

An investigation of the governance of SMES in Algeria: a sample of SMES in the Oran area

حوكمة الشركات المتوسطة و الصغيرة في الجزائر : دراسة عينة من الشركات في ناحية
وهران

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Abstract

SMEs have a significant impact on national economies. Due to deficiencies in the caliber of the institutional and human resources they use, SMEs in developing nations face a number of challenges. These businesses are frequently characterized in Algeria by a lack of managerial and technical expertise. The aim of this study is to clarify the components that make up the governance of SMEs in Algeria by conducting an exploratory study on a sample of these businesses in the Oran region. This study concentrated on the various governance mechanisms and how they operated in our sample after providing an overview of the literature on the major theories of governance.

Key words: Corporate governance, SME, exploratory study.

Classification JEL: G34, D23.

ملخص :

تؤثر الشركات الصغيرة والمتوسطة تأثيرًا كبيرًا على الاقتصادات الوطنية. ونظرًا لضعف كفاءة الموارد المؤسسية والبشرية التي تستخدمها، تواجه هذه الشركات في الدول النامية عددًا من التحديات. وغالبًا ما تتسم هذه الشركات في الجزائر بنقص الخبرة الإدارية والفنية. تهدف هذه الدراسة إلى توضيح عناصر حوكمة الشركات الصغيرة والمتوسطة في الجزائر من خلال إجراء دراسة استطلاعية على عينة من هذه الشركات في منطقة وهران. ركزت هذه الدراسة على آليات الحوكمة المختلفة وكيفية عملها في عيّنتنا، بعد تقديم لمحة عامة عن الأدبيات المتعلقة بأهم نظريات الحوكمة.

كلمات مفتاحية: حوكمة الشركات، الشركات المتوسطة و الصغيرة، دراسة استطلاعية.

تصنيف JEL: G34, D23.

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Introduction :

It has been widely recognized in the literature that small and medium-sized enterprises play an important role in the economies of countries, and particularly in developing countries. SMEs in developing countries face several difficulties related to failures in the quality of human and institutional capacities, with which they evolve. SMEs hold an important position in the Algerian economy, and they continue to gradually take up more space in the country's economic activity. The importance given to the company in economic theory is only recent.

To understand organizations, economic science has gradually abandoned the postulates of the classical school of economics. According to (Plane, 2003), in the general equilibrium theory, the firm is considered an individual agent, it is not interested in its internal organization, nor its own resources. It was considered a black box, the understanding of its behavior was solely linked to profit maximization (Plane, 2003). Since Berle and Means (1932), economists have recognized that the separation of ownership (shareholders) and management function influences corporate performance. But it is only recently that a significant portion of the literature has been dedicated to examining the relationships between managers and their shareholders, what is called the "corporate governance" system (Charl  ty , 1994).

The analysis is based on the assumption of the existence of an agency problem: the management team is mandated to take any action in the best interest of the shareholders. But the objectives of the managers are generally distinct from those of their shareholders. Another problem is that managers have better information than their shareholders about the company's environment. This situation allows managers to steer management in their own interest, which is a problem of information asymmetry (Charreaux, 1994). Remuneration not linked to performance, growth policy in their favor, lack of transparency are all problems, between managers and shareholders, that constitute agency problems (Charl  ty , 1994). Corporate governance mechanisms aim to address these issues, either by providing managers with incentives to align their objectives with those of shareholders, by improving shareholder information, or by developing mechanisms to monitor and guide the management of the company (Charl  ty , 1994). From these developments arises the issue of describing the governance structure in SMEs in Algeria. More specifically, it is about identifying the main elements that structure the governance architecture of SMEs in Algeria.

To conduct this study, we conducted a survey, thru a questionnaire, in a sample of companies in the Oran region. Thus, 32 senior executives were interviewed to participate in this survey. The collected data was analyzed using the SPSS 20 statistical processing software.

1. Corporate Governance :

According to (Gomez P. Y., 2001), corporate governance can be defined as "the coherent set of institutional mechanisms and practices of the company that legitimize the authority functions exercised directly by the leaders and delegated to the hierarchy." In capital companies, the mechanisms today include:

- Representation bodies, such as general assemblies.
- Executive bodies, such as the board of directors and its chairman, the executive board, or the general manager.
- Control bodies, such as supervisory boards or audit committees.

According to (Joumard, 2009), corporate governance is the first modern application domain of governance. In his article "The Nature of the Firm," (Coase, 1937) lays the foundations of a new perspective by establishing the basics of neo-institutionalism. "It is a school of social thought that interprets social and political relations, as well as history and internal social relations within the company, in strictly economic terms of performance and efficiency, in accordance with the general method of neoclassical economics" (Joumard, 2009, p. 10).

Corporate governance and governance structures have been the subject of research since the 1970s. It concerns the internal policy of the company, as well as all the mechanisms implemented within the company to ensure effective coordination, whether internally or externally.

For (Joumard, 2009), governance refers to an entire process, forming a networked system that governs the relationships of stakeholders with the aim of ensuring better management.

Corporate governance appears as one of the central themes of management. Its main objective is "to explain organizational performance based on the systems that frame and constrain the decisions of leaders." It is listed among the major themes aimed at mobilizing companies to ultimately transform their mode of organization (Trébucq, 2003).

There are several theoretical constructions of governance; the two main currents are: the current of contractual theories and the current of cognitive theories. According to (Bekkar, 2011), for theorists of the contractual approach, the company is considered a "nexus of contracts," with information asymmetry and conflicts of interest as main characteristics. The property rights theory (Alchian & Demsetz, 1972), (Alchian & Demsetz, 1973); the agency theory (Jensen & Meckling, 1976), the transaction cost theory, and the entrenchment theory (Morck, Shleifer, & Vishny, 1988) are the main contractual theories.

As for the cognitive theories of the firm, the question of the origin of rent is at the center of these theories' concerns. To understand the process of value creation, cognitive theories prioritize the notion of knowledge over the notion of information. According to (Charreaux, 2002), cognitive theories include several currents that are often strongly intertwined. The behavioral current (Simon, 1959), (March, 1981) et (Simon, 1991); the neo-Schumpeterian evolutionary economic theory and resource- and competence-based strategy theories are the main schools of thought.

2. Methodology

According to (Petit & Durieux, 2014), there are two main processes for constructing knowledge: exploration and testing. Thru exploration, the researcher aims to propose innovative theoretical results. Exploration in management involves discovering or deepening a structure or operation for better explanation and understanding. In this research work, we resorted to exploration in order to discover and identify the variables of corporate governance in the context of SMEs in Algeria. Indeed, we tried to research and gather data, then process it thru a methodical instrumentation that would produce results that would improve the understanding of governance in the context of SMEs in Algeria. Thus, we opted for a primary data collection approach, which provided us with an opportunity to directly confront the reality of governance in SMEs in Algeria. The data was collected using the method frequently used in quantitative management research, the questionnaire (Baumard, Donada, Ibert, & Xuereb, 2014). Our sample consists of 32 SMEs engaged in these activities in the Oran basin. The collected data underwent statistical analysis using IBM SPSS 20 software.

3. Results and discussions

In this phase, we will present the results of our survey. First, we will present the characteristics of our sample. Next, we will present the statistics of the items related to our study.

3.1 Sample Characteristics

In this section, we will successively present the data related to the visited companies and those related to the interviewed executives.

3.1.1 Characteristics of companies

Table No. 1: Status of the company.

3-Quel est le statut de votre entreprise ?					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	EURL	7	21,9	21,9	21,9
	SARL	9	28,1	28,1	50,0
	SPA	16	50,0	50,0	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

The companies visited as part of this survey are mainly of three types. 50% of the executives surveyed belong to joint-stock companies (SPA), 28% of them belong to limited liability companies, while 22% of them operate in single-member limited liability companies (EURL).

Table No. 2: Form of ownership of the company.

5-L'entreprise est-elle ?					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Etatique	3	9,4	9,4	9,4
	Privée Nationale	23	71,9	71,9	81,3
	Mixte	6	18,8	18,8	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

According to the table above, we observe that 72% of the executives surveyed belong to national private companies; 19% of the executives belong to mixed (partnership) companies, and 9%, or 3 executives, work in state-owned SMEs.

Table No. 3: Sector of activity.

6-Quel est votre secteur d'activité ?					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Services et Conseils	8	25,0	25,0	25,0
	Transport	2	6,3	6,3	31,3
	Industrie	14	43,8	43,8	75,0
	Energie	2	6,3	6,3	81,3
	BTP	2	6,3	6,3	87,5
	Télécommunications	2	6,3	6,3	93,8
	Hôtellerie	2	6,3	6,3	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

We have grouped the respondents' answers related to the sector of activity into the following points:

1- Services and Consulting, 2- Transport, 3- Industry, 4- Energy, 5- Construction, 6- Telecommunications, 7- Hospitality.

Thus, the majority of respondents (with a rate of 43%) belong to the industrial sector (with all its branches). 25% of the executives surveyed belong to the services and consulting sector. The rest of the executives belong to other sectors with the same percentage (6.25%).

Table No. 4: Company Workforce.

7-Quel est votre effectif ?					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Moins de 10	6	18,8	18,8	18,8
	Entre 10 et 50	7	21,9	21,9	40,6
	Entre 50 et 100	6	18,8	18,8	59,4
	Entre 100 et 500	7	21,9	21,9	81,3
	Plus de 500	6	18,8	18,8	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

The distribution of respondents regarding the size of their company revealed the following figures: 22% of executives work in companies employing between 10 and 50 employees, and the same percentage in companies employing between 100 and 500 employees. 18.8% of the executives surveyed work in companies with fewer than 10 employees, the same percentage in companies with "between 50 and 100" and "more than 500" employees.

3.1.2 Characteristics of the surveyed executive managers

Table No. 5: Gender of the responding executive.

8- Genre					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	HOMME	25	78,1	78,1	78,1
	FEMME	7	21,9	21,9	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Regarding the gender of the respondents, the table above indicates that men represent 78% (or 25), while women represent 22% (or 7) of our sample.

Table No. 6: Age of the responding executive.

9- Tranche d'âge					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Entre 25 et 35 ans	12	37,5	37,5	37,5
	Entre 35 et 45 ans	11	34,4	34,4	71,9
	Entre 45 et 55 ans	7	21,9	21,9	93,8
	Plus de 55 ans	2	6,3	6,3	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

The age distribution of the executive managers participating in our survey indicates that 37.5% of the managers belong to the age category between 25 and 35 years, 34.4% are between 35 and 45 years old, 21.9% are between 45 and 55 years old, and 6.3% (2 managers) are over 55 years old.

Table No. 7: Function of the Responding Executive.

10- Fonction					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Directeur Général	12	37,5	37,5	37,5
	Sous-directeur	5	15,6	15,6	53,1
	Directeur d'unité	5	15,6	15,6	68,8
	Chef de département (de division)	10	31,3	31,3	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

According to the table above, we notice that we managed to get responses from 12 general managers (37.5%), 10 department or division heads (31.3%) who are mainly HR managers, 5 deputy directors, and 5 branch managers.

Table No. 8: Experience of the responding executive.

11- Années d'expérience					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Moins de 5 ans	2	6,3	6,3	6,3
	Entre 5 et 10 ans	12	37,5	37,5	43,8
	Entre 10 et 20 ans	12	37,5	37,5	81,3
	Plus de 20 ans	6	18,8	18,8	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Regarding the experience of the executives in our sample, we notice that the majority of respondents have extensive experience in their management roles. 37.5% of these executives have between 10 and 20 years of experience, and 18.75% have more than 20 years of experience. 37.5% of them have an average experience ranging between 5 and 10 years. The least experienced executives (who have less than 5 years) represent 6.3% of the total population.

Table No. 9: Education Level of the Responding Executive.

12- Quel est votre profil (diplôme / formation) ?					
		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	LICENCE	8	25,0	25,0	25,0
	MASTER	14	43,8	43,8	68,8
	INGENIEUR	3	9,4	9,4	78,1
	MAGISTER	4	12,5	12,5	90,6
	DOCTORAT	3	9,4	9,4	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Most of the respondents, almost half, with a percentage of 43.8%, hold a Master's degree. 25% of

the executives in our sample hold a bachelor's degree. 9.4% of the executives in our sample are engineers. Doctors represent 9.4% of our sample, they number 3.

3.2 The governance structure

Table No. 10: The main shareholder.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Famille (s)	4	12,5	12,5	12,5
	Fondateur(s)	15	46,9	46,9	59,4
	Manager(s)	5	15,6	15,6	75,0
	Autre(s) entreprise(s)	6	18,8	18,8	93,8
	Autre (s)	2	6,3	6,3	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

The majority of the companies in our sample (47%) are companies whose capital is held by the founders of the company. Family businesses represent 12.5% of the companies in our sample. We can interpret these results by the fact that these companies are created as individual projects or means to make a fortune. To play the role of a driver in the development of the Algerian economy, these projects must be sustainable, that is to say, they must outlast the founder's generation.

Table No. 11: Identification of actors involved in control.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Conseil d'administration	17	53,1	53,1	53,1
	Actionnaires	13	40,6	40,6	93,8
	Autre (s)	2	6,3	6,3	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Generally, in SMEs, the concentration of power and the confusion of roles are relatively strong. Out of the 32 SMEs in our sample, 53% of them have a board of directors responsible for overseeing the management. In parallel, 40% of the leaders stated that the control function is ensured by the company's shareholders, who provide capital. Indeed, the power of the leader in SMEs is concentrated in the hands of a single person, which confirms the entrepreneurial nature of SME governance.

Table No. 12: Identification of Committees.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Comité de nomination	2	6,3	6,3	6,3
	Comité d'audit	6	18,8	18,8	25,0
	Comité de rémunération	1	3,1	3,1	28,1
	Comité stratégique	6	18,8	18,8	46,9
	Autres	17	53,1	53,1	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

According to (Gomez & Coche, 2007), the committees around the board or the leader are relatively underdeveloped for SMEs. Thus, 6.3% of the companies in the sample have a nomination committee, 18.8% have an audit committee, 3.1% have established a compensation committee, and 18.8% have a strategic committee.

The use of committees is helpful to assist the decision-maker in the SME. We observe that the existence of committees in SMEs is not well developed. This observation can be explained by the concentration of management power in small and medium-sized enterprises.

Table No. 13: Influence of the leader's family on the company's evolution.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Informelle	25	78,1	78,1	78,1
	Formelle	7	21,9	21,9	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Table No. 14: Existence of a formal family council.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	NON	28	87,5	87,5	87,5
	OUI	4	12,5	12,5	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

In corporate governance, the way institutions are used and made to function is essential. Our study revealed that 78% of respondents believe that the family exerts an informal influence on the company's governance. In family businesses, the leader's family exerts a significant influence on the company's evolution. The correctness of the decisions made by the leaders must be justified to the family members of the owner. In this way, the family members of the owner/leader will be involved in the governance of the company, and even if there is no formal family council, as illustrated in the table above. Another dimension of this study focused on the role of board members in SMEs as perceived by the leaders. We asked the respondents to rank the proposals presented in the tables above in order (priority / secondary).

Table No. 15: Role of the Board of Directors in providing advice to the executive.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Prioritaire	22	68,8	68,8	68,8
	Secondaire	10	31,3	31,3	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Table No. 16 : Role of the Board of Directors in Decision-Making

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Prioritaire	21	65,6	65,6	65,6
	Secondaire	11	34,4	34,4	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Table No. 17 : The Board of Directors' function in attracting networks

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Prioritaire	22	68,8	68,8	68,8
	Secondaire	10	31,3	31,3	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Table No. 18 : The Board of Directors' function is to provide technical expertise.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Prioritaire	17	53,1	53,1	53,1
	Secondaire	15	46,9	46,9	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

According to the responses, the surveyed SME leaders prioritize the following duties for directors: advising the leader (68.8%), participating in the decision-making process (65.6%), providing networks (68.8%), and giving technical competence (53.1%). The board of directors is seen as a cognitive tool that aids in skill development in strategic governance theories. According to this viewpoint, it is in charge of minimizing value losses brought on by partner conflicts of interest and generating fresh chances in a setting that is becoming more dangerous and unpredictable. As a governance tool, the Board of Directors must therefore assist the company in developing strategies that enable long-term value generation. He participates in the innovation process and is given a role in creating new opportunities (Charreaux, 2000).

Table No. 19: Assessment for administrators.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	NON	22	68,8	68,8	68,8
	OUI	10	31,3	31,3	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Moreover, the study shows that most of the senior executives in our study confirmed that no evaluation is conducted to assess the effective involvement of the directors in the life of the company.

Cognitive theories of governance recommend that the board of directors include representatives from all entities (employee organizations, companies, financial and training institutions, public authorities) that can demonstrate a direct interest in the firm investing to develop organizational learning (Charreaux, 2000). In this regard, the qualities of the directors must be assessed based on the cognitive contributions that can be integrated into the collective project of the company.

Table No. 20: Board Meeting Conduct.

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Vote	11	34,4	34,4	34,4
	Procès-verbal	13	40,6	40,6	75,0
	de façon informelle	8	25,0	25,0	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Regarding the conduct of councils, 40.6% of those surveyed believe that minutes are merely a formality in general assemblies. For 34.4% of respondents, the formal vote is a method of making decisions. Furthermore, according to a survey of CEOs, only 25% believe that the general assembly is held informally.

Administrators place a high priority on their ties with the board of directors in order to bolster perceptions regarding the effectiveness of the company's internal control (Viénot, 2007).

Two essential prerequisites for the board of directors to operate as efficiently as possible are its preparation and administration. The board's behavior is significantly influenced by the information system.

Therefore, it is vital to give the directors the information they need to grasp in order to conduct board meetings in a formal manner.

Table No. 21: Decision types pertaining to the Board of Directors

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Décisions routinières	15	46,9	46,9	46,9
	Décisions de financement	5	15,6	15,6	62,5
	Décisions d'investissement	11	34,4	34,4	96,9
	Autres	1	3,1	3,1	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

According to our research, 47% of the executives surveyed said that board members participate more in everyday choices, and 50% (15.6 + 34.4%) said that they participate in financing and investment decisions.

Table No. 22 : Finding the actual decision-maker for a strategic activity

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Dirigeant seul	3	9,4	9,4	9,4
	Dirigeant et conseil d'Administration	22	68,8	68,8	78,1
	Dirigeant et son équipe dirigeante	7	21,9	21,9	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Our study concentrated on identifying the actual decision-maker for strategic operations that commit the company's future, in keeping with our analysis of the decision-making process in the SMEs in our sample.

According to our research, 68.8% of the executives in our sample agreed that the board of directors and the leader work together to make strategic decisions. This circumstance demonstrates that a certain percentage of SME leaders in our sample rely on the board of directors to make strategic decisions rather than enforcing their own opinions in these circumstances. Out of 32 executives, only three said they make strategic decisions alone; the other seven said they work with the management team to make these judgments.

Table No. 23: Sharing the organization's vision

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Parfois	5	15,6	15,6	15,6
	Moyennement d'accord	3	9,4	9,4	25,0
	souvent	21	65,6	65,6	90,6
	Toujours	3	9,4	9,4	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Strategy is crucial to a long-term vision since it aids in the analysis of the environment and developments that may present both possibilities and risks. Additionally, it clarifies decisions made in every department of the company (Spitezki, 1995).

One of the responsibilities of a manager is to anticipate; they must be visionary, meaning they must be able to see things that others are blind to (Ducreux, Abate, & Kachaner, 2009). These writers contend that this capability needs to be developed for the business

in a way that is both persuasive and ensures the support of all parties involved. The vision's creation is challenging, and its formulation is a delicate effort carried out by the leader or leaders. Discipline, inventiveness, analysis, and transparency are necessary for this procedure.

Communication is a key component of SMEs, particularly those with a familial feel. As a result, 24 of the 32 executives in our sample rated this approach highly. The core of organizational justice within the enterprise is the dissemination of the company's goal (Nadistic, 2017). This conduct is crucial since it will lessen potential disputes and tensions between the various parties. Additionally, sharing the vision can be a powerful tool for inspiring employees.

Table No. 24: How a leader acts in intricate circumstances

	Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide sans chercher le compromis	26	81,3	81,3	81,3
compromis	6	18,8	18,8	100,0
Total	32	100,0	100,0	

Source: Findings from a survey.

As can be seen from the above table, 81.3% of the executive managers in our sample reported that they make judgments in complex situations without trying to reach a consensus with the other stakeholders.

(Dionne-Proulx & Larochelle, 2010) assert that the leader must base judgments on a wide range of ever-more-complex factors. Rather of trying to maximize value, he needs to optimize his decision-making process. The creation of regulations guiding the several stakeholders guarantees the process's rigor. In this way, by considering the effects of its actions, the moral business benefits society.

These findings highlight how power is concentrated in SMEs, providing operational capacity to the entrepreneurial leader. (Gomez & Coche, 2007) assert that this circumstance is unique to SMEs.

Table No. 25 : Conversations on the effects of choices

	Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide Jamais	4	12,5	12,5	12,5
Parfois	6	18,8	18,8	31,3
Moyennement d'accord	7	21,9	21,9	53,1
souvent	12	37,5	37,5	90,6
Toujours	3	9,4	9,4	100,0
Total	32	100,0	100,0	

Source: Findings from a survey.

More than half of the executive managers in our survey, ranging from never to moderately agree, place less weight on conversations regarding the implications of choices. The primary goal of corporate governance, according to (Chatelin-Ertur & Nicolas, 2011), is to provide a framework for the leader's decision-making. The way the leader interacts with the many stakeholders throughout the decision-making process raises a number of concerns. The efficacy of governance processes is partially determined by how well the leader and other stakeholders align their interests during decision-making. These are meant to reduce the possibility of agency conflicts. As a result, these mechanisms will frame the leader's management latitude and impact their decision-making behavior.

Insofar as it permits the leader to make compromises while making decisions that create value, governance is said to be facilitating. Making strategic decisions that add value is the leader's job. According to this viewpoint, it would be crucial to have conversations regarding the decisions' effects with the different stakeholders.

Table No. 26 : Recognizing the factors that drive the company's actors

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Jamais	2	6,3	6,3	6,3
	Parfois	7	21,9	21,9	28,1
	Moyennement d'accord	1	3,1	3,1	31,3
	souvent	18	56,3	56,3	87,5
	Toujours	4	12,5	12,5	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

Values are at the center of the decision-making process, which goes beyond economic reason. Assessing the associated effects and results of every action is a crucial step in this process. The context of the company's actors is linked to individual and/or collective cognition during the decision-making process. According to (Journé & Raulet-Croset, 2012), the cognitive component originating from the action context must be considered when analyzing decisions. It is not possible for the decision-maker to optimize decisions on their own, according to (Friedberg, 2011). « *The complexity of the mental processes involved in any true optimization indeed far exceeds the reasoning and information processing capabilities, which are always limited, of a human being* » (Friedberg, 2011, p. 18).

Table No. 27 : Information sharing for innovative decision-making

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Parfois	4	12,5	12,5	12,5
	Moyennement d'accord	7	21,9	21,9	34,4
	souvent	16	50,0	50,0	84,4
	Toujours	5	15,6	15,6	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

The aforementioned table shows that 21 of the 32 executive managers polled gave the flow of information a high priority in order to make pertinent judgments. Organizational leaders frequently have to make decisions that don't fit neatly into a personal reasoning. As a result, their rationality will be limited because informational limits will limit their options. The quality of the decision will benefit from the pertinent information flow amongst the decision-making process's actors since the amount of data produced will enable the leader to more accurately assess the various options for the decision and the implications of each option.

Effective initiative requires that all parties participating in the decision-making process share their opinions. The stakeholders will be able to comprehend the corporate objectives through the information that is provided with them.

Table No. 28 : Stakeholder identification for the examination of current data on decision-making scenarios

		Effectifs	Pourcentage	Pourcentage valide	Pourcentage cumulé
Valide	Dirigeant seul.	3	9,4	9,4	9,4
	Dirigeant et conseil d'administration	6	18,8	18,8	28,1
	Dirigeant et ses managers.	8	25,0	25,0	53,1
	Dirigeant et ses salariés	3	9,4	9,4	62,5
	Dirigeants, conseil d'administration et salariés	12	37,5	37,5	100,0
	Total	32	100,0	100,0	

Source: Findings from a survey.

The identification of the stakeholders involved in the analysis of existing data on decision-making situations represents a key component of the decision-making process in organizations. This operation will help to clarify the areas of maneuver for these actors and to delineate their decision-making power.

In companies, and particularly in SMEs, every decision turns out to be intrinsically strategic. Bad choices can lead to consequences that directly impact the entire organization, its members, and its growth opportunities. To this end, identifying the parties involved in data analysis in decision-making situations is a delicate task for senior executives and for these parties.

It is advised that the leader accurately identify the stakeholders involved in data analysis in decision-making situations in order to improve coordination of the various phases of the process. With this approach, the stakeholders will be more cohesive and the stress and ambiguity that frequently accompany this process will be lessened.

Conclusion :

The field of governance theories appears to be dominated by shareholder disciplinary governance at the moment. As a result, new ideas can be developed more slowly in terms of value generation processes. As a result, the advancement of more effective management techniques may be constrained. The company's unique governance system must develop as knowledge advances and the company's characteristics change in order to maximize value creation and guarantee sustainability.

It is crucial to consider the complementarity and contingency of governance mechanisms. As a result, studies that focus just on one mechanism overlook the systemic component of governance, and knowledge of the process of wealth creation is comparatively restricted.

Conflicts of interest may arise as a result of firm executives reducing organizational value generation in an effort to maximize shareholder value development through short-term strategic actions. Tensions, strikes, protests, etc., can have detrimental effects on the economy and society, affecting people's quality of life and the generation of value. « *By better taking into account all stakeholders and the various value-creating levers, practices related to more comprehensive theories can improve the creation of organizational value* » (Moris, 2012, p. 156).

In the current environment of changing markets, customers, competitors, and technologies, businesses must adapt to these changes.

We pave the way for comprehension of the unique characteristics of SME governance in Algeria by carrying out this survey. Our goal was to provide a brief overview of the procedures and components that make up these businesses' governance. Finding the connections between SME governance and its medium- and long-term performance will require research.

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