54% .

B) Physical Persons:

❖ Professions¹ :

Table(4) Distribution of liberal profession

	Health	Justice	Farms	Total
Number	50 414	26 485	166 860	243 759
%	20,7	10,9	68.4 per	100

Note. From *Bulletin d'information statistique de la PME N°35 Novembre 2019* in : <http://www.mipmepi.gov.dz>.

Farms represent 166860 with a part of 68.4 % after it comes the health sector, with a part of 20.7% in total.

¹ Remains for doctors and lawyers.

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❖ Craft Activities :

The craft activity has registered an evolution of 26875 affiliations, bringing the total number of craftsmen in 268369 SMES.

2. The performance of the private sector:

In this part we will present the performance of the private sector through its contribution in the constitution of the added value or even to create jobs

The following table illustrates the distribution of value added :

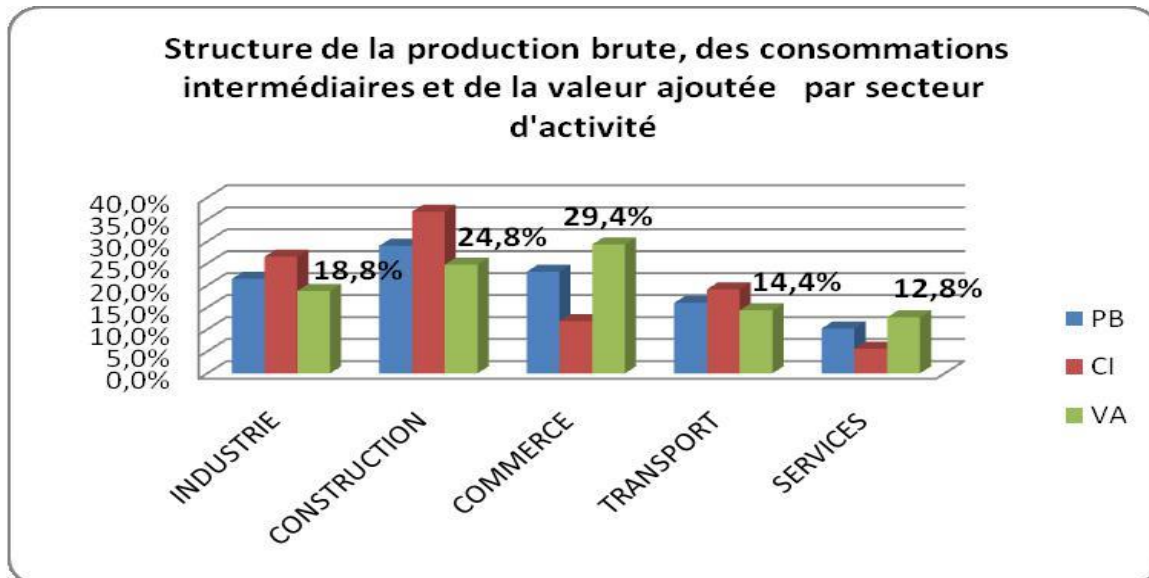
Table (5): Distribution of the Value added for each sector

Year : 2011-			Unit: Million in dinar
Sector of activity	Gross production	Intermediate consumption	Added value
INDUSTRY	1 530 243	670 700	859 543
CONSTRUCTION	2 063 926	929 494	1 134 432
TRADE	1 645 602	299 860	1 345 742
TRANSPORT	1 141 321	483 583	657 738
SERVICES	727 774	141 948	585 826
Total	7 108 866	2 525 585	4 583 281

Note. From l'office national des statistiques, in : <http://www.ons.dz/> .

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Figure1. Structure of gross production, intermediate consumption, and added value



Note. According to the previous table.

From the table we see that the value added of trade dominates the private sector , which is worth 1345742 M DZD , with a part of 29.4% after that comes the construction represents 24.8% , industry accounts for 18.8% of the total , transport and services account for respectively 14.4% and 12.8% .

The domination of the private sector is centralized in trade and construction.

As the years 1970,1971 ,1972 have marked a turning point in the Algerian economy. The period (2000-2011) was also a turning point, it was be the period where by the price of oil has taken a growth, as the economic rent has helped the state to meet the needs of the society. In this period, Algeria has spent more than 600 billion dinars for public works to encourage government investment plans ,at the end to apply the project of the economic recovery , this expenditure provided by the state creates an excessive thirst for developing the entrepreneurship in the construction sector , industrial handling ...

On the other hand, the private entrepreneurs were in need for assistance, funding and so it was necessary from the beginning; it was necessary that the entrepreneurs knew the rules of the game and master the art of negotiation in informal area. At this point, the development of private enterprises was be linked to the other public sector. The two sectors change in the opposite direction ; private companies do not stop to increase while the public economic enterprises are decreasing ,

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Algeria has lost more than 50000 SMEs in the industrial fields, while the number of enterprises active in trade and distribution was 12,000 (2003) to 40,000 businesses (2012) [Grim N,2012,p.87] .

The obstacles put by the state have forced producers to invest in the trade .The economist Mebtoul¹(2013) has classified more than 10 private companies according to their sales figures we are going to mentioned 11 companies² :

1. CEVITAL:

It is a family group and it is the first private company in Algeria who had invested in diverse sectors : food industry and distribution, electronic and electrical appliances, toughen industry, glass industry, flat, building industry, automotive, services, media.

The group is constituted by 18, 000 employees spread over 3 continents, it represents the flagship of the Algerian economy, and works continuously in creating jobs and wealth.

2. MEHRI:

It is a group existing since 1962 in the fields of trade, real estate, tourism, hospitality, agriculture and industry, which has expanded its scope of activity in the world of international affairs since 1965.

3. HADDAD:

The Group ETRHB-Haddad is spent in less than fifteen years of a small family business operator of major national economic life in the public works sector. Originally, the company specialized in construction works and building (Supply of Drinking Water, sanitation, roads...).

4. KOUININEF:

It is an Algerian group of building and public works sector . It is specialized in civil engineering and hydraulics.

5. RAHIM:

¹ Is an Algerian economist , professor and international expert

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It is a group controlling ARCOFINA is an Algerian group diversified in professions as the pharmaceutical field, banking, information technology, retail, hospitality, real estate, business and insurance.

6. BENAMOR :

The group, was founded in 1984 specialized in the agro-food chain, is developed in the following areas:

- The conserve food
- Semolina
- Pasta and couscous
- The agricultural development

With a view to diversification, The Group has recently invested in real estate development.

7. OTHMANI :

It is the the owner of Coca Cola Algeria with , and NCA Rouiba

8. BENHAMADI :

It is an Algerian industrial group, presents in the assembly electronic products and appliances, construction products and food products.

9. HASNAOUI :

The group of Companies HASNAOUI has become an undisputed leader in the Algerian market in the sectors of construction and agriculture.

The group brings together more than 18 companies operating in five main divisions: Construction, Industry, Agriculture, Services and Stone. It employs today more than 3000 employees spread across the country.

10.BIOPHARM:

It is a group of commercial and industrial that has invested in the early of 1990s in the pharmaceutical sector and now has a production unit with international standards and a network of distribution to wholesalers and pharmacies.

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11. SIM:

An Algerian family-owned company in the field of Flour-milling industry where it served as the first private company pioneer in this sector.

The group SIM has expanded its activities to other market through the creation of several subsidiaries...

Industrial Sector

- A subsidiary milling.
- A subsidiary of Mineral Waters, juice, canned goods, and drinks.
- Industrial Sector

Health sector

- A clinic for Medical-surgical.

Construction sector :

- A subsidiary company dedicated to the real estate promotion , management of sports and wellness facilities.

Education sector of the training:

- A school complex of different levels.
- Two institutes of management.

The economist has made a note that this list does not represent the true list, according to this classification we conclude that :

- The companies are mostly privatized
- Most of the companies do almost not invest in the economic field with the exception of the company BIOPHARM ; it reflects the change of modern in the private sector
- All of these businesses adopt the import
- Most are active in the agri-food sector because it is an opportunity to do Business , it is less risky, it brings a lot of benefit with a bit of technology and the state help (milk, semolina...)

Chapter 2 : Management of the Algerian private company

Mebtoul asks a question in his article "does it exist real entrepreneurs in Algeria producers of wealth ?" according to him a person who has money is not necessarily an entrepreneur who contributes to the domestic value added, because most of the seats in the social industrial companies in industrial parks have become storage areas for the imported goods. We can figure out that the overriding activity is trade, specifically the import, so the private entrepreneur is in need of negotiation skills more than managerial to enlarge its cycle of social knowledge.

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Section 03 : The management within the Algerian private company

I. The Algerian culture and classification of companies:

1. The Algerian culture :

The culture in general, is considered as a simple way based on organizing the relations of stakeholders, the authority, the communication and the strategy ...

We can not identify and outline the concept of culture, because each society has its specific traits, in regard to Algeria , the Algerian company suffers from several problems such as the lack of the organizational culture to adapt to environmental changes. There are two categories of culture, a traditional (local) and modern (western), Algerians employees are influenced culturally by the culture of their chief , boss ...

2. Classification of companies :

Table (6): Nature of companies according to the legal statute

Nature	Shareholders	Capital	Manager
Joint stock company	Greater than or equal to 7	Minimum 1 Million DZD	In one direction with a board of directors and president or an executive with a management board and supervisory board.
Limited liability company	Less than or equal to 50	100.000 DZD	One or several persons chosen from among the shareholders or third parties
A single member Limited liability company	A single physical person	1 Million DZD	Sole shareholder may be the manager of the company, when it comes to an individual shareholder. It can also designate a third party as a manager.
General partnership	Is a Minimum of two shareholders	There is no minimum share capital requirement	All shareholders, except stipulation out of statute
Limited partnership	Two types : 1 – The general partners 2 - The sponsors	Contribution of the shareholders	Can be chosen among the general shareholders as it can come from outside

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Partnership limited by shares	One or more general partners/sponsors	Divided by shares	Can be chosen among the general shareholders as it can come from the outside
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2. The management of the Algerian private company :

The creation of the private company takes its source in the family business , which the parent takes responsibility from directing and it is usually represented in a Limited liability company or a single member Limited liability company.

Regardless of the legal incorporation of the company, its practice is as between in the informal sector [Grim N,2012,p.89].

Grim (2012) indicates that the Algerian private company is very young ; by the arrival of 80's the property utilities have started to show up. The individuals have driven corporations to structure their affairs in the form of a Limited liability company or a single member Limited liability company and limited partnership and other forms... .

The introduction to managerial practices that tend to force companies to submit each year their balance sheets , these balances must be approved by the general assembly , the board of directors and auditors . Private companies choose to modernize their methods of management; analysts and researchers see that the modernization of the management it is a matter of time to change the mode of ownership and management.

The statement has pushed the new generation to choose studying value chains (MBA, IT, etc.) to adapt globalization changes that is why the founder always thinks to prepare his or her heirs, and to minimize the risk to defend the existence of his company .

"you said never buy a house from one who built it, Bought it from the one who has inherited it" [Hafsi T ,2012,p.244].

All the preparations are pre-determined to allow the sustainability of the company ; and the young heirs are better trained than their founding parents. Information technology, the diversity of social networks, allowing the development of management techniques, and discard the archaic.

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1. The managerial practices:

The management has a lot evolves with its organisational environment, it has become complex and uncertain ; the traditional concept of management is based on the five functions : planning, organization, commanding, coordinate, and control.

The new perspective is based on :

❖ **The finalization:**

" a process of orienting activities, which determines their nature, their locations, their levels, their temporal distribution, their components, operating principals, in reference to the principles of collective action defined as, or simply used by decision-makers. " [Tabatoni P et Jarniou P, 1975].

In general, it includes planning, setting of objectives, decision-making.

❖ **The organisation :**

According to Schein (1965), an organization is the rational coordination of the activities of people for the achievement of an explicit goal in common, through a labor division and a hierarchical authority and responsibility.

For Mintzberg (1998), the organization is a collective action to pursuit common mission.

It is the set of division actions for labor between the employees and co- ordaining the results of the different tasks through the implementation of the necessary means.

❖ **The animation :**

According to MAC CARTHY (1971) animation is:" to facilitate, it is to maintain order and advance the action of a group . Animate, that is, the action, the ideal thing is to get the participation of Men ".

The animation brings together all of the communication, culture and motivation .

❖ **The information:**

According to Huet and Rousset (1980) it is , " The set of means and procedures whose objective are explicit or the implicit result , is to provide to the different members of the organization a perception of the state and the functioning of organization through informational mechanism ".

It is to collect, store, process and disseminate information to managers and elements of the business in order to allow the exchange of internal and external information.

❖ **The control:**

(1965), Anthony defines management control as a process by which managers are assured that resources are obtained and used for the achieving objectives effectively remembering that the management control allows for the extraction criteria, calculate variances and implement corrective actions if necessary.

2. Classification of managers and their trainings :

Medoui (2012) has proposed a trial of new Algerian entrepreneurs , the results of studies and research made on the entrepreneurs emphasize the existence of five main types.

1. The entrepreneurs converted:

This type is comprised of former officials and executives of the public sector such as directors, managers, administrative, technicians, engineers...). Who have chosen to move to the private sector from the 1990s through the creation of their own businesses .these entrepreneurs are aged fifty years and older with a level of study equal to or higher than the bachelor's degree in the technical field in general. Their experiences in the public sector have given them the opportunity to train and to have a network of relationship so that they can focus on the market's need that bring a lot of performance.

Their logo is under the name of making money and to break up the routine of the public service , this category recognizes the knowledge, in the public sector ,which is useful for their activities and for the management practices within the enterprise private, as well as their knowledge widen the customer base, opportunities of sub-contracting.

2. Entrepreneurs constrained:

Are the manual workers and the lowest paid employees , which have been dismissed or non working for a long time all it is are constraints. They are aged (45-50 years) they see that it is very far from was being recruited again. Their areas are based around (public transport..) . The dismissal is not the result of the privatization, which has been the subject of public companies, but rather the suffering at work that is for what they have chosen to create their own businesses.It is a result of willingness to move from a situation of unemployment and of exclusion which affects the inactive population.

3. Migrant entrepreneurs:

This type brings together the entrepreneurs who have experienced a long history of immigration in France , Canada , USA.... and who have also learnt a strong professional experience as a retailer or as much as workers in foreign factories. Their choice of countries is to seize the opportunity. Half of them are young people who have been pursuing their studies abroad and have become servants and contractors here.

4. Entrepreneurs and heirs:

This category admits a presence in the family unlike the first three types; this type is present in the tradition shopping and business. We could say that they are two types of managers. The first is the boss (oldest) aged 40 to 50 years old with a training level that is very low. Its purpose is to ensure the continuity of the activity of his father and preserve the traditions of the working family. The second type is the boss (youngest) (25-30 years old) with a level (Bac+3 and more). This type prefers the change and break the family tradition (recruit based on skills, new behavior that works...) and which is intended to streamline management methods.

5. Young Entrepreneurs :

This type brings together the young graduates between the ages of 19 to 40 years, with a level of training for qualified but without employment. And who had sought the state using the ANSEJ to finance their projects, the government has implemented this initiative for the young unemployed and the young people that are not satisfied by work in the private or public sector who choose creating projects.

3. Towards a new mode of management (governance) :

The debates on the governance of the company plays a major role in the Algerian companies, most focus on the financial aspect, seeking improvement of reporting , control mechanisms and internal audit .

The concept of corporate governance is very broad, it is difficult to identify the concept in a single aspect, and we can give the definition of the most adequate. Charreaux(1997) offers us this definition : governance is " the set of mechanisms that have the effect of delimiting powers and of

Chapter 2 : Management of the Algerian private company

influencing the decisions of leaders, in other words, which govern their conduct and define their discretionary space ".

The purpose of applying the governance within the company and respect the interests of all stakeholders and to better apply the rules of governance it is necessary to know the theoretical aspect by addressing the theories of contract most known (the theory of property rights, agency theory, the theory of transaction costs).

❖ **The theory of property rights :**

Several authors have treated the theory of transaction costs for example Coase until Alchian & Demsetz, and other..., this theory began with the a logic statement ; the existence of two parties for the exchange relating to property right.

Berle & Means (1932), in their book they mentioned that the property law stipulates that the managers have the control and the management, while the profits are specific to the shareholders and the managers are forced to make a profit fees high and ultimate to reflect their level of performance. In this paragraph the authors have tried to explain the phenomenon of the modern , the concept of the property and their transformations to the ownership of large corporations created problems at the management level and the difficulty of running the company .

Alchian and Demsetz (1972) , Jensen and Meckling (1976)to see that the company is seen as a group whose members enjoyed to watch it from the personal interest to fix their destinations at the end of it to survive and be competitive [Foss N,2000] .

Property rights are as follows :

- The right to use the property
- The right to make a profit
- The right of transfer of the property

The manager has not the right to use, benefit from and dispose of the assets except if the owner allows him to do that, from this point the conflicts of interests arise. The executive officer has a salary with a share of the profit, while the owners are be forced to spend and cover the expenses related to the decisions taken by the head. With the degree of difference between his decision and their decisions, and the burden to motivate the leader to be able to provide the best decision and to make available to the mechanisms of internal governance (board of directors, internal audit...) and external (markets,...) at the end to ensure satisfaction.

❖ **The agency theory (separation between power and property) :**

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The agency relationship is be defined as a legal agreement between the principal (shareholder) and the manager. Where the main shareholder delegates the chief executive officer to take care of business in its place and, also, to decide from time to time ; the agency relationship is seen as an extension of property rights theory, this theory focuses on how the principal reduces its cost to agency [Berle and Means ,1932].

The agency theory recommends that the decision of the management is separated from decision control ; it is necessary that the management handles the affairs of the management only in return there is a board of directors which is responsible for the decision of the control and all of it is impacted by asymmetric information .

❖ The theory of transaction costs :

This theory aims to explain the existence of economic companies linked to the cost of the transaction because each economic transaction causes costs as a condition for its realization .The costs of transactions are : "... the covenant of law, economics, and organization " [williamson ,1996 ,p.25].

The firm is be regarded as an organization that includes a group of individuals with different points of views. This theory states that firms have become large and complex, for which the price of external movement governs the production and the market according to Coase (1937) , within the company a category of the transaction is eliminated as well as the management coordinates and controls the production [Solomon J ,2007,p.21].

The management in Algeria, was overshadowed by the economic stability, before applying the decision of privatization of public companies.

The managers were not oriented or controlled by shareholders, they acted as founders of their own companies, at that level governance did not take a great part of interest on the other side the state was considered as the unique shareholder [Chennouf S,2003].

After the 90's , the shareholders started to appear where by the agency relationship has been emerged . The manager of public sector aim to be faithful for the government only , on contrary of

Chapter 2 : Management of the Algerian private company

the private company manager aims to realize more profits whether it is paid by a fixed or variable salary .

Conclusion :

In this chapter, we have tried to stand at the most important stations where the features of management have emerged in Algeria private companies .what we have concluded is that the intersection of politics, economics and even cultural spheres has made these perceptions and practices achieving objectives in order to cover the interest of stakeholders.


Chapter 3: The management within the company of IRIS

Introduction

We tried in this chapter to deal with the presentation of the company and its description, in addition of putting efforts to represent environmental analysis and the description of management functions inside the company in order to get a clear image about the research topic.

Section 1 : presentation of the company IRIS SATEREX

1. General presentation of the company:

The company IRIS specialized in the electronic products, home appliances and telecommunication, founded in 2004, it is an Algerian private of a single member limited liability company , with a capital of 500 million dinars. The literature meaning of the word IRIS means the colored part visible in the eye  and the trade brand of this company is (SATEREX) , the company is located in the industrial area of Setif.

2. History :

The company exists since 2004, with 3500 employees (2019) , including :

- The frameworks represent: 284.
- The technicians and agents of control are : 625.
- The executors are : 1955.

The employees are divided into national regions, and it aims to develop the product locally through the use of the technology, export, and the entry on the international market.

Among the company's achievement:

- The company received an award as the best company in terms of innovation, at the level of the national production fair in its 24th edition;
- It is considered the first company that has eliminated the commercialization of the LCD television and the first who concentrated on manufacturing the LED television while other companies are still producing the LCD television;
- In 2012 : The first factory of an Algerian producer television with a digital receiver ;
- In 2013 : The first factory of an Algerian manufacturer of SMART television with an ANDROID system;
- In 2014 : The first Algerian, Arab and African producer of television ULTRA precised and ULTRA SMART (ISMART FAMILY);
- In 2015 : The first company that manufactures the thinnest television in the world and the first company that produced tablets with an Android system and Android wide.;

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- In 2016 : The obtaining of the certification ISO 9001/2008;
- 2017 :IRIS launched the first Android TV in Algeria;
- 2018 : IRIS launched the family of smartphones "Big Battery".
- 2019 : The world's leading producer of Algerian and African pneumatic + obtaining certification ISO 9001 version 2015 and ISO 14001 . As well as the business it is engaged in an initiative of BSCI *to* improve working conditions.

3. Company's Vision :

- The vision of the company in the long term is obviously to promote the local outsourcing .
- To diversify the activities
- Expanding its range
- Pass through the electro domestic to the complex electronic

4. Strategic direction :

- First, with a regard to the strengthening of the capacities of our staff through a corporate vision which places men at the centre of all expansion strategies.

- Second , consists in the acquisition of production equipment of high quality allows the company to put on the market, products that meet the quality standards, the most demanding and in force throughout the world.

5. Missions of the company :

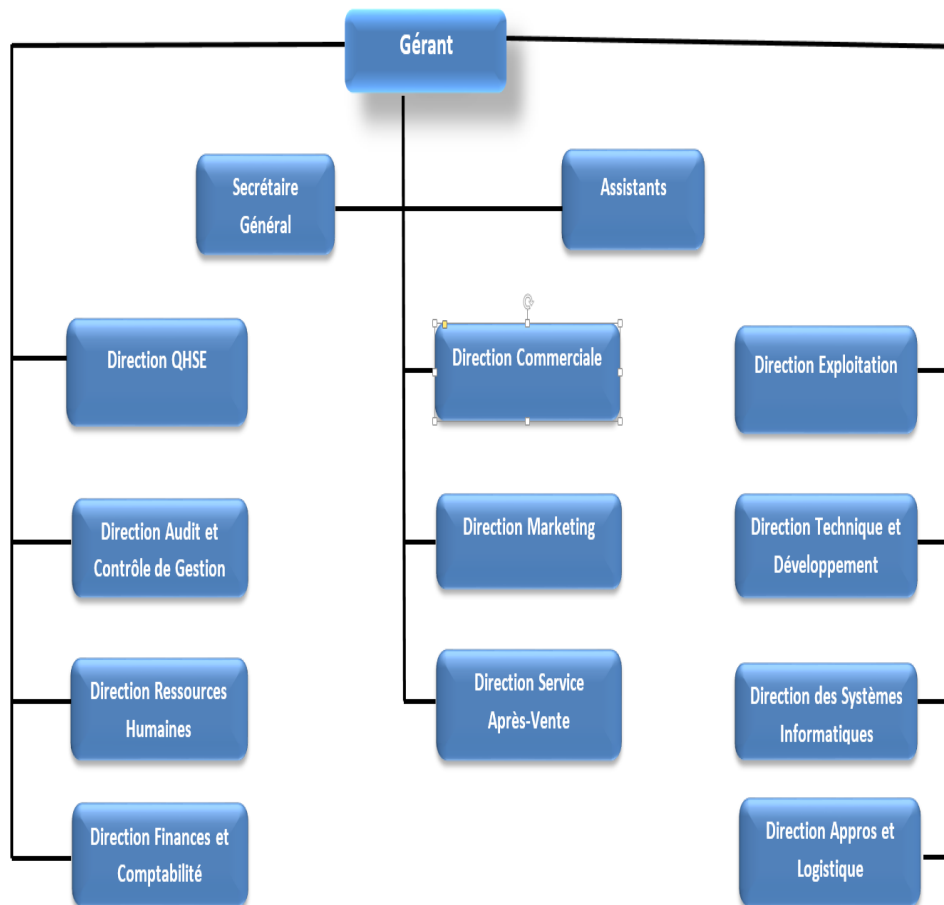
- The company markets several products to foreign countries specifically African countries , and at the same time contributing to the increase of the national exports.
- Participation in national and international fairs
- Support sports, cultural activities, and religious
- Provide jobs and absorb the unemployment
- Preserve the purchasing power through the fixing of prices to be reasonable
- The contribution to economic development through the improvement of the production and internal trade

6. The organization :

Figure (2) : Organizational structure of IRIS

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ORGANIGRAMME DE LA DIRECTION GENERALE DE L'EURL SATEREX -IRIS-



Note. internal data

7. Staff number of the company IRIS :

The human capital is considered as the core of the business; the human resources not only contribute in the outputs but also they contribute in the improvement of the managerial style, by seeing the diversity of the products of IRIS, while it has increased the number of human resources and specifically the skills. The company provides large sums of money to train them abroad, or to bring experts, specialists from the foreign companies to transfer knowledge.

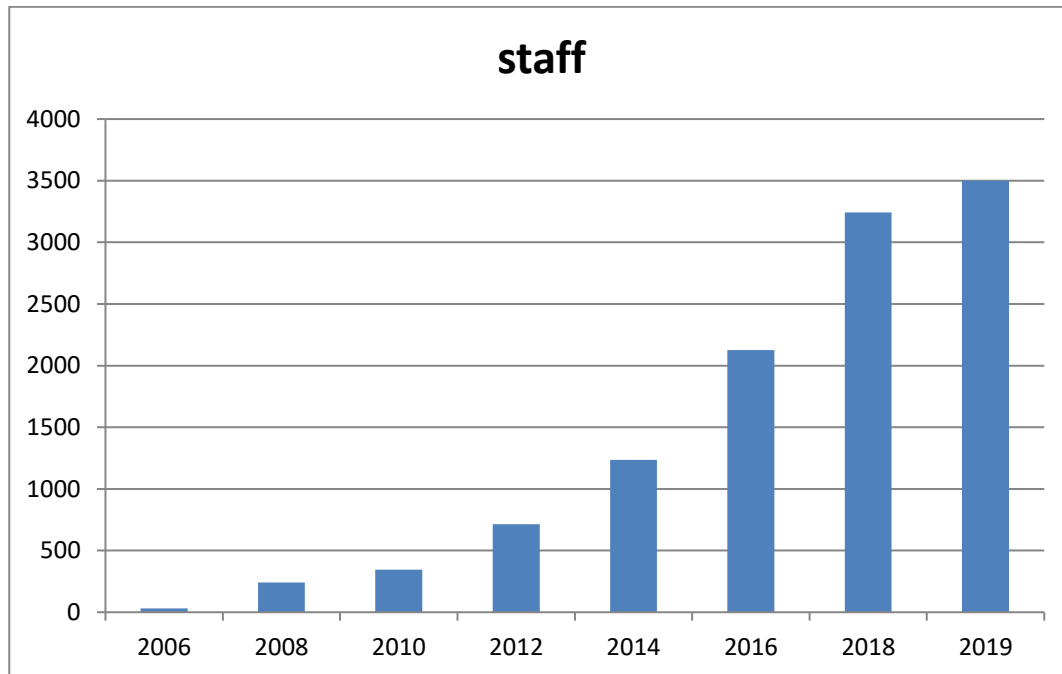
Table (7) : Evolution of staff

Year	2006	2008	2010	2012	2014	2016	2018	2019
Number of staff	30	220	345	713	1235	2126	3242	3500

Chapter 03: The management within the company of IRIS

Note. internal data

Figure (3) : Evolution of IRIS's staff



Note. according to the previous table

From the table we see that the company IRIS has a lot developed the number of employees because the company always invested in hiring and researching for qualified workforce to achieve its objectives and meet the needs of human resources .

As the company invests in the recruitment and sometimes the recruiting takes another current, therefore, it is possible to fail ; the following table represents the number of hires and the number of recruitment failures (2019).

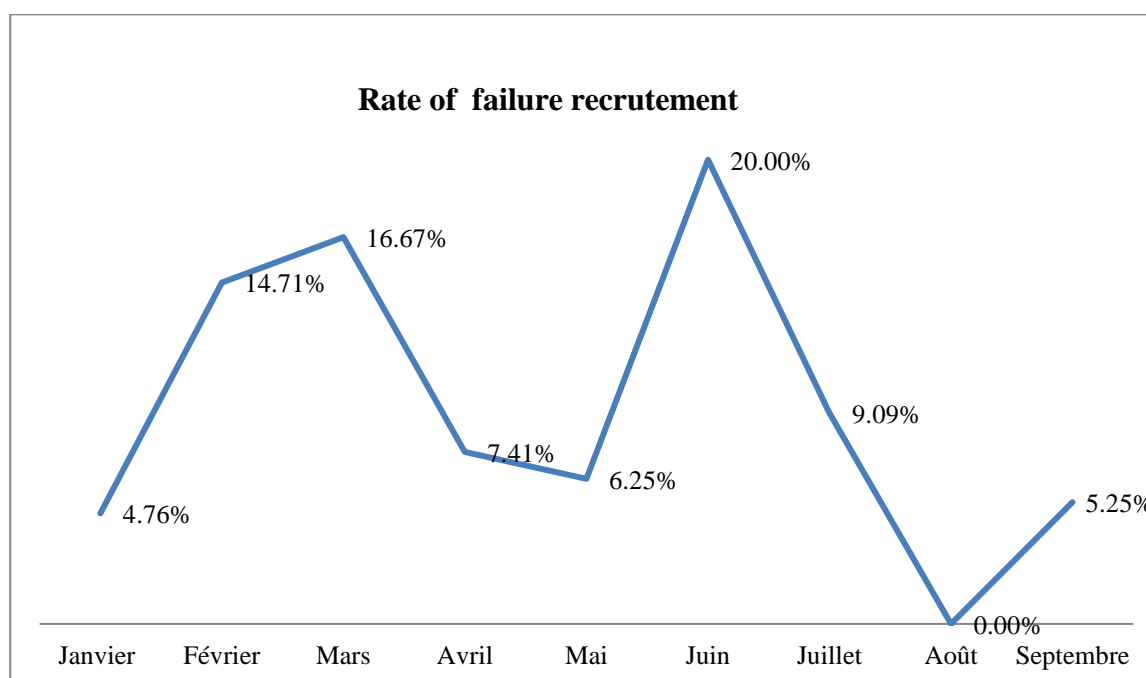
Table (8) : Failure of recrutement

Months	Numbers of recruited	Numbers of failure recrutement	Rate of failure recruitment
January	21	1	4.76%
February	34	5	14.71%

March	18	3	16.67%
April	27	2	7.41%
May	32	2	6.25%
June	10	2	20.00%
July,	11	1	9.09%
August	1	0	0.00%
September	38	2	5.26%

Source : internal data .

Figure (4) : Rate of failure recruitment in IRIS



Note ,developed from the previous table.

According to the graph, we find that the months of June, March and February, respectively, represent 20%, 16.67%, 14.71%. These are the reasons for which 18 people have failed during the three quarters: the failures were related to problems of affection (half of which failed due to a deficit of skills). The closure intellectual, lack of motivation, the absence of evaluation during the trial period prior to final recruitment; it influences the quality of recruitment.

Section 2 : Analysis of the company

In order to give a clear image about IRIS , with the circumstances it lived with and the choice of the diversification strategy, therefore, it is necessary to analyze the environment through the SWOT analysis, PESTEL, the 5+1 forces of porter.

1.SWOT analysis :

We will choose the internal variables for the diagnosis:

- **Marketing function :**

- The pneumatic products guarantee the first place of the company on a national scale.
- The market outcomes of televisions are high.
- The ease to sell the maximum of products in all cities.
- A good reputation by getting the ISO certification.
- A best after –sale service.
- The inability to produce cell phones.
- The state’s order for not giving the permission to the company to produce the

SMARTPHONES.

- **Production function :**

- A portfolio diversified which at the end guarantees a financial balance.
- IRIS invests in high technology , with its data system which is highly developed that

helps to ensure the effectiveness of the product operations effectively.

- Strong competition in the sector of household appliances.
- Modern machinery and high-performance
- Large number of component imported.
- Quality control throughout the production process

- **Human resources function:**

- IRIS focuses in the investment of human capital which aims to improve the performance of employees

- IRIS is one of the companies in the sector of household appliances, which figures out the competence and the frameworks. The presence of German and Finnish engineers and the

Chapter 03: The management within the company of IRIS

partnership with the Korean ,Japanese companies are also a major force for it, in addition the company focuses on the good relationship between the manager and the employees, this is what we have seen during the internship.

And putting the focus on the particular culture of the company in its relations with the manager and his staff.

2. External environment analysis of the company:

❖ **Political environment:** the IRIS is brought sometimes to overcome barriers to end to ensure a good functioning of its operations, the company, like all private companies complies with the regulations.

❖ **Economic environment :** despite the economic instability of the country, IRIS, contributes for the dynamism of the Algerian economy through the following :

Guarantee the best service with ranges to satisfy the customer

Since its birth, IRIS continues to investment to boost its presence.

❖ **Social environment :** the company SATEREX is affected just like any Algerian entity by the circumstances of Algeria, but this does not oblige the business to stay blocked, IRIS seeks to preserve its reputation in term of social relationship , through the participation in trade fairs productions.

❖ **Technological environment:** IRIS ensures its place in the innovation all by responding to the needs of customers

❖ **Ecological environment:** the new headquarter of board of director is a building designed according to technologies , highly ecological ; everything is recorded on electronic media (the financial statements; the annual activity reports) and this leads to reduce the use of paper.

❖ **Legal environment:** IRIS has benefited from the exemptions and assistance to the state, as well as the company has benefited from a margin of preference of 25%* ; the company IRIS adheres to note (code de commerce), the law on currency and credit), the governance of IRIS is consistent with the recommendations.

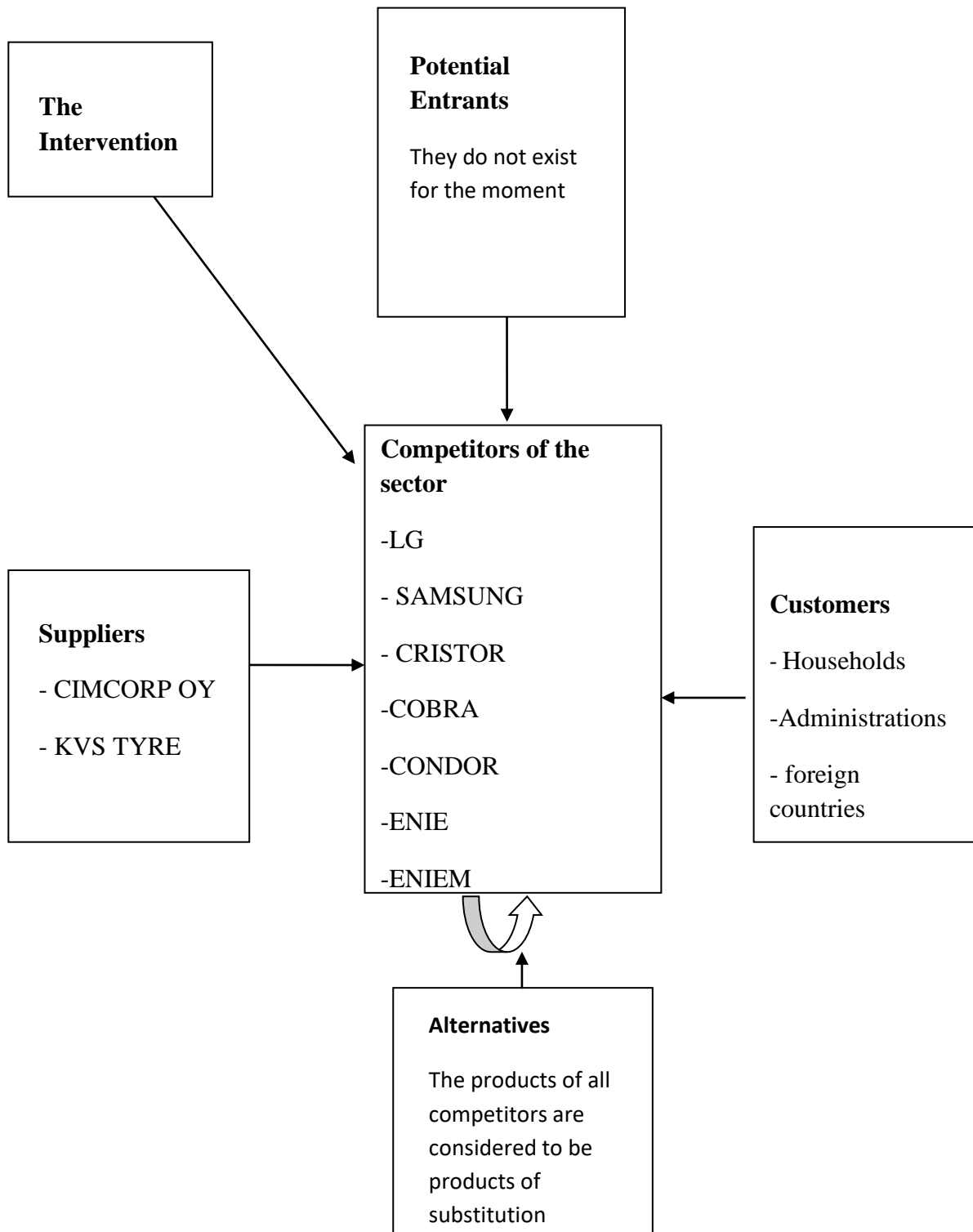
3. Competition analysis of the company:

The company IRIS is facing a big part of rivals , characterized by strong competition between several companies that import electronic machines and pieces in the form of finished

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products, or the companies that install their products represented locally by foreign companies. Therefore, it is face a number of possible threats ; the model of 5+1 forces of competition defined by Michael Porter helps as to evaluate the competition. It is in this perspective that we will try to analyze the competition of the company IRIS.

Figure (5): Porter's 5+(1) forces



a) Bargaining Power of suppliers and customers :

1 - Bargaining power of suppliers:

Several materials used in the manufacturer of products, appliance the outsourcing of raw materials and components imported.

The company therefore agrees generally with foreign suppliers, and because of the good relationship between them, the negotiation with them requires an agreement to the satisfaction of both parties needs to be reached , by granting of licenses for example. Here are some suppliers of the company IRIS :

- **Cimcorp** : is a Finnish supplier of automotive tire industry.
- **Black donuts**
- **KVS TYRE**

It is clear that the company relies on a group of different suppliers, whether in producing or in manufacturing , it does not seek only for one country or combined with each other, forming an oligopoly for the company, which can release some pressure from trading on the price or the quality of the materials provided.

In order to reduce the pressure from suppliers, and to minimize the interaction with them to the extent possible, the company has increased the rates in integration in a product, that is to say, to minimize the raw materials imported from abroad and bring them back to the local materials .

2- Power of bargaining of customers:

The diversity of the portfolio , requires a dealing with clients of different sizes, as it deals with national organizations private and public as:

- The Algerian universities and social works.
- Public administrations.
- Wholesalers and retailers located in different regions of the national territory
- Export to : Tunisia, Libya, Morocco, and some European markets and the us.

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However, the diversity of IRIS's customers does not make it free from threats in the future, in the light of the intense competition in this sector and the increase of the duration of the competition warranty for the products or extension for duration payment for their purchases, as well as the payment methods.

b) Rivalry between competitors in the industry:

1- Rivalry among existing competitors:

The company faces intense competition in the electronic equipment and appliances field. Its strategy of diversification by proposing a low price and a high quality, which has made a success since IRIS adopted to launch a new product represented in the manufacture of the tires was given a chance to be present in the American markets, as well as exposing in the district of silicon valley (California) .

The intensity of competition is seen also at the efforts made by each competitor in terms of participation in trade shows and fairs : using different means of communication (media, billboards, etc.) for brand awareness and persuade the customers.

Companies which are competing IRIS at local and national level can be illustrated in the table below:

Table (9) : Direct competitors of IRIS

Company	Date of creation	Trade brand	Headquarter
ENIE	1978	ENIE	Sidi Bel Abbès
ENIEM	1983	ENIEM	Tizi-ouzou
FRIGOR	1997	FRIGOR	Tizi-ouzou
LG	1997	LG	Tebessa
CRISTOR	1997	CRISTOR	Bordj Bou Arreridj
THOMSON	1998	THOMSON	Oran

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COBRA	1998	COBRA	Bordj Bou Arreridj
AKIRA	2002	AKIRA	Setif
CONDOR	2002	CONDOR	Bordj Bou Arreridj
SAMHA ELCTRONICS	2006	SAMSUNG	Setif

Note according to each site of the company .

2 - The incoming potential:

For the moment, there is no potential arrivers because :

- These projects require a need for funding very high.
- Good reputation for some existing brands, including SATEREX, CONDOR..
- The existence of companies at the continental and international levels, including IRIS,

CONDOR

However, potential competitors may be able to create pressure on the sector of household appliances because of :

- The low cost of labor and energy.
- The weakness of barriers to import for the editing activity.
- The existence of skills and a skilled workforce.

3- The threat of substitute products :

Alternative products express ; products that perform the same function or achieve the same saturation and satisfaction, and since all the competitors as IRIS offer the same products (TV, fridge, air-conditioning,...)

The products of all the competitors are considered as alternative product the company for the company

The customer at any time, can change this brand to other brands and he could support an additional cost which is the price difference, but it does

represents not so much a risk for the company at this time because IRIS plays on the price and quality at the same time.

Section 3 : The management within IRIS company

We could not accomplish the empirical practice as it was intended at the beginning, so in this part we will describe the management within the company IRIS SAT , analyze , and explain the facts of management in the private company.

The quality of management in the Algerian private got its roots in the formal and informal sector .The management observed in the company IRIS revolves around the practice of management quality, otherwise known as the application of the standards face to globalization, the competition.... ; the implementation of management quality system helps organizations to improve their performance through these principles applied:

1. Customer focus
2. Leadership
3. People involvement
4. Process approach
5. Systematic approach to management
6. Continual improvement (Plan,Do,Check,Act)
7. Factual approach to decision making
8. Mutually beneficial supplier relations

The logic states that the theory and practice of management requires a system approach , even if the practice in the real world is artificially defined , the manager can never ignore the external variables. Therefore, it must take into account its external environment , the economy, capital, labor , scale, price , productivity , regulation , customer, technology , the social aspect, the political and the ethical aspect also.

The development of the organizational plan helps the leader to place itself and its behavior to be influenced by the culture of his environment. The company IRIS it is a whole organization ; it can give us the possibility to analyze the main aspects to present the managerial positions.

A) Planning :

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The company IRIS plans for longer periods of time, instinct ; IRIS takes into consideration benefits forecasting and analysis for planning and develop plans. The manager is in the obligation to respect the theory and techniques of bases, for example, if the company omits this step ; the assembly lines could stop due to the lack of components .

Figure (6): planning structure of IRIS



Note. Internal data

The strategy is equal to the decision, the goal of the company is to make profits while the aim of the strategy is to present the framework of the action. The strategy designed by IRIS is to enter the international market specifically the American market, and it is in the spirit of competition, through the launch of pneumatic product; a reasonable price, a good quality , tested by experts, German and Finnish in which the goal of meeting the needs of consumers are neglected by the American producers , this policy decrypts :

- The presence of competitors
- A restricted market
- Price/quality ratio

The strategy of IRIS plays on :

- Realization of the American market
- The production and marketing of the pneumatic
- The export

B) Organization :

The organization function is necessary for the collaboration of human resources, this involves the application of a fundamental logic through :

- Establishment of the objectives of the company
- Formulation of objectives, policies and plans
- Identification and classification of the activities necessary to achieve them
- Grouping activities according to human and material resources and according to the circumstances
- Delegation responsibilities for carrying out these tasks .
- Horizontal and vertical integration of the groups.

The organization is seen as a process, the structure of which reflects the objectives, the exercise of authority, and habits, and the environment; therefore the structure must be logical, and the manager is in the obligation to evaluate the performance of his employees.

If the tasks are defined does not imply that they must be executed by respecting all the steps, in the case of the company IRIS ; the spots are divided with details if we take the assembly line all the tasks are detailed perfectly.

The division of tasks, gives the possibility to enable the plan manufacturing of laptops, digital receiver , machines ; what we can deduct it is that each organization defines the tasks according to their characters, and if the tasks require creativity, therefore, a leeway ; an allowable margin will not be the same for a simple task.

We look upon for the departmentalization, IRIS applied it basing on the hierarchy through the grouping of activities according to their function, which the basic functions are : the production, the sale, financing ...

While the derivative departments ; the manager chooses to broaden its range by the release of responsibilities and the appointment for a proposed to that he headed the new unit¹ .

¹ To look for the appendix N°=1

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C) Commanding :

We need to talk a little bit about the training of the managers; the main objective is to provide managers with a continuous experience in various functions ; training for managers revolves around the study of behavior, interactions between tasks, but this is not the case in Algerian companies. Universities, business schools and institutes offer courses, conferences and seminars to train students in the management and how they react in the field of business. The learning content and the quality of the teachers because most of the time could cause a shortage because the theory of management requires a practice to attain the experience ; in other word, the failure arises because of the non-complementarily between the university and the company.

It is important that the program ensures the input of business leaders ; though the training in the universities do not produce managers trained and ready to access the market; and the one who has no previous knowledge in management may manage one or a group of companies . The manager and the executive officer of IRIS are not specialized in the management. As, for example, the executive officer is now handling the marketing direction , the other managers are trained in the legal sciences, finance and accounting , information technology , mechanical engineering ... if these managers are not able to make progress, they will be assigned into different jobs , quite possible that the new job will suit them .

Leadership equals influence ; therefore, the primary responsibility of the manager is to motivate its employees so that they contribute to the achievement of objectives , according to the employees of IRIS most of them are satisfied of their positions, salaries, work conditions and it is that the good manager is one who can see very far .

D) Coordinating :

This function is very complex and difficult to apply in the real world in an efficient way, the first thing to do is to develop a plan of organization, schedule, the terms of resource potential and finally develop plans for improvement.

The company IRIS , its organizational plan includes the definition of the positions in the future , the need for recruitment. In this step it is necessary to assess the potential for the staff to identify gaps .The planning of the terms and conditions of the employees by developing their

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competencies through training for example , the hot and cold feedback¹ is necessary to see and evaluate the performance of those who have been trained in such a task .

Even if the company tries to comply with this approach ; its final interest is in the planning of the sales, the production, it applies the planning staff partially. Management is an activity that is difficult and complex at the same time, because the manager must recognize his employees, manage conflict, so that they feel appreciated.

E) Controlling :

The function of the control is to measure and evaluate the performance, identify the gaps and put at the disposal the corrective actions, the control within the company IRIS goes through the following steps :

- The definition of the strategy
- The monitoring of the strategy
- The allocation of resources
- The measurement of the performance
- The monitoring of activities
- Carry out corrective actions with recommendations

The company IRIS, lived a period of extraordinary growth, the profits were of a high speed, the government order to stop the production of SMARTPHONES, this has marked a great margin of difference between what was expected and what has been achieved ; this is due to underprivileged planning of the manager, the inadequate training of employees.

Most of the controls are partial and are intended for product quality, the costs, the budget....

The development of the control is linked to the information system, the chief executive officer of IRIS is aware at all times of the production progress and that is what the managers need ; an information system which presents a real interest to enable effective control .

¹ To look in the appendix N°= 2 and N°=3

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Conclusion :

As far as it was not possible to treat the empirical study it is difficult to answer about questions and hypothesis mentioned in the first chapter , so we trained at least to approach the study into presenting some of internal data and make the analysis according to them .

The management is not an easy activity to exercise otherwise it requires many skills and qualifications to do things correctly and effectively .

General conclusion

It looks like it is obvious that dealing with a management topic in Algeria can be a highly problematic ; many ideas can not be counted and it is difficult to withdraw its origin , roots and also the initiative to undertake a global review.

All medias, magazines, conferences have promoted the management as a trend and it is understandable that government and owners of private equities are the first and the last beneficiaries in spite of these beliefs the ongoing path of it would never cover the reality of manipulation and fraud in order to satisfy different interest of stakeholders.

Without dealing with characteristics of Algerian culture as it is done in most of dissertation, we tried to recuperate discussions from social and economic sciences.

The study has revealed different viewpoints about the total visualization of management topic in private companies; the concept of management could not be controlled and restricted due to peculiarity of culture and political nature where it was born.

Also the study shows that it is impossible to treat it without knowing the forms of its presence in the Algerian context. The culture works on designating social and natural groups and it is discussed in previous chapter, that the experience of Algerian culture could be sought from two corners whether by selecting the characteristics of its own (language, habits, and religion ...) to build a unique , specific culture for Algerians or by imitating from foreign societies what should be respected and behaved .

The understanding of management is linked to the social, economic and political sphere this is why all the chapters involved analytical elements which aimed first of all to show off the constitution of private sector merged by the historical context; all these elements have helped to treat the subject of management.

In the last chapter, the study took an over description based on macroeconomics analysis in order to stand on the nature of management practiced inside the company.

From what it is done in this dissertation we could not treat the empirical case because of the circumstances lived at that testified period , but also what we have done in the theory could bring some of bright side to elucidate the topic.

General conclusion

As a conclusion, the management in Algeria does not depend on the quality of managers or their training and their level of education. It depends on the macroeconomic scope it is necessary to take into consideration the external factors of the company if there is a disorder in the top level of politics and there is no governance to guide the derived sector how could be the company managed then .

All the Algerian entrepreneurs know that the company can operate without depending on management; to be successful is to be able to bargain and extend social network in order to insure the continuity of activities.

It is a question of the government obligation to give the first place for public sector , that is why all entrepreneurs choose to invest in importing machines and raw materials to figure out new products under the tagline of pure local product. It is not far of them to be creative and launch products differently but it is the best way to gain profit and take a social position of upper middle class.

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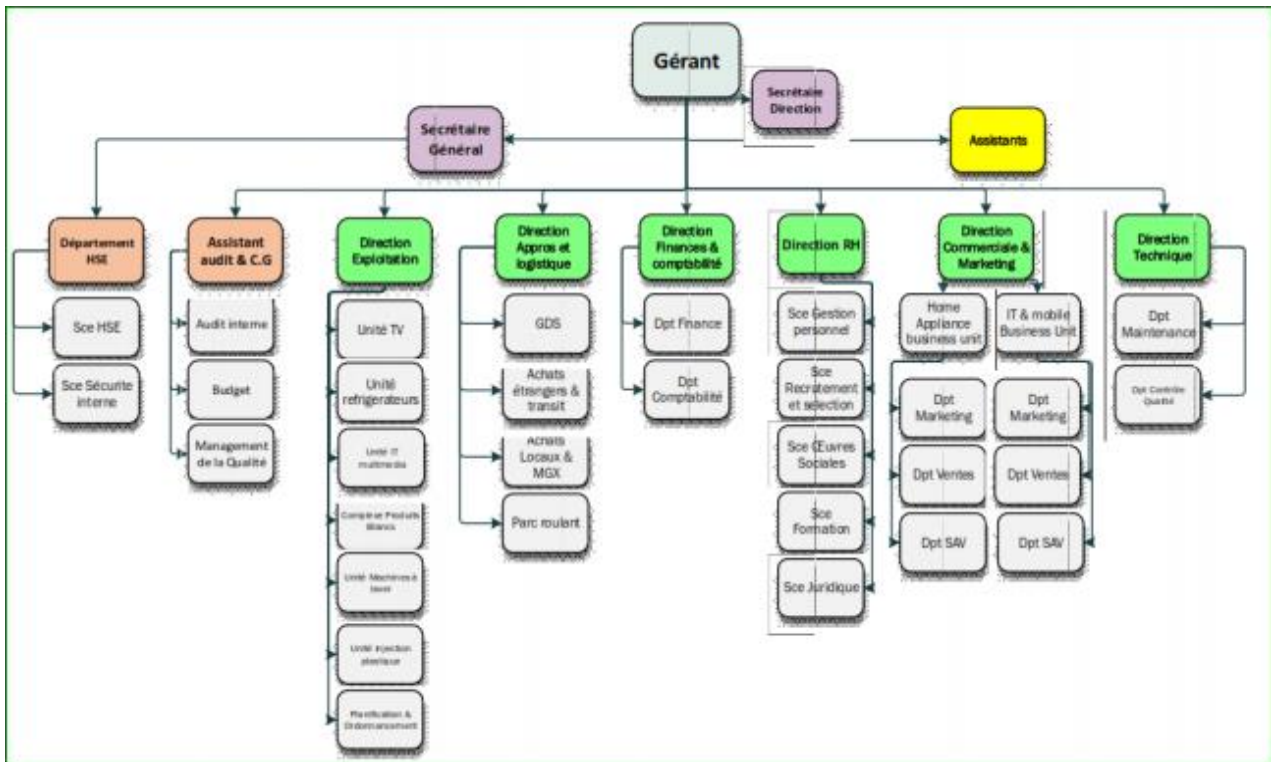
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Appendices

APPENDIX (1)

Organizational function of IRIS SATEREX



APPENDIX(2)Hot feedback of IRIS SATEREX

Thème de Formation					
Date de Réalisation		Lieu de déroulement			
Organisme de Formation		Formateur			
Echelle de notation / مقياس التقييم					
(1 = insatisfaisant à 5 = excellent)		(01 = غير مرض إلى 5 = ممتاز)			
Cours de Formation / محتوى الدورة التدريبية					
Contenu conforme aux objectifs / المحتوى وفقا للأهداف	1	2	3	4	5
Rapport théorie/pratique / المحتوى النظري والتطبيقي	1	2	3	4	5
Durée de la Formation / التكوين	1	2	3	4	5
Support pédagogique / الدعم التعليمي	1	2	3	4	5
Logistique et conditions matérielles / الوسائل المعتمدة في التكوين	1	2	3	4	5
Le Formateur : الأستاذ					
Clarté du cours / وضوح الدورة التدريبية	1	2	3	4	5
Maîtrise du sujet / التمكن من الموضوع	1	2	3	4	5
Disponibilité / الحضور	1	2	3	4	5
Méthode pédagogique / طريقة التدريس	1	2	3	4	5
Impact / التأثير					
Utilité en situation de travail / فائدة الدورة التدريبية في العمل	1	2	3	4	5
Développement personnel/professionnel / التنمية الشخصية / المهنية	1	2	3	4	5
Appréciation générale / التقييم العام	1	2	3	4	5
Commentaires / تعليقات :					
.....					
.....					
.....					
.....					

APPENDIX (3) Cold feedback of IRIS SATEREX

Organisme de formation :	.....	Intervenant(s) :	.....
Intitulé de la formation :	.....	Qui s'est déroulée	Du..... au
Nom et Prénom du Participant :	.....	Structure d'affectation :	.....
Nom et prénom du Responsable :		.....
A remplir par le Responsable du Participant			
A l'issue de sa formation, avez-vous eu un entretien avec votre collaborateur pour faire le point sur l'apport de sa formation ?	<input type="checkbox"/> Oui		<input type="checkbox"/> Non
Si « non », pourquoi ?	..... .....	
La formation choisie semblait-elle répondre au besoin que vous avez manifesté ?	<input type="checkbox"/> Oui	<input type="checkbox"/> Oui, partiellement	<input type="checkbox"/> Non
Si « Oui Partiellement » ou « Non » Pourquoi ?	..... .....	
Depuis la fin de sa formation, a-t-il pu mettre en pratique les connaissances acquises ?	<input type="checkbox"/> Oui	<input type="checkbox"/> Oui, partiellement	<input type="checkbox"/> Non
Si « non », pourquoi ?	..... .....	
Selon vous, qu'est ce qui pourrait favoriser la mise en pratique de sa formation ?	..... .....	
Au regard de l'objectif visé, le résultat est-il atteint ?	<input type="checkbox"/> En totalité	<input type="checkbox"/> partiellement	<input type="checkbox"/> Non
Si « non » ou « partiellement », pourquoi ?	..... .....	

A remplir de la part du Participant				
	Oui نعم	Oui, partiellement نعم جزئياً	Non لا	Si « Oui Partiellement » ou « Non » Pourquoi ? إذا كانت الإجابة "نعم جزئياً" أو "لا" لماذا؟
-Avez-vous pu appliquer les connaissances / compétences que vous aviez acquises lors de la formation ? - هل تمكنت من تطبيق المعرفة / المهارات التي اكتسبتها أثناء التدريب؟	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-Pensez-vous que finalement le ou les objectifs opérationnels définis avant la formation correspondaient bien à vos besoins ? -هل تعتقد أن الأهداف المحددة قبل التدريب تتناسب مع احتياجاتك؟	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-Diriez-vous que la formation vous a permis de développer votre niveau de compétences ? -هل تعتقد أن التدريب سمح لك بتطوير مستوى مهاراتك؟	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note. We could not show the entitled brand , the logo and the dates in these documents in order to respect company's request .

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