

Organizational culture and performance of the Algerian public company: case of the SOREMAP company

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Abstract:

The modernization of the Algerian public company is the cornerstone of an ambitious policy pursued by the government in recent years. In this context, organizational culture can be a performance lever and a tool for motivating public company employees to improve productivity.

The field study was conducted on 60 employees of SOREMEP. The results of the analyses confirm the weak culture that is conveyed in the company characterized by the absence of common values and identical behaviors between employees that block cohesion. Therefore, the will to strengthen the organizational culture is necessary to mobilize human resources and increase the productivity of the company.

Keywords: Public company, Organizational culture, Performance, Sense of belonging, individual behavior.

Jel Classification Codes: M1,M2,M14

Introduction:

Today, the environment of Algerian business has changed – the globalization of the economy, the development of information and communication technologies (ICT) and their permanent evolutions, the development of national and international competition, the increased demand of customers – requires companies to be increasingly competitive. The diversity of these developments, however, allows Algerian companies to understand that the men who constitute them represent their strength and that they must put them at the heart of their concerns to ensure their competitiveness. For Michel Crozier "the problem posed to organizations by the accelerated evolution of our societies goes beyond conventional management" (M. Crozier, 1984, P53).

Parallel to these major developments, we note that companies in developed countries are never as interested in their values and culture as they are today. A strong organizational culture gives the employee a strong sense of fulfillment, comfort,

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general satisfaction, body and mind, therefore references, which can cause performance at work.

Indeed, to move towards a modern Algerian public company, those responsible for the modernization project of the Algerian public company are therefore faced with the challenge of mobilizing women and men every day, their intelligence, their heart, their critical spirit, their taste for play, dreams, their talent for creation, communication, observation, in short their richness and diversity.

The mobilization of the energies of the employees of the Algerian public company seems to be one of the answers to improve performance at work. A motivated employee feels an emotional connection to the company that pushes them to voluntarily put in above-average effort.

In this context, the purpose of this article is to understand the links and crossovers that may exist between the two variables of this research, in this case, organizational culture and performance at work. This prompts us to ask the following question: can the implementation of a strong organizational culture have an impact on improving the performance of the Algerian public company?

To answer this question, we opted for a theoretical and empirical approach. The first part of this article consists of a study of human behavior within the organization to understand the importance of organizational culture in developing in the employee a sense of belonging and identification that pushes him to render service in accordance with the ethical standards of the profession. The second part is devoted to the practical study carried out at SOREMAP company level.

1- Conceptual framework and formulation of the hypothesis:

Before analysing the impact of organisational culture on business performance, it seems essential to us to understand the process of human behaviour within the organisation.

1.1 Human behaviour within the organisation:

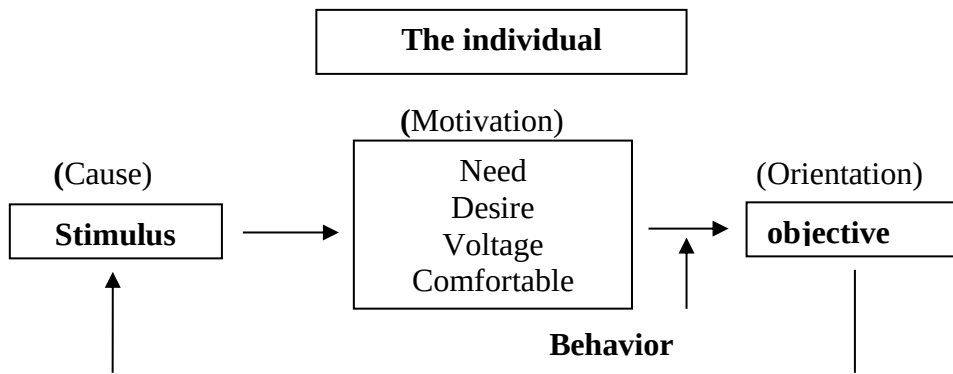
Organizations are composed of individuals, whose understanding of their behaviors and the development of their skills constitute a vital activity for their survival. For Thévenet, it is a dead end to think that management can act on people to improve the quality of their relationship with the organization. Above all, it is necessary to understand the logic of the individual, his rationality, not to change but to find compromises and common ground (M. Thévenet, 1993, P44).

1.1.1 Behavioral process:

According to Savall and Zardet, behaviour is defined as "a set of man's manifestations actually observed and which have an impact on his physical and social environment" (F. A. Bailly, D. Bourgeois et al, 2006, P68).

According to Leavitt, behavioral processes are similar for all individuals. It highlights the presence of three elements that are simultaneously interrelated: behaviors caused, motivated and oriented by objectives.

Figure 1: Basic behavioral model.



Source: B. Marcela et R. Briones. (2006). Les enjeux de l'interaction entre les comportements et les compétences, et son impact sur la coopération entre les individus. Thèse présenté à l'Université Jean Moulin Lyon3.

In Figure 1, the author considers that behavior is determined by the reaction to stimuli (or causes), which are filtered by needs, desires, tensions, etc.

The process of behavior is the same for all individuals, but psychological processes differ according to the behaviors of individuals, as they are influenced by individual characteristics (personality, attitudes, perception) and the work environment.

1.1.2 Determinants of Individual Behaviour at Work:

A fundamental proposition drawn from the work of Kurt Lewin $C = f(P \cdot E)$ according to which human behaviour (C) is a function of the person (P) interacting with the environment (E) in which they are found. By modifying the E, it is theoretically possible to orient in a given direction the behaviors of the majority of individuals living under the influence of the E. Obviously, the intensity of the change in individual behaviors will vary from one individual to another, because the P factor will modulate the effects of the E.

The work environment (E) includes a set of factors such as the organizational culture, the organization's objectives and policies, leadership phenomenon, the internal structure of groups, communication. These are important factors that can combine with the personality, perceptions and attitudes of the person (P) and influence their behavior (A. Savoie, L. Brunet, 2000,P57).

The study of human behavior within organizations will invite managers and line managers to identify the points by which they can better motivate their staff and involve them in the general process of the organization of which they are a member. Among which it is important to study in this article the impact of the culture conveyed in the public administration on the mobilization of the energies of civil servants with the aim of improving public service.

1.2 Culture and performance: the new breath of life for the company

Every people has a way of life and thought that distinguishes them from others: their ideas, their customs, their beliefs, their language. Each human community (family, association, etc.) also has a set of particularities.

Companies, administrations do not escape the rule, each of them is a specific microsome and has a culture, even if those who work there do not always perceive it consciously.

Administration, the primary instrument for the stability but also for the transformation of our societies, interests us in the first place. Numerous waves of modernization and reform, as well as research conducted on administrative systems since the 1950s, show that organizational culture is both a factor of stability and performance.

1.2.1 Understanding Organizational Culture

We have noted several definitions of organizational culture, that is to say how many views can differ on this subject.

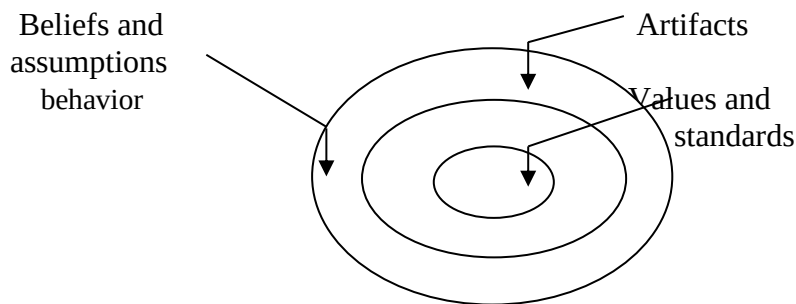
For Aktouf, organizational culture was defined as “a system of shared values and beliefs interacting with a company's population, organizational structures, and control systems to produce norms of behavior” (Florence Pinot, 2006, P217).

According to Maurice Thévenet, organizational culture is "a set of references shared in the organization and built throughout its history in response to the problems encountered by the company. It is also a way of describing the company " (Y. Pesqueux, 2004,P170).

E.Schein proposed a first definition of organizational culture, which is considered the most advanced in management. It is “the structure of the core values shared by a group, who invented, discovered or developed them, learning to overcome their problems of external adaptation or internal integration, values that have worked well enough to be considered operational and, as such, be taught to new group members as the right way to perceive, think about and feel similar problems to be solved”. For him, culture is composed of 3 levels:

- 1) On the surface we find the artifacts (structure of the organization, management process) that materialize the other two levels.
- 2) Below which the values and norms of behaviour are based: the general framework used by the organisation to conduct its action (strategy, objectives of the organisation and general philosophy).
- 3) At the lowest level, a knot of beliefs and assumptions, it transcends the consciousness of the actors, making it de facto invisible to direct observation.

Figure 2: Culture model according to Schein



Source: J.C Sardas. (2007). Comprendre et organiser: Quels apports des sciences humaines et sociales. Ed. Harmattan, P63.

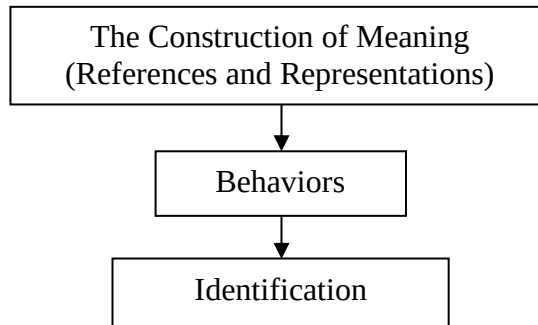
1.2.2 The relationship between culture and performance in the company

The study by Kotter and Heskett began in the summer of 1987. In the space of four years, they carried out studies that aimed to determine whether there is a causal relationship between the organizational culture and its results. The results reported by Kotter and Heskett revolve around two theories that explain the relationship between culture and performance.

- **Theory 1:** “Strong cultures have a positive influence on company performance because they motivate staff”.

This theory combines the power of culture with performance excellence. A strong organizational culture is the identification, understanding and execution of values, which allows staff to mobilize and take responsibility. The more explicit these aspects are, the more the decisions that staff make on a daily basis are in harmony and synergy with the orientation of the organization, which certainly leads to provoking a company with a strong culture, the messages and symbols attached to a culture are transmitted to the individual by formal and informal means that push the individual to build in his own psyche an image, an idea of what is the organization. The integration mechanism takes place through adherence to the values of the organization. The great advantage of this mechanism is that the individual project merges with the company project. To succeed and maximize their utility, the individual must make every effort to serve their business. The company is therefore manifested by a deep attachment to the organization and a sense of personal valorization. This identification is a motivating factor.

Figure 3: Business Identification Process



Sources: M. Thévenet.(1993). La culture d'entreprise ». Ed. Presses Université de France.

- **Theory 2:** "Culture exists to motivate staff and guide their action taking into account the context in which it takes place. The key concept is no longer intensity but adaptation. "This theory emphasizes the adaptation of culture to the environment rather than its power.

What culture conveys is more important than its power. By context, we mean either the general situation of the organization or the objective it seeks to achieve. In this sense, only a culture that respects the context or the environment in which it takes place guarantees significant results.

John P. Kotter observes that companies facing a competitive environment exhibit a philosophy of organization and mentalities based on values such as risk appetite, trust, initiative, love of action. Individuals spontaneously combine their efforts to solve problems and implement solutions. There is a feeling of confidence in the company that gives everyone the assurance that they are capable of facing all difficulties and mastering all situations that arise. And when the philosophy of the organization authorizes initiative at all levels of the hierarchy, it promotes risk-taking, innovation, communication and staff involvement. This kind of values-based culture allows staff to mobilize and empower themselves. And to adapt more quickly to fluctuations in the environment (M. Thévenet, 1993, P96).

This theory emphasizes the values and behaviors that make it possible to adapt to the context. It has the merit of completing the first theory.

This literature therefore leads us to formulate the following hypothesis:

"The performance of the Algerian public company depends on the development of a strong organizational culture capable of motivating the employee and guiding his action".

2- Research methodology

Now that we have a frame of reference to guide us, we move on to translating that vision into reality on the ground. The practical study was carried out at the level of the company SOREMEP spa, a metalloplastic study and realization company created in 2001 at the industrial zone of Tlemcen as part of the subsidiaryization of the ENTC, National Telecommunications Company. It is part of the portfolio of the Société de Gestion des Participations (SGP CABELEQ). SOREMEP has started its activity since its creation by making metal furniture in different forms and for different uses. This year, it achieved a turnover of 900 million Algerian dinars with a staff of 229 agents.

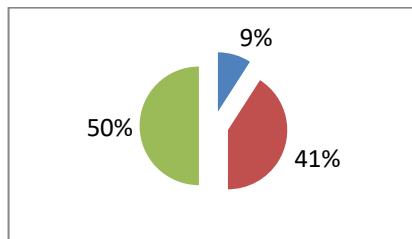
2.1 Data collection

Our research begins with the collection and analysis of data and information (documents, regulations, etc.) about the SOREMAP company. We deepened this information through meetings with responsible executives. And since our research was more about organizational culture, we were supposed to bring different departments closer together. A questionnaire was then administered to a sample. The sample size we selected is 60 employees, either receptionists, office agents or responsible managers who work in the SOREMAP company.

2.2 Results:

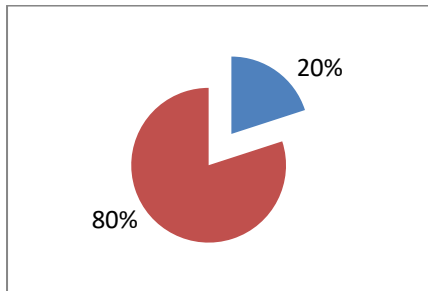
The results of the questionnaire and the interviews with the employees allowed us to obtain a set of interesting facts:

- The company under study is trapped in a rigid and traditional operating framework where internal communication is reduced to the transmission of top-down information in written form (memos, directives, etc.) by taking the hierarchical path.
- The social climate of the administration is not healthy, as we have noticed a number of conflicts between members of the administration that have had effects on interpersonal relationships and communication.
- Communication within the company



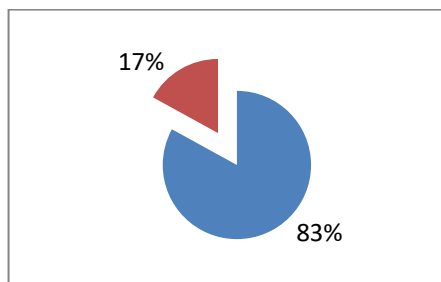
	Number	Percentage
Excellent	6	9%
Pretty good	24	41%
Bad	30	50%
Total	60	100%

- We noted in the field and on a daily basis the lack of shared values among members of the administration. No documents are sent to officials to imbue them with these values.
- Do you know your company's values of conduct?



	Number	Percentage
Yes	12	20%
No	48	80%
Total	60	100%

- We noted that the managerial culture of the SOREMAP company like all other Algerian public companies is steeped in the vicissitudes of the past because the legacy is not only in the forms and institutional standards but also and above all it is in the behaviors conveyed on a daily basis. This culture inherited from the past has contributed decisively to the emergence of certain behaviors and negative values observed in everyday life on the part of the individual such as: high absenteeism rate, a certain letting go behavior, putting personal interests well before those of the company.
- The current operating system of the company under study no longer allows it to renew its image with its own officials and traditional users.
- Does the internal image (overall functioning) of the company present you with a sign of motivation?



	Number	Percentage
Yes	9	17%
No	51	83%
Total	60	100%

2.3 Discussion:

The study conducted in the SOREMAP company revealed a number of shortcomings in terms of performance and productivity. This is explained, on the one hand, by the weak culture that is conveyed in the company characterized by the absence of common values and identical behaviors between the company's employees, and on the other hand, by the unhealthy social climate that thus blocks cohesion.

This situation observed in the company under study is detrimental to the development of a sense of belonging and identification in the employee. It has pushed many employees to do their jobs routinely without seeking to improve and for some to put their personal interests well ahead of those of the company.

The reality we have seen does not allow the Algerian public company to meet the increased expectations of customers in an environment characterized by the gradual increase of globalization. Therefore, the will to strengthen the organizational culture is necessary to mobilize human resources. The success of this approach will only be achieved if we actually manage to:

- The development of administrative procedures manuals, intended to introduce new managerial attitudes and skills.
- Reflect on the values on which we will choose to focus the company.
- Employees' adherence to the values must be verified through daily actions.
- Establish a favourable social climate and satisfactory communication between members of the administration.
- To curb negative habits and behaviours found in employees.

The implementation of these actions is not easy. The erasure of negative habits, the change of management mode and the values conveyed in the administration are difficult to achieve because this culture exists in the administration object of study is anchored in the collective memory. As a result, the evolution of organizational culture remains above all, conditioned by the change in the state of mind of the various social actors.

Then, it is only in the fight by lifting these constraints that the Algerian public company will succeed in producing a new culture conceived as the synthesis between the informal and the formal. Its essential function would therefore be to channel the behaviours of employees of diverse social origin, in the direction of improving the service rendered to the citizen and respect for public affairs.

Conclusion:

The public company has always occupied a special position within the decisions of the Algerian state because of the importance attached to the concept of public power. In this perspective, there are many challenges facing the Algerian public company today. Among the most important are more reforms and modernization.

To face these challenges, we need a public company that performs better than today's, but which nevertheless needs to be much more open in its relations with the external environment, and much more flexible in its internal functioning.

Faced with this complexity experienced by our public companies, the establishment of a strong organizational culture will constitute a new breath of life. It will help to channel the energy of civil servants towards the achievement of the company's objectives. The individual dimension will be taken into account not partially (economic dimension limited to wages) but totally (psychological, cultural dimension). To this, we refer to what Boudon quoted "axiological rationality (the actor acts according to a code of values that is not always in the direction of his

interests) takes precedence over utilitarian rationality (the actor acts only according to his material interests) dominant today"(D. Guerid, 1997, P32)ⁱ.

The performance of the Algerian public company therefore remains a major challenge for the State in the coming decades and the organizational culture could certainly provide answers in this new framework of reflection.

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